

Design Dundee Limited
(a company limited by guarantee)

Report and accounts
for the year ended 31 March 2012

Registered number: SC370598

Charity number: SC041219

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Design Dundee Limited
(a company limited by guarantee)

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Charity information

Directors	DK Dorward Prof NG Terry Prof CP Downes LMS Knox DHE Thomson ME Gemmill EN Brogan P Long
Alternate directors	PN Durrant GH McKee M Galloway J Prosser S Wilson
Principal office	Enterprise House 3 Greenmarket Dundee DD1 4QB
Auditors	Henderson Loggie Royal Exchange Panmure Street Dundee DD1 1DZ
Company secretary	Thorntons Law LLP
Registered office	Whitehall House 33 Yeaman Shore Dundee DD1 4BJ
Solicitors	Thorntons Law LLP 33 Yeaman Shore Dundee DD1 4BJ
Bankers	The Royal Bank of Scotland 3 High Street Dundee DD1 9LY
Registered number	SC370598
Charity number	SC041219

Design Dundee Limited
(a company limited by guarantee)

Report of the directors

This is the report of the directors of Design Dundee Limited for the year to 31 March 2012.

The company information set out on page 1 forms part of this report.

Structure, governance and management

Constitution

Design Dundee Limited is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association.

Recruitment, induction and training of directors

New directors are recruited and appointed according to the workload of the committee in terms of both the business of the company and the needs of Design Dundee Limited in that they require specific jobs to be fulfilled by their directors.

Directors and organisation structure

The management of Design Dundee Limited shall be in the hands of the directors and members. The directors who served during the year to 31 March 2012 were as follows:

DK Dorward
Professor NG Terry
Professor CP Downes
LMS Knox
DHE Thomson
JM Farrell (resigned 04/04/11)
MEP Jones (resigned 15/06/11)
EN Brogan (appointed 06/05/11)
ME Gemmill (appointed 15/06/11)
P Long (appointed 21/09/11)
PN Durrant (appointed 31/10/11) (Alternate to NG Terry)
GH McKee (appointed 23/11/11) (Alternate to CP Downes)
M Galloway (appointed 14/12/11) (Alternate to DK Dorward)
J Prosser (appointed 28/02/12) (Alternate to ME Gemmill)
S Wilson (appointed 04/07/12) (Alternate to EN Brogan)

The board of directors met 6 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.

Audit committee

The Directors have established an audit committee to assist the Board to fulfil its responsibilities with regard to oversight of:

- the financial statements, auditing, accounting and related reporting
- internal control and risk management systems
- corporate governance policies and practices

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Report of the directors (continued)

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.

Related parties & relationship

The company was established with the express aim of organising the development and delivery of the V & A at Dundee. The founder members have created Design Dundee Limited which will drive the development and delivery of the project. The founder members are Dundee City Council, the Universities of Dundee and Abertay Dundee, Scottish Enterprise and the Victoria & Albert Museum.

Risk management

The directors regularly assess the major risks to which Design Dundee Limited is exposed, in particular those related to the operation and finances of the company, in order to satisfy themselves that systems are in place to mitigate the company's exposure to the major risks.

Objectives

The objects of the company are:

- i. to advance the arts, heritage, culture and science;
- ii. to advance education and research;
- iii. to advance citizenship and community development in furthering purposes i and ii;
- iv. to advance such similar charitable purposes as the Directors may consider appropriate from time to time.

The foregoing charitable purposes, which are designed to benefit the people of Dundee, Scotland, the rest of the United Kingdom and the world, are to be particularly furthered by (1) the establishment, building, construction and promotion of a museum and associated resources and facilities based in Dundee together with associated infrastructure enhancement and development; (2) the operation, management and development of the museum and other resources and facilities which provide public access to collections of works of art and design including in particular modern, contemporary and future facing creative design and applied arts; (3) the development of a local, national and international centre for design and creative excellence based in Dundee; (4) the development and delivery of arts and cultural activities and events, workshops, artistic programmes, curatorial strategic and policies and educational and research projects; and (5) a culture based contribution to civic pride and regeneration in Dundee and beyond.

Activities and achievements

The principal activity of the company in the year under review was that of the development of the "V & A at Dundee" project. A Scottish Government grant of £955,835 was allocated during the year. This grant supported expenditure on product design, building design, marketing, administration and fundraising.

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Report of the directors (continued)

Financial Report

The company has a surplus for the year ended 31 March 2012 of £162,381 (*2011 - deficit of £12,826*).

Plans for future years

The development of the "V & A at Dundee" project.


Reserves policy

Given the nature of the company's funding and its stage of development it is not realistic to set a categoric reserves policy. The directors will continue to ensure that expenditure is only incurred bearing in mind funding available such that reserves and cash are available to meet ongoing obligations.

Auditors

So far as each director is aware there is no relevant audit information of which the auditors are unaware. Each director has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the board of directors by:



DHE Thomson
Director

29 October 2012

Design Dundee Limited
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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 accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts 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 accounts comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the accounts of Design Dundee Limited for the year ended 31 March 2012 which comprise statement of financial activities, balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the members, as a body, in accordance with Section 495 of the Companies Act 2006, and to the charity's trustees, 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. Our audit work has been undertaken so that we might state to the members and the charity's 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 charity, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement (set out on page 5), the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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 responsibility is to audit and express an opinion on the revised accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland revised). Those standards require us to comply with the Auditing Practices Boards (APBs) Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including 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).

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Independent auditor's report to the members and directors of Design Dundee Limited
(continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

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

- the charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the revised accounts are not in agreement with the accounting records and returns; or
- certain disclosure or directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



George M Hay (Senior Statutory Auditor)

For and on behalf of

Henderson Loggie, Statutory Auditor

(eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006)

Dundee

29 October 2012

Design Dundee Limited
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Statement of financial activities for the year ended 31 March 2012

	Note	Unrestricted funds 2012 £	Unrestricted Funds 2011 £
Incoming resources			
Incoming resources from generated funds:			
Voluntary income	2	958,010	512,250
Total incoming resources		958,010	512,250
Resources expended			
Cost of generating funds	3	237,285	36,930
Charitable activities	3	554,780	485,266
Governance costs	3	3,564	2,880
Total resources expended		795,629	525,076
Net movement of funds and net income/(expenditure) for the year		162,381	(12,826)
Fund balances at 1 April 2011		(12,826)	-
Fund balances at 31 March 2012		149,555	(12,826)

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

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Balance sheet as at 31 March 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Investments	5		1		1
Tangible fixed assets	6		26,106		-
			<u>26,107</u>		<u>1</u>
Current assets					
Debtors and prepayments	7	-		396,000	
Cash at bank and in hand		282,159		1,250	
		<u>282,159</u>		<u>397,250</u>	
Current liabilities					
Creditors and accruals	8	(158,711)		(410,077)	
		<u>(158,711)</u>		<u>(410,077)</u>	
Net current assets/(liabilities)			<u>123,448</u>		<u>(12,827)</u>
Net assets/(liabilities)			<u>149,555</u>		<u>(12,826)</u>
Represented by					
Unrestricted funds	9		<u>149,555</u>		<u>(12,826)</u>

The notes on pages 10 to 14 form part of these accounts.

These accounts were approved by the board of directors on 29 October 2012 and signed on their behalf:



DHE Thomson
Director

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Notes to the accounts

1 Accounting policies

In common with many other charities of our size and nature, we use our auditors to assist with the preparation of the accounts.

Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards and recommended practice under the historical cost convention and include the results of the charity's operations, all of which are continuing.

The accounts have been compiled in accordance with the Statement of Recommended Practice - "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005 and applicable law.

Incoming resources

Resources expended and irrecoverable VAT

All expenditure is included on an accruals basis and is recognised when there is a legal obligation to pay for expenditure. Irrecoverable VAT is included in the related expenditure.

- Cost of generating funds includes all fundraising costs.
- Charitable activities include expenditure associated with the V & A project.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated on a basis consistent with the use of resources.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

Tangible fixed assets

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

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

Office equipment	-	3 years straight line
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Notes to the accounts (continued)

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 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.

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.

Pensions

Design Dundee Limited makes payments to personal payment plans on behalf of employees.

2 Voluntary income	2012	2011
	£	£
Government grants	955,835	511,000
Donations	2,175	1,250
	958,010	512,250

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Notes to the accounts (continued)

3 Total resources expended

	2012 £	2011 £
Cost of generating funds		
Fundraising	129,931	36,930
Salaries	107,354	-
	<u>237,285</u>	<u>36,930</u>
Charitable activities		
Product design costs	42,062	100,533
Building design costs	129,059	106,704
Marketing	64,242	106,540
Administration	111,615	149,563
Salaries	207,802	21,926
	<u>554,780</u>	<u>485,266</u>
Governance costs		
Audit fees	1,680	1,680
Accountancy fees	1,884	1,200
	<u>3,564</u>	<u>2,880</u>
	<u>795,629</u>	<u>525,076</u>

4 Emoluments

Wages and salaries	257,843	14,486
Social security costs	24,385	3,523
Pension costs	32,928	3,917
	<u>315,156</u>	<u>21,926</u>

	No.	No.
Average number of employees during the year	<u>7</u>	<u>1</u>

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Notes to the accounts (continued)

4	Emoluments (continued)	2012 £	2011 £
	Directors emoluments		
	Emoluments		
	P Long	63,174	-
	Pension contributions		
	P Long	8,476	-
		<u>71,650</u>	<u>-</u>

Trustees' travel expenses paid in the year are as follows:

LMS Knox	165	-
ME Gemmill	60	-
P Long	5,949	-
	<u>6,174</u>	<u>-</u>

5	Investments		
	Craig Harbour Limited	<u>1</u>	<u>1</u>

Craig Harbour Limited is a wholly owned subsidiary incorporated in Scotland. The company did not trade in the year ended 31 March 2012.

6	Fixed assets	Office equipment £
	Cost	
	Additions	26,293
	At 31 March 2012	<u>26,293</u>
	Depreciation	
	Charge for the year	187
	At 31 March 2012	<u>187</u>
	Net book value	
	At 31 March 2012	<u>26,106</u>
	At 1 April 2011	<u>-</u>

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Notes to the accounts (continued)

7 Debtors and prepayments

	2012 £	2011 £
Grants receivable	-	396,000

8 Creditors and accruals

Amounts due to Dundee City Council	39,596	217,046
Amounts due to University of Dundee	23,851	190,150
Amounts due to Scottish Enterprise	293	-
Accruals	94,971	2,881
	<u>158,711</u>	<u>410,077</u>

9 Funds

	Unrestricted £
At 1 April 2011	(12,826)
Movement in year	162,381
At 31 March 2012	<u>149,555</u>

10 Control

The company is under the control of the members.

11 Related party transactions

During the year Dundee City Council, University of Dundee and Scottish Enterprise made payments on behalf of Design Dundee Limited and the balances due to them are as detailed in note 8.