

Design Dundee Limited
(a company limited by guarantee)

Report and consolidated financial statements
for the year ended 31 March 2020

Registered number: SC370598

Charity number: SC041219



Design Dundee Limited
(a company limited by guarantee)

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Design Dundee Limited
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Charitable company information

| | |
|----------------------------|---|
| Directors | TED Allan DHE Thomson L Bell A Taylor T Reeve A Pogson R Lloyd E Bate P Brewer G Colgan I Gillespie E Zwirlein |
| Alternate directors | T Hunt |
| Principal office | V&A Dundee 1 Riverside Esplanade Dundee DD1 4EZ |
| Auditors | MHA Henderson Loggie 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 5 Victoria Dock Road Dundee DD1 3JT |
| Registered number | SC370598 |
| Charity number | SC041219 |



Report of the directors

The Board of Directors has pleasure in presenting its report and financial statements for the year ended 31 March 2020.

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

Introduction

V&A Dundee is Scotland's first design museum and a new landmark cultural building for the nation. 2019-20 marked the museum's first full financial year of operations, following its opening on 15 September 2018 after over 11 years of planning.

Within the financial year the museum far exceeded pre-opening estimates for both visitor numbers and economic impact, welcoming over 830,000 visitors in the first 12 months and delivering an economic impact for Scotland of £75 million:

The museum continued to develop its role as an international centre for design, a major accelerator in the regeneration of the city and region, and a key part of the city's social fabric.

Within the financial year the museum met the major milestone of 10,000 people taking part in free family workshops, a moment celebrated by the First Minister meeting with Home-Start Dundee, a local charity which supports families with young children through a range of issues including post-natal depression, isolation, physical health problems and bereavement.

At the end of the financial year the museum was closed due to the COVID lockdown, with staff furloughed and a rapid shift to digital delivery of programme content, continuing to engage museum audiences and local communities throughout the pandemic.

The museum development

Design Dundee Ltd was established to develop and operate V&A Dundee. The founding partners are the Victoria and Albert Museum, Dundee City Council, the University of Dundee, Abertay University and Scottish Enterprise.

Design Dundee Limited is a company limited by guarantee and a registered charity (Registered Charity no: SC041219) governed by its Memorandum and Articles of Association.

The objectives outlined in its Articles of Association are:

- to advance the arts, heritage, culture & science
- to advance education & research
- to advance citizenship & community development

The Articles of Association state that DDL 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.

Report of the directors (continued)

V&A Dundee has been established in close partnership with the Victoria and Albert Museum (V&A), drawing on its world-class collections of art, design and performance, as well as the V&A's curatorial expertise and exhibitions. It is promoted as part of the V&A's family of sites.

The museum building, the first in the UK designed by Japanese architect Kengo Kuma, is part of the Dundee City Council estate and is operated by Design Dundee Limited rent free.

Mission and vision

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

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

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

Strategic Objectives

To achieve our vision, we aim to:

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

Highlights 2019-20

The financial year 2019-20 saw a range of major highlights in the operation of V&A Dundee, including shortlisting for major awards, reaching the 1 millionth visitor, and announcing major economic impact for Dundee and Scotland.

Programme

Two major exhibitions were opened in this financial year. *Videogames: Design/Play/Disrupt* ran from April to September and *Hello, Robot. Design Between Human and Machine* from November to February.

Videogames: Design/Play/Disrupt welcomed 46,478 visitors and *Hello, Robot. Design Between Human and Machine* welcomed 28,697 visitors. Exhibition attendances include ticket sales, scanned membership cards, and community and school group visits.

Videogames: Design/Play/Disrupt

Videogames: Design/Play/Disrupt celebrated and explored the cultural importance of videogames. It revealed how they are designed, how they are confronting issues such as politics, race and gender, and how the future of videogames is being shaped by huge online communities, as well as tiny independent studios and collectives around the world.

The exhibition focused on major shifts since the mid-2000s, when changing technology – from mobile phones to increasing internet speeds – transformed how games are designed, discussed and played. Visitors could see a range of fascinating objects that unpicked the design process, from rarely seen sketches and notebooks to storyboards, musical scores and computer code.

The exhibition included a major new commission from Glasgow-based illustrator Ursula Kam-Ling Cheng, who created a colourful and chaotic mural called *Girl Evader* that was inspired by virtual worlds. Cheng incorporated designs by V&A Dundee's Young People's Collective and members of the public into a special installation of PVC hangings called *Ipseity Invades!*



Report of the directors (continued)

Videogames designed by Abertay University lecturer Niall Moody (*Hummingbird*) and Abertay graduate Llaura McGee (*If Found* by Dreamfeel) were showcased in a section focusing on the work of alternative and independent studios all over the world who curate events that celebrate the social side of games. The two new games were housed in bespoke arcade cabinets designed by Edinburgh studio We Throw Switches.

To accompany the exhibition, the museum commissioned a new videogame. *Plaything* is a joyous and intimate web-based game created by Will Anderson and Niall Tessier-Lavigne, which allow players to create a character in their web browser, a beautifully hand-crafted creature that grows with you.

Hello, Robot. Design Between Human and Machine

Hello, Robot. Design Between Human and Machine was a UK-exclusive exhibition organised with the Vitra Design Museum, MAK Vienna and Design Museum Gent.

With new technological developments being made every day and robots increasingly finding their way into our homes, our workplaces and even our pockets, it has never been more important to understand and shape the relationships between humans and machines. *Hello, Robot* took visitors through four stages of robot influence and evolution, asking seemingly simple questions along the way.

Outside the exhibition a new large-scale structure by robotic architecture practice Gramazio Kohler commissioned for V&A Dundee was installed. Inspired by historic Scottish building techniques and made of wooden planks and timber dowels, it was constructed in Gramazio Kohler's robotic laboratory in Zürich and tested the idea of collaboration between human and machine. The commission also included a digital interpretation developed in partnership with Abertay University.

Visitor numbers

V&A Dundee welcomed over 830,000 visitors in its first year, 330,000 more than the pre-opening estimate of 500,000 visitors.

The museum welcomed its 1 millionth visitor in February 2020, just over 500 days after it first opened.

Economic impact

V&A Dundee made a £75 million economic impact across Scotland in its first year after opening, according to independent research published in January 2020.

The study found that visitors to the museum were worth £21 million to the Dundee economy and £75 million to the overall Scottish economy in the 12 months from 15 September 2018, when the new design museum first opened its doors.

This far exceeds the predicted impacts of £10 million in Dundee and £23 million across Scotland, boosted both by a significant increase in visitor numbers – 833,015 compared to a predicted 500,000 – and a higher proportion of overseas visitors on longer trips around Scotland.

The independent study, conducted by Ekosgen and Reference Economic Consultants and commissioned by V&A Dundee, also found that the museum supported the equivalent of 696 jobs in Dundee and 2,143 across Scotland. An estimated additional 370 jobs have been created in Dundee by the museum opening.

In addition, the construction of Kengo Kuma's ground-breaking building had a further economic impact of £70 million across Scotland, helping to support 7,037 jobs.

Social impact

First Minister Nicola Sturgeon visited V&A Dundee in June 2019 to celebrate over 10,000 people taking part in free family workshops since the museum opened.



Report of the directors (continued)

The First Minister also met with Home-Start Dundee, a local charity which supports families with young children through a range of issues including post-natal depression, isolation, physical health problems and bereavement. Before opening V&A Dundee worked with Home-Start Dundee to design the museum's activities for families.

Between opening in September 2018 and June 2019 the museum recorded 11,552 people taking part in special family workshops led by a freelance team of artists, designers and educators. These sessions take their inspiration from the museum, its galleries and exhibitions, providing materials and professional support during each workshop.

In November 2019 the museum was announced as an accredited Living Wage employer, giving its support to Dundee's commitment to be a Living Wage City, which was launched in March 2019.

Governance

Business leader and entrepreneur Tim Allan has been announced as the new Chair of the Board of V&A Dundee.

Tim Allan succeeded the founding Chair of V&A Dundee, Lesley Knox, who led the Board from the architectural competition which appointed Kengo Kuma to design the new museum in 2010. He was appointed following an open recruitment process led by the Board of V&A Dundee and took over in August 2019.

Tim Allan is the owner of Unicorn Property Group, which has invested significantly in the regeneration of Dundee's waterfront over the last decade. Tim has a wide range of other business and philanthropic interests including being the President of Scottish Chambers of Commerce. He is also on the board of the Archangels investment syndicate where he is an active investor in Scottish start-up businesses.

Awards and Honours

V&A Dundee was selected as one of five finalists for Art Fund Museum of the Year 2019, regarded as the most prestigious museum prize in the world. The annual award celebrates innovation and exceptional achievement in museums and galleries across the UK.

The other four museums shortlisted for the title were HMS Caroline, Belfast; Nottingham Contemporary; Pitt Rivers Museum, Oxford; and St Fagans National Museum of History, near Cardiff. St Fagans National Museum of History won the award.

V&A Dundee was nominated for European Museum of the Year in early December 2020, one of only three UK nominees, alongside National Museum of Scotland in Edinburgh and St Fagans National Museum of History in Wales. The winner is to be announced in 2021.

Founding Director Philip Long and former V&A Dundee Chair Lesley Knox were awarded OBEs in the New Year Honours List in recognition of services to culture and heritage.

COVID closure and response

At the end of financial year 2019-20, on 19 March 2020, the museum was closed due to the COVID pandemic. Staff welfare, continuing to engage with audiences, and preparing for reopening and recovery were identified as the key strategic priorities.

The museum building was closed, bar essential security and maintenance, with staff furloughed. Programme was moved online in response.

Updates after the financial year

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



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Report of the directors (continued)

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

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

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

Structure, governance and management

Constitution

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

Related parties & relationship

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

Decision-making process

The decision-making process is a majority vote of the directors. In the case of an equality of votes, the Chair will have a second casting vote. Where matters require the approval of the founder members the Chair shall not be entitled to cast a second or casting vote in the case of an equality of votes.

Recruitment, induction and training of directors

New directors are recruited and appointed according to the workload of the board in terms of both the business of the company and the needs of Design Dundee Limited. Induction information is provided to all new directors, and ongoing training is available to all existing directors as required.



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Report of the directors (continued)

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 2020 were as follows:

| Directors | Relationship | Alternate |
|--|--------------------------|--------------------------------------|
| TED Allan (Chair) | Independent | |
| LMS Knox (Chair until 12 August 2019, resigned 1 September 2019) | Independent | |
| DHE Thomson | Independent | |
| I Gillespie (appointed 1 March 2021) | University of Dundee | A Taylor (appointed 17 January 2020) |
| A Atherton (resigned 8 November 2019) | University of Dundee | PN Beech (resigned 17 January 2020) |
| R Lloyd (appointed 1 July 2020) | Independent | |
| E Bate (appointed 1 July 2020) | Independent | |
| P Brewer (appointed 1 July 2020) | Independent | |
| P Long (resigned 30 June 2020) | Design Dundee Limited | |
| L Bell (appointed 1 October 2020) | Design Dundee Limited | |
| D Hunter (resigned 1 September 2019) | Independent | |
| G Logan (resigned 15 July 2019) | Independent | |
| A Pogson | Independent | |
| D Martin (resigned 8 December 2020) | Dundee City Council | S Murdoch (resigned 31 January 2019) |
| G Colgan (appointed 31 December 2019) | Dundee City Council | E Zwirlein (appointed 23 March 2021) |
| T Reeve | Victoria & Albert Museum | T Hunt |

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

The board of directors met nine times during the year.

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

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

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

Finance and risk committee

In regard to the oversight of:

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



Report of the directors (continued)

Museum Delivery Committee

In regard to the oversight of:

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

Remuneration committee

In regard to the oversight of:

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

Building and Maintenance Committee

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

Risk management

The risk process is overseen by the Finance and Risk Committee and constitutes individual project and department risk assessments and registers and a strategic risk register. In the strategic risk register, key risks are around funding and financial sustainability, staffing and expertise, COVID-19 and BREXIT. The directors are satisfied that appropriate systems are in place to mitigate these risks.

Plans for future years

V&A Dundee is Scotland's only museum dedicated to design. With more than 1,700 square metres of flexible gallery space, the largest Scottish museum-standard exhibition space, V&A Dundee will continue to showcase world class design.

The COVID pandemic has continued to affect the museum during 2020. V&A Dundee secured various additional funding from the main UK and Scottish Government schemes. This allowed the business to continue digitally and to build up for reopening. After reopening on 26 August 2020, visitor capacities were restricted in the museum and demand was significantly reduced due to travel restrictions. The museum opened with a five-day week. With the second national lockdown, the museum had to close again on 26 December 2020. The planned reopening date, if restrictions are lifted, will be 1 May 2021 and the main exhibition will be Night Fever: Designing Club Culture.

During 2020-21 the V&A Dundee gratefully received an additional £2m from Scottish Government and a further £1m Emergency Funding.

Financial Report

The group has a deficit for the year ended 31 March 2020 of £1,108,873 (2019 - £779,924 surplus). The movement for the year in unrestricted funds amounted to a deficit of £1,110,017 (2019 - £258,110 surplus), the movement for the year in restricted funds amounted to a surplus of £1,144 (2019 - £521,814).

The group has net assets at the 31 March 2020 of £561,601 (2019 - £1,670,474).

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 gift shop and receives commission income from the café and restaurant.



Report of the directors (continued)

Key management personnel remuneration

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

The directors consider only one director, along with other members of the management team to be key management personnel, in charge of directing and controlling the charitable company. Directors are required to disclose all relevant interests and register them and withdraw from decisions where a conflict of interest arises. The pay of key management personnel is reviewed annually and set by the remuneration committee.

Reserves policy

Reserves should be held to service working capital requirements, unexpected events such as an annual operating deficit, unforeseen and anomalous expenditure, as well as, shortfalls in income, for instance the loss a material source of funding. The Board have approved a policy with the intention to build reserves to £500,000 which equates to approximately six weeks' running costs.


It is recognised that it may take some years to build up such reserves to an appropriate level for the size of the project. The target could feasibly be achieved by a strategy covering legacies and discussions with the principal funders and founders.

In April 2020, V&A Dundee received from Scottish Government a welcomed £2m additional funding for the year. There was a further £1m from Scottish Government of Emergency COVID funding in January 2021. These have both helped to boost the unrestricted reserves position post year end.

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:


David Thomson - 2021-03-23, 18:48:32 UTC

DHE Thomson
Director

23 March 2021



Statement of responsibilities of the directors

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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

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 2020 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 2020 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis of opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception.

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors (who are also the trustees of the charitable company for the purposes of charitable law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.



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

Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the company's directors, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

Diana Penny

Diana Penny - 2021-03-23, 20:39:01 UTC

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

23 March 2021

MHA Henderson Loggie is a trading name of Henderson Loggie LLP



Design Dundee Limited
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Statement of financial activities (including an income and expenditure account) for the year ended 31 March 2020

| | Note | Unrestricted Funds 2020 £ | Restricted Funds 2020 £ | Total Funds 2020 £ | Unrestricted Funds 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ |
|---|------|------------------------------------|----------------------------------|-----------------------------|------------------------------------|----------------------------------|-----------------------------|
| Income: | | | | | | | |
| <i>Income from grants and donations</i> | | | | | | | |
| Grant income | 4 | 2,293,062 | 654,716 | 2,947,778 | 3,298,615 | 1,880,677 | 5,179,292 |
| Donations | | 674,903 | 23,750 | 698,653 | 676,342 | 75,750 | 752,092 |
| In kind support | 4 | - | 756,692 | 756,692 | - | 1,038,786 | 1,038,786 |
| <i>Income from other trading activities</i> | | | | | | | |
| Trading income | | 949,863 | - | 949,863 | 902,876 | - | 902,876 |
| Investment income | 4 | - | - | - | 236 | - | 236 |
| <i>Income from charitable activities</i> | | | | | | | |
| Admissions and exhibition fees | | 462,423 | - | 462,423 | 674,068 | - | 674,068 |
| Other income | 4 | 413,850 | - | 413,850 | - | - | - |
| Total income | | 4,794,101 | 1,435,158 | 6,229,259 | 5,552,137 | 2,995,213 | 8,547,350 |
| Expenditure: | | | | | | | |
| <i>Expenditure on raising funds</i> | | | | | | | |
| Costs of generating voluntary income | 5 | 552,513 | - | 552,513 | 431,578 | - | 431,578 |
| Trading costs | 5 | 783,039 | - | 783,039 | 652,116 | - | 652,116 |
| <i>Expenditure on charitable activities</i> | | | | | | | |
| Charitable activities | 5 | 4,568,566 | 1,434,014 | 6,002,580 | 4,210,333 | 2,473,399 | 6,683,732 |
| Total expenditure | | 5,904,118 | 1,434,014 | 7,338,132 | 5,294,027 | 2,473,399 | 7,767,426 |
| Net (expenditure)/income and movement in funds | | (1,110,017) | 1,144 | (1,108,873) | 258,110 | 521,814 | 779,924 |
| Fund balances at 1 April 2019 | | 992,175 | 678,299 | 1,670,474 | 734,065 | 156,485 | 890,550 |
| Fund balances at 31 March 2020 | 14 | (117,842) | 679,443 | 561,601 | 992,175 | 678,299 | 1,670,474 |

The charitable company 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 £1,113,966 net expenditure (2019 - £319,989 net income).



Design Dundee Limited
(a company limited by guarantee)

Consolidated balance sheet at 31 March 2020

| | Note | £ | 2020 £ | £ | 2019 £ |
|---|------|------------------|-----------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 9 | | 652,578 | | 631,216 |
| Current assets | | | | | |
| Stock | | 173,604 | | 142,882 | |
| Debtors | 10 | 1,990,387 | | 2,027,795 | |
| Cash at bank and in hand | | 14,172 | | 557,643 | |
| | | <u>2,178,163</u> | | <u>2,728,320</u> | |
| Current Liabilities | | | | | |
| Creditors due within one year | 11 | (2,269,140) | | (1,689,062) | |
| Net current (liabilities)/assets | | | <u>(90,977)</u> | | <u>1,039,258</u> |
| Net assets | | | <u>561,601</u> | | <u>1,670,474</u> |
| Represented by | | | | | |
| Unrestricted funds | 14 | | (117,842) | | 992,175 |
| Restricted funds | 14 | | 679,443 | | 678,299 |
| Total funds | | | <u>561,601</u> | | <u>1,670,474</u> |

The notes on pages 19 to 37 form part of these financial statements.

These financial statements were approved by the board of directors on 23 March 2021 and signed on their behalf by:

David Thomson
David Thomson - 2021-03-23, 18:48:32 UTC
DHE Thomson
Director



Design Dundee Limited
(a company limited by guarantee)

Company balance sheet as at 31 March 2020

| | Note | £ | 2020 £ | £ | 2019 £ |
|---|------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Investments | 8 | | 1 | | 1 |
| Tangible fixed assets | 9 | | 652,578 | | 631,216 |
| Total fixed assets | | | 652,579 | | 631,217 |
| Current assets | | | | | |
| Debtors | 10 | 1,959,096 | | 2,215,822 | |
| Cash at bank and in hand | | 98 | | 121,844 | |
| | | 1,959,194 | | 2,337,666 | |
| Current liabilities | | | | | |
| Creditors due within one year | 11 | (2,212,396) | | (1,549,169) | |
| Net current (liabilities)/assets | | | (253,202) | | 788,497 |
| Net assets | | | 399,377 | | 1,419,714 |
| Represented by | | | | | |
| Unrestricted funds | 14 | | (280,066) | | 741,415 |
| Restricted funds | 14 | | 679,443 | | 678,299 |
| Total funds | | | 399,377 | | 1,419,714 |

The notes on pages 19 to 37 form part of these financial statements.

These financial statements were approved by the board of directors on 23 March 2021 and signed on their behalf by:

David Thomson
David Thomson - 2021-03-23, 18:48:32 UTC
DHE Thomson
Director



Design Dundee Limited
(a company limited by guarantee)

Consolidated statement of cash flow for the year ended 31 March 2020

| | Note | £ | 2020 £ | £ | 2019 £ |
|---|------|-----------|------------------|-----------|----------------|
| Cash flows (used in)/from operating activities: | | | | | |
| Net cash (used in)/from operating activities | 18 | | (647,625) | | 627,522 |
| Cash flows used in investing activities: | | | | | |
| Payments to acquire tangible fixed assets | | (218,183) | | (553,010) | |
| Investment income | | - | | 236 | |
| Net cash used in investing activities | | | (218,183) | | (552,774) |
| Change in cash and cash equivalents in the reporting period | | | (865,808) | | 74,748 |
| Cash and cash equivalents at the beginning of the reporting period | | | 557,643 | | 482,895 |
| Cash and cash equivalents at the end of the reporting period | | | (308,165) | | 557,643 |
| Represented by: | | | | | |
| Cash at bank and in hand | | | 14,172 | | 557,643 |
| Bank overdraft | | | (322,337) | | - |
| | | | (308,165) | | 557,643 |



Design Dundee Limited
(a company limited by guarantee)

Company statement of cash flow for the year ended 31 March 2020

| | Note | £ | 2020 £ | £ | 2019 £ |
|---|------|-----------|------------------|-----------|------------------|
| Cash flows (used in)/from operating activities: | | | | | |
| Net cash (used in)/from operating activities | 18 | | (225,900) | | 191,723 |
| Cash flows used in investing activities: | | | | | |
| Payments to acquire tangible fixed assets | | (218,183) | | (553,010) | |
| Investment income | | - | | 236 | |
| Net cash used in investing activities | | | (218,183) | | (552,774) |
| Change in cash and cash equivalents in the reporting period | | | (444,083) | | (361,051) |
| Cash and cash equivalents at the beginning of the reporting period | | | 121,844 | | 482,895 |
| Cash and cash equivalents at the end of the reporting period | | | (322,239) | | 121,844 |
| Represented by: | | | | | |
| Cash at bank and in hand | | | 98 | | 121,844 |
| Bank overdraft | | | (322,337) | | - |
| | | | (322,239) | | 121,844 |



1 Accounting policies

Status of the company and liability of members

Design Dundee Limited is a company limited by guarantee of its members and does not have a share capital. Each member has undertaken to contribute an amount not exceeding one pound towards any deficit arising in the event of the company being wound up.

Company information

Design Dundee Limited is a company limited by guarantee incorporated in Scotland. The registered office is Whitehall House, 33 Yeaman Shore, Dundee, DD1 4BJ.

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

Design Dundee Limited meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared under the historical cost convention and include the results of the operations of the charitable company as indicated in the Directors' Report, all of which are continuing.

Going concern

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

Like the rest of society, V&A Dundee is facing significant uncertainty from COVID-19. Capacity restrictions, travel restrictions, further lockdowns and an understandably cautious public has led to a significant reduction in footfall and revenues. This uncertainty remains with all visitor attractions, and even with the successful start to the vaccine roll out there is little visibility of life and normal visitor behaviour returning back to normal. In order to deal with these conditions, the V&A Dundee has:

- Reviewed and reduced the level of activity and expenditure in the coming year.
- Developed a successful Dundee Cultural Recovery Fund to generate significant donations for the museum.
- Maintained a regular dialogue with both UK and Scottish Governments around the expectation for 2021. The Scottish Government will provide additional funding of £2m a year for three years to support V&A Dundee's operations as both Scotland's design museum and centre for design, in addition to its current commitment of £1 million a year. This new funding will provide long-term financial sustainability for V&A Dundee and protect museum jobs.
- Has an existing bank facility of £0.5m. This will be renewed in May 2021.



Notes to the consolidated financial statements (continued)

1 Accounting policies (continued)

Group financial statements

These financial statements consolidated the results of the charitable company and its wholly owned subsidiary, Design Dundee Enterprises Limited, on a line by line basis.

The following is a summary of the significant accounting policies adopted by the group in the preparation of the financial statements.

Income

Income is recognised when the charitable company has entitlement to funds, any performance conditions attached to the item(s) of income have been met, it is probable the income will be received and the amount can be measured reliably.

Income from government or other grants, whether 'capital' grants or 'revenue' grants, is recognised when the company has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

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

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal obligation to pay for expenditure.

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

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

Tangible fixed assets

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

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

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

Stock

Stock is valued on the basis of actual cost or net realisable value if lower.



Notes to the consolidated financial statements (continued)

1 Accounting policies (continued)

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Exhibition costs are prepaid when all or part of the exhibition is due to take place after the year end.

Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The company only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Pension schemes

Design Dundee Limited make contributions to the Royal London pension scheme, a defined contribution scheme, the assets of the scheme being held separately from the assets of the company. The pension cost charge represents contributions payable to the scheme. The company liability is limited to the amount of the contribution.

Funds

All income and expenditure is dealt with through the Statement of Financial Activities. Funds are classified as either restricted or unrestricted funds, defined as follows:

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

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

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

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



Notes to the consolidated financial statements (continued)

1 Accounting policies (continued)

Critical accounting estimates and judgements

In the application of the charitable company'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.

The estimates and underlying assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Estimates made by the directors include depreciation charged on tangible fixed assets, potential bad debt and stock provisions, prepaid exhibition costs, accrued income, deferred income and accruals.

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:

| | 2020 £ | 2019 £ |
|--------------------------------------|--------------------|------------------|
| Income: | | |
| Income from grants and donations | 4,653,883 | 6,970,170 |
| Income from charitable activities | 462,423 | 674,068 |
| Income from trading income | 4,600 | - |
| Investment income | - | 236 |
| Other income | 413,850 | - |
| Total income | 5,534,756 | 7,644,474 |
| Expenditure: | | |
| Expenditure on raising funds | 552,513 | 431,578 |
| Expenditure on charitable activities | 6,002,580 | 6,683,732 |
| Total expenditure | 6,555,093 | 7,115,310 |
| Net (expenditure)/income | (1,020,337) | 529,164 |
| Total funds brought forward | 1,419,714 | 890,550 |
| Total funds carried forward | 399,377 | 1,419,714 |
| Represented by | | |
| Unrestricted funds | (280,066) | 741,415 |
| Restricted funds | 679,443 | 678,299 |
| | 399,377 | 1,419,714 |



Notes to the consolidated financial statements (continued)

3 Income and expenditure from trading activities

The wholly owned trading subsidiary Design Dundee Enterprises Limited, which is incorporated in the United Kingdom, pays its profits to the charitable company by gift aid. Design Dundee Enterprises Limited carries out operation of the gift shop and receives commission income from the café and restaurant.

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

| | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Turnover | 556,811 | 480,968 |
| Sponsorship income | 96,250 | 229,923 |
| Commission income | 269,886 | 191,225 |
| Filming income | 21,120 | - |
| Cost of sales | (357,890) | (270,469) |
| Administration costs | (417,684) | (375,094) |
| Interest receivable | 1,196 | 760 |
| Finance costs | (7,465) | (6,553) |
| | 162,224 | 250,760 |
| The assets and liabilities of the subsidiary were: | | |
| Current assets | 419,573 | 678,211 |
| Current liabilities | (257,348) | (427,450) |
| Total net assets | 162,225 | 250,761 |
| Aggregate share capital and reserves | 162,225 | 250,761 |

The retained profit held by Design Dundee Enterprises Limited will be gift aided to the charitable company and has been paid within 9 months of the year end.



Design Dundee Limited
(a company limited by guarantee)

Notes to the consolidated financial statements (continued)

| 4 | Grant income | Unrestricted £ | Restricted £ | Total 2020 £ | Unrestricted £ | Restricted £ | Total 2019 £ |
|---|----------------------------------|-------------------|-----------------|--------------------|-------------------|------------------|--------------------|
| | Creative Scotland | 50,000 | - | 50,000 | 200,000 | - | 200,000 |
| | Museum Delivery Fund | - | 364,743 | 364,743 | 25,171 | 1,169,130 | 1,194,301 |
| | Oak Foundation | - | 74,999 | 74,999 | - | 74,534 | 74,534 |
| | Peoples Postcode Lottery | 375,000 | - | 375,000 | 375,000 | 100,000 | 475,000 |
| | Government grants | 1,006,062 | - | 1,006,062 | 1,611,000 | - | 1,611,000 |
| | Heritage Lottery Fund | - | - | - | 423,950 | - | 423,950 |
| | Mathew Trust | - | 57,305 | 57,305 | - | 13,812 | 13,812 |
| | Scottish Enterprise | 100,000 | 33,758 | 133,758 | - | 62,324 | 62,324 |
| | Life Changes Trust | - | 23,333 | 23,333 | - | 11,667 | 11,667 |
| | Rank Foundation | - | 16,000 | 16,000 | - | 21,770 | 21,770 |
| | William Grant Foundation | - | 19,250 | 19,250 | - | 15,000 | 15,000 |
| | Partners' Revenue Contributions | 662,000 | 40,378 | 702,378 | 663,494 | 13,445 | 676,939 |
| | Event Scotland | - | 4,950 | 4,950 | - | 319,995 | 319,995 |
| | Arts and Business | - | 20,000 | 20,000 | - | 40,000 | 40,000 |
| | Dundee Museum Foundation | 100,000 | - | 100,000 | - | 27,000 | 27,000 |
| | Inches Carr Trust | - | - | - | - | 12,000 | 12,000 |
| | | <u>2,293,062</u> | <u>654,716</u> | <u>2,947,778</u> | <u>3,298,615</u> | <u>1,880,677</u> | <u>5,179,292</u> |
| | | Unrestricted | Restricted | Total 2020 £ | Unrestricted | Restricted | Total 2019 £ |
| | Other income | | | | | | |
| | Museums and Galleries Tax Relief | 413,850 | - | 413,850 | - | - | - |
| | | <u>413,850</u> | <u>-</u> | <u>413,850</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | In kind support | - | 756,692 | 756,692 | - | 1,038,786 | 1,038,786 |

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.



Design Dundee Limited
(a company limited by guarantee)

Notes to the consolidated financial statements (continued)

4 Grant income (continued)

| | 2020 £ | 2019 £ |
|-------------------|-----------|-----------|
| Investment income | | |
| Interest received | - | 236 |

5 Total expenditure

| | Direct costs £ | Allocated Support costs £ | Depreciation £ | 2020 Total £ | Direct costs £ | Allocated Support costs £ | Depreciation £ | 2019 Total £ |
|-------------------------------------|----------------------|------------------------------------|-------------------|--------------------|----------------------|------------------------------------|-------------------|--------------------|
| Expenditure on raising funds | | | | | | | | |
| Cost of generating voluntary income | 383,454 | 169,059 | - | 552,513 | 185,697 | 245,881 | - | 431,578 |
| Trading costs | 783,039 | - | - | 783,039 | 652,116 | - | - | 652,116 |
| | <u>1,166,493</u> | <u>169,059</u> | <u>-</u> | <u>1,335,552</u> | <u>837,813</u> | <u>245,881</u> | <u>-</u> | <u>1,083,694</u> |
| Charitable Activities | | | | | | | | |
| Collections & Learning | 704,801 | 169,059 | - | 873,860 | 630,515 | 281,007 | - | 911,522 |
| Exhibitions | 2,924,930 | 1,250,277 | 196,821 | 4,370,028 | 2,921,873 | 1,718,015 | 93,536 | 4,733,424 |
| In kind support | 756,692 | - | - | 756,692 | 1,038,786 | - | - | 1,038,786 |
| | <u>4,386,423</u> | <u>1,419,336</u> | <u>196,821</u> | <u>6,002,580</u> | <u>4,591,174</u> | <u>1,999,022</u> | <u>93,536</u> | <u>6,683,732</u> |
| Total expenditure | <u>5,552,916</u> | <u>1,588,395</u> | <u>196,821</u> | <u>7,338,132</u> | <u>5,428,987</u> | <u>2,244,903</u> | <u>93,536</u> | <u>7,767,426</u> |



Design Dundee Limited
(a company limited by guarantee)

Notes to the consolidated financial statements (continued)

5 Total expenditure (continued)

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

| 2020 | Information services & support £ | Project & estates £ | Finance & Administration £ | Human Resources £ | Other central costs £ | Governance £ | Total £ |
|--------------------------------------|---|---------------------------|----------------------------------|-------------------------|-----------------------------|-----------------|------------------|
| <i>Expenditure on raising funds:</i> | | | | | | | |
| Cost of generating voluntary income | 13,184 | 88,694 | 3,400 | 7,606 | 43,489 | 12,686 | 169,059 |
| <i>Charitable activities</i> | | | | | | | |
| Collections & learning | 13,184 | 88,694 | 3,400 | 7,606 | 43,489 | 12,686 | 169,059 |
| Exhibitions | 97,506 | 655,938 | 25,141 | 56,250 | 321,623 | 93,819 | 1,250,277 |
| | <u>123,874</u> | <u>833,326</u> | <u>31,941</u> | <u>71,462</u> | <u>408,601</u> | <u>119,191</u> | <u>1,588,395</u> |
| 2019 | 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 | 11,751 | 59,369 | 2,496 | 12,200 | 141,893 | 18,172 | 245,881 |
| <i>Charitable activities</i> | | | | | | | |
| Collections & learning | 13,430 | 67,850 | 2,853 | 13,942 | 162,164 | 20,768 | 281,007 |
| Exhibitions | 82,109 | 414,822 | 17,440 | 85,241 | 991,433 | 126,970 | 1,718,015 |
| | <u>107,290</u> | <u>542,041</u> | <u>22,789</u> | <u>111,383</u> | <u>1,295,490</u> | <u>165,910</u> | <u>2,244,903</u> |

The other central costs in 2019 included expenditure relating to the opening of the museum, including costs for the opening events.



Notes to the consolidated financial statements (continued)

6 Wages and salaries

| | Group | | Company | |
|-----------------------|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Wages and salaries | 2,085,533 | 1,715,586 | 1,935,345 | 1,585,719 |
| Social security costs | 192,921 | 155,629 | 178,803 | 143,428 |
| Pension costs | 94,931 | 82,437 | 87,422 | 75,974 |
| | <u>2,373,385</u> | <u>1,953,652</u> | <u>2,201,570</u> | <u>1,805,121</u> |

| | No. | No. |
|---|------------|------------|
| Average number of employees during the year | <u>113</u> | <u>99</u> |

Two employee (2019 – two) other than the directors received emoluments between £60,000 and £70,000 during the year. One employee (2019 – one) received emoluments between £70,000 and £80,000 during the year.

| | 2020 | 2019 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Directors emoluments | | |
| Emoluments | | |
| P Long | 106,230 | 104,630 |
| Pension contributions | | |
| P Long | 15,455 | 15,455 |
| | <u>121,685</u> | <u>120,085</u> |

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

| | | |
|--------|----------|-----------|
| P Long | 16,956 | 13,485 |
| T Hunt | - | 26 |
| | <u>-</u> | <u>26</u> |

The charitable company considers its key management personnel to comprise of one of its directors, Philip Long, along with other members of management. The total employment benefits, including employers pension contributions were £588,376 (2019 - £520,026).

7 Net (expenditure)/income

| | Group | | Company | |
|--|---------------|---------------|----------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| The net (expenditure)/income is stated after charging: | | | | |
| Auditor's remuneration – audit | 13,390 | 14,000 | 10,300 | 11,000 |
| non-audit | 33,676 | 26,997 | 32,326 | 26,997 |
| | <u>47,066</u> | <u>40,997</u> | <u>42,626</u> | <u>37,997</u> |



Design Dundee Limited
(a company limited by guarantee)

Notes to the consolidated financial statements (continued)

8 Investments

| | Group | | Company | |
|----------------------------------|--------------|-------------|----------------|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Design Dundee Enterprise Limited | - | - | 1 | 1 |

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 | Fixtures & fittings £ | Software and content £ | Network infrastructure | Total £ |
|--------------------------|--------------------------------------|-----------------------------------|-------------------------------|--------------------|
| Group and company | | | | |
| Cost | | | | |
| At 1 April 2019 | 270,074 | 208,587 | 280,665 | 759,326 |
| Additions | 66,870 | 131,240 | 20,073 | 218,183 |
| At 31 March 2020 | 336,944 | 339,827 | 300,738 | 977,509 |
| Depreciation | | | | |
| At 1 April 2019 | 33,759 | 59,267 | 35,084 | 128,110 |
| Charge for the year | 70,402 | 54,186 | 72,233 | 196,821 |
| At 31 March 2019 | 104,161 | 113,453 | 107,317 | 324,931 |
| Net book value | | | | |
| At 31 March 2020 | 232,783 | 226,374 | 193,421 | 652,578 |
| At 1 April 2019 | 236,315 | 149,320 | 245,581 | 631,216 |



Design Dundee Limited
(a company limited by guarantee)

Notes to the consolidated financial statements (continued)

| 9 | Fixed assets (continued) | Fixtures & fittings | Software and content | Network infrastructure | Total |
|----|--|---------------------|----------------------|------------------------|------------------|
| | | £ | £ | | £ |
| | 2019 | | | | |
| | Group and company | | | | |
| | Cost | | | | |
| | At 1 April 2018 | 123,738 | 50,858 | 31,720 | 206,316 |
| | Additions | 146,336 | 157,729 | 248,945 | 553,010 |
| | At 31 March 2019 | 270,074 | 208,587 | 280,665 | 759,326 |
| | Depreciation | | | | |
| | At 1 April 2018 | - | 34,574 | - | 34,574 |
| | Charge for the year | 33,759 | 24,693 | 35,084 | 93,536 |
| | At 31 March 2019 | 33,759 | 59,267 | 35,084 | 128,110 |
| | Net book value | | | | |
| | At 31 March 2019 | 236,315 | 149,320 | 245,581 | 631,216 |
| | | | | | |
| 10 | Debtors | | Group | Company | |
| | | 2020 | 2019 | 2020 | 2019 |
| | | £ | £ | £ | £ |
| | Trade debtors | 74,217 | 91,823 | 42,926 | 33,059 |
| | Amounts due from subsidiary undertakings | - | - | - | 287,557 |
| | Other debtors | 1,916,170 | 1,935,972 | 1,916,170 | 1,895,206 |
| | | 1,990,387 | 2,027,795 | 1,959,096 | 2,215,822 |



Design Dundee Limited
(a company limited by guarantee)

Notes to the consolidated financial statements (continued)

11 Creditors due within one year

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Bank overdraft | 322,337 | - | 322,337 | - |
| Trade creditors | 1,051,822 | 730,445 | 1,019,532 | 693,736 |
| Other creditors | 711,763 | 882,433 | 669,923 | 855,433 |
| Amounts due from subsidiary under takings | - | - | 200,604 | - |
| Other taxes and social security | 183,218 | 76,184 | - | - |
| | 2,269,140 | 1,689,062 | 2,212,396 | 1,549,169 |

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 2019 | 240,182 | 240,182 |
| Released in year | (240,182) | (240,182) |
| Received in year | 332,451 | 332,451 |
| At 31 March 2020 | 332,451 | 332,451 |

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

13 Defined contribution scheme

Included in creditors and accruals is £24,884 (2019 - £19,406) in respect of amounts payable to the pension scheme.

| | Group | | Company | |
|--|--------------|-------------|----------------|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £ | £ | £ | £ |
| Contributions payable for the year amounted to | 94,931 | 82,437 | 87,422 | 75,974 |



Notes to the consolidated financial statements (continued)

14 Analysis of charitable funds

Analysis of movements in unrestricted funds

| 2020 Group | Balance 1 April 2019 £ | Income £ | Expenditure £ | Transfers £ | Funds 31 March 2020 £ |
|------------------|------------------------------|------------------|--------------------|----------------|-----------------------------|
| General fund | 470,836 | 4,794,101 | (5,844,777) | 461,998 | (117,842) |
| Designated funds | 521,339 | - | (59,341) | (461,998) | - |
| | <u>992,175</u> | <u>4,794,101</u> | <u>(5,904,118)</u> | <u>-</u> | <u>(117,842)</u> |

Company

| | Balance 1 April 2019 £ | Income £ | Expenditure £ | Transfers £ | Funds 31 March 2020 £ |
|------------------|------------------------------|------------------|--------------------|----------------|-----------------------------|
| General fund | 220,076 | 4,099,598 | (5,061,738) | 461,998 | (280,066) |
| Designated funds | 521,339 | - | (59,341) | (461,998) | - |
| | <u>741,415</u> | <u>4,099,598</u> | <u>(5,121,079)</u> | <u>-</u> | <u>(280,066)</u> |

| 2019 Group | Balance 1 April 2018 £ | Income £ | Expenditure £ | Transfers £ | Funds 31 March 2019 £ |
|------------------|------------------------------|------------------|--------------------|----------------|-----------------------------|
| General fund | 488,885 | 3,801,527 | (3,855,539) | 35,963 | 470,836 |
| Designated funds | 245,180 | 1,750,610 | (1,438,488) | (35,963) | 521,339 |
| | <u>734,065</u> | <u>5,552,137</u> | <u>(5,294,027)</u> | <u>-</u> | <u>992,175</u> |

Company

| | Balance 1 April 2018 £ | Income £ | Expenditure £ | Transfers £ | Funds 31 March 2019 £ |
|------------------|------------------------------|------------------|--------------------|----------------|-----------------------------|
| General fund | 488,885 | 2,898,651 | (3,203,423) | 35,963 | 220,076 |
| Designated funds | 245,180 | 1,750,610 | (1,438,488) | (35,963) | 521,339 |
| | <u>734,065</u> | <u>4,649,261</u> | <u>(4,641,911)</u> | <u>-</u> | <u>741,415</u> |

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

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



Design Dundee Limited
(a company limited by guarantee)

Notes to the consolidated financial statements (continued)

14 Analysis of charitable funds (continued)

Analysis of movements in restricted funds

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

Design Dundee Limited
(a company limited by guarantee)

Notes to the consolidated financial statements (continued)

14 Analysis of charitable funds (continued)

Analysis of movements in restricted funds

| 2019 | Balance 1 April 2018 £ | Income £ | Expenditure £ | Transfers £ | Funds 31 March 2019 £ |
|---------------------------|------------------------------|------------------|--------------------|----------------|-----------------------------|
| Mathew Trust | - | 13,812 | (13,812) | - | - |
| Museum Delivery Budget | 156,485 | 1,169,130 | (740,692) | - | 584,923 |
| Rank Foundation | - | 21,770 | (21,770) | - | - |
| Scottish Enterprise | - | 62,324 | (41,345) | - | 20,979 |
| Abertay University | - | 13,445 | (13,445) | - | - |
| Event Scotland | - | 319,995 | (319,995) | - | - |
| Arts and Business | - | 40,000 | (40,000) | - | - |
| Dundee Museum Foundation | - | 27,000 | (27,000) | - | - |
| Peoples Post Code Lottery | - | 100,000 | (100,000) | - | - |
| Donations | - | 75,750 | (11,500) | - | 64,250 |
| Oak Foundation | - | 74,534 | (74,534) | - | - |
| William Grant Foundation | - | 15,000 | (15,000) | - | - |
| Life Changes Trust | - | 11,667 | (11,667) | - | - |
| Inches Carr Trust | - | 12,000 | (3,853) | - | 8,147 |
| In Kind Support | - | 1,038,786 | (1,038,786) | - | - |
| | <u>156,485</u> | <u>2,995,213</u> | <u>(2,473,399)</u> | <u>-</u> | <u>678,299</u> |

Analysis of movements in restricted funds

| | |
|------------------------|--|
| Mathew Trust | To support the YPC programme, the Communities & Outreach project and the Designer in Residence project. |
| Museum Delivery Budget | This is a budget that covers a range of essential museum operations that were required to get the museum ready for opening and in its early years but are not part of the capital project. |

Design Dundee Limited
(a company limited by guarantee)

Notes to the consolidated financial statements (continued)

14 Analysis of charitable funds (continued)

Analysis of movements in restricted funds

| | |
|---------------------------|--|
| Rank Foundation | To support the Amina project in 2020. In 2019 the funding was to support the Dundee Community Development Programme which focused on people's personal connection with their design heritage. |
| Scottish Enterprise | To fund the work carried out by KPMG on the charitable company's financial projections and scenario planning for 2020. In 2019 the support was to help develop and implement the website. |
| Abertay University | To assist with salary costs. |
| Event Scotland | To assist with the opening press visit to the Kengo Kuma/Cabinet Secretary visit at Newport in 2020. In 2019 the support was for the opening event and 3D festival. |
| Arts and Business | To assist with the Hello Robot exhibition in 2020. In 2019 the support was for the opening event and 3D festival. |
| Dundee Museum Foundation | To assist with the opening event and 3D festival. |
| Peoples Post Code Lottery | To assist with the opening exhibition – Ocean Liners. |
| Donation | Three large restricted donations were received in the year. £10,000 for exhibition support, and two donations amounting to £13,750 for support of the Schools Programme. In 2019 £53,750 was received to support the CRN and ticketing system, £10,000 to support Schools Programmes and £12,000 to purchase a board room table. |
| Oak Foundation | To assist with the Young People and Schools Programme. |
| William Grant Foundation | To assist with the Schools Programme in 2020 and in 2019 for staff costs for the families and young people producer. |
| Life Changes Trust | To assist with the Dementia Project. |
| Inches Carr Trust | To purchase books for the Inches Carr resource centre. |
| In Kind Support | During the year, support was provided from the founding partners which has been valued and included within the financial statements. The support includes use of office space, HR support and staff time etc. |



Notes to the consolidated financial statements (continued)

15 Analysis of net assets between funds

Group - 2020

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

Company - 2020

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

Group - 2019

| | Unrestricted £ | Designated £ | Restricted £ | Total £ |
|--------------------------------------|-------------------|-----------------|-----------------|------------------|
| Tangible fixed assets | 14,814 | - | 616,402 | 631,216 |
| Cash at bank | (25,593) | 521,339 | 61,897 | 557,643 |
| Other current assets and liabilities | 481,615 | - | - | 481,615 |
| | <u>470,836</u> | <u>521,339</u> | <u>678,299</u> | <u>1,670,474</u> |

Company - 2019

| | Unrestricted £ | Designated £ | Restricted £ | Total £ |
|--------------------------------------|-------------------|-----------------|-----------------|------------------|
| Investments | 1 | - | - | 1 |
| Tangible fixed assets | 14,814 | - | 616,402 | 631,216 |
| Cash at bank | (461,392) | 521,339 | 61,897 | 121,844 |
| Other current assets and liabilities | 666,653 | - | - | 666,653 |
| | <u>220,076</u> | <u>521,339</u> | <u>678,299</u> | <u>1,419,714</u> |



16 Control

The company is under the control of the founding members.

17 Related party transactions

Scottish Enterprise – Founding partner

During the year, in kind support was received amounting to £Nil (2019 - £8,750) and revenue contributions of £153,360 (2019 - £62,324). In addition, costs were paid to Scottish Enterprise of £102 (2019 - £4,367). The balance outstanding at the year end was a debtor balance of £144,769 (2019 - £31,536).

Dundee City Council – Founding partner

During the year, in kind support was received amounting to £354,361 (2019 - £220,143) and revenue contributions of £350,000 (2019 - £351,494). In addition, costs were paid to Dundee City Council of £620 (2019 - £1,284).

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 £457,627 relating to recharges due (2019 - £279,431 debtor).

University of Dundee – Founding partner

During the year, in kind support was received amounting to £204,031 (2019 - £173,000) and revenue contributions of £275,114 (2019 - £252,000). In addition, costs were paid to the University of Dundee of £3,464 (2019 - £2,630). The balance outstanding at the year end was a debtor balance of £12,000 (2019 - £110).

Abertay University – Founding partner

During the year, in kind support was received amounting to £Nil (2019 - £25,593) and revenue contributions of £101,126 (2019 - £73,445). In addition, costs were paid to Abertay University of £247 (2019 - £Nil). The balance outstanding at the year end was a debtor balance of £Nil (2019 - £640).

V&A London – Founding partner

During the year, in kind support was received amounting to £198,300 (2019 - £611,300). In addition, costs were paid to the V&A London of £129,990 (2019 - £251,013). The balance outstanding at the year end was a creditor balance of £18,000. (2019 - £136,000).

DC Thomson & Company Limited

During the year, a donation was received amounting to £100,000 (2019 - £100,000). Design Dundee Limited and DC Thomson & Company Limited share a common director.

Design Dundee Enterprises Limited

During the year, a donation was received amounting to £250,760 (2019 - £Nil). The balance outstanding at the year end was a creditor balance of £200,604 relating to monies transferred. (2019 - £287,557 debtor). Design Dundee Enterprise Limited is wholly owned by Design Dundee Limited.



Notes to the consolidated financial statements (continued)

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

| Group | 2020 | 2019 |
|---|------------------|----------------|
| | £ | £ |
| Net (expenditure)/income for the reporting period | (1,108,873) | 779,924 |
| Depreciation | 196,821 | 93,536 |
| Increase in stock | (30,722) | (142,882) |
| Decrease/(increase) in debtors | 37,408 | (1,343,190) |
| Increase in creditors | 257,741 | 1,240,370 |
| Investment income shown in investing activities | - | (236) |
| Net cash (used by)/from operating activities | (647,625) | 627,522 |

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

| Company | 2020 | 2019 |
|---|------------------|----------------|
| | £ | £ |
| Net (expenditure)/income for the reporting period | (1,020,337) | 529,164 |
| Depreciation | 196,821 | 93,536 |
| Decrease/(increase) in debtors | 256,726 | (1,531,217) |
| Increase in creditors | 340,890 | 1,100,476 |
| Investment income shown in investing activities | - | (236) |
| Net cash (used by)/from operating activities | (225,900) | 191,723 |

19 Commitments

At the year end £Nil (2019 - £87,315) was committed for capital expenditure but not provided for.

At the year end £742,000 (2019 - £882,900) was committed for exhibition costs but not provided for.

