

Payment policy

The museum aims to settle all bills within 30 days or in accordance with the suppliers' terms of business. In 2021 76% (2020: 67%) of invoices were settled on time.

Political gifts & donations

The V&A makes no political gifts and as a charity does not normally make donations to other charities. It provides some services free of charge to associated charities. It also awarded £0.6 million to other organisations under the Purchase Grant Fund scheme to enable acquisitions (2020: £0.7 million, see note 5a).

Auditors' disclosure and remuneration

The Comptroller and Auditor General is the auditor of the museum's consolidated accounts. As far as the Accounting Officer and Board of Trustees are aware there is no relevant audit information of which the entity's auditors are unaware. The Accounting Officer and Board of Trustees have taken all the steps that they ought reasonably to have taken to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of that information. The audit fee paid to the National Audit Office was £64,000 (2020: £60,750).

Additionally, a sum of £23,925 (2020: £21,850) was paid to auditors of other entities in the group including £2,910 (2020: £2,850) for non-audit services.

Sustainability

Sustainability is crucial to the delivery of the V&A's mission and is already woven into much of what we do. It is at the heart of our role to think about what and how we make and consume, and the effect of this on society and the natural environment. We have a responsibility to explore the ideas and realities of what environmental, social and economic sustainability means across generations, locations and societies.

The recruitment of a dedicated Sustainability Lead has provided a renewed focus for sustainability. A new strategy outlining our commitments and a framework for action is due to be launched in 2021. We are taking a holistic, systems thinking approach to sustainability, shifting focus from individual parts to understanding influences within the whole organisation and beyond. This includes how we will contribute to the UN Sustainable Development Goals.

A thriving network of staff Sustainability Coordinators has been rejuvenated, harnessing staff enthusiasm and leveraging expertise to embed sustainable practices across the organisation. An online training timetable was offered this year to demonstrate to staff how their efforts contribute to the museum's strategic sustainability goals and equip them with knowledge and tools to do so. Topics included behaviour change, Sustainable Development Goals and social change, decarbonisation pathways and a certified Carbon Literacy course. The staff Anthropocene Reading Group has also been relaunched this year, a forum dedicated to exploring critical thinking around the Anthropocene – our present age in which human activity has become the dominant force shaping the climate and ecosystems of planet Earth.

We have engaged our audiences in issues of environmental and social sustainability through our galleries, exhibitions and displays. We also deliver learning activities that critically address and build understanding around local and global issues of climate change and sustainability. These include talks for secondary school teachers on design for sustainable development as part of the Innovate programme, and exploration of sustainability in art, fashion and design during COVID-19 by our Youth Collective. We were excited to again support Fashion Revolution's online Fashion Question Time event which focused on 'Mass consumption: The end of an era?' Oversight on sustainability is provided by the Trustees' Building Strategy Committee.

Greenhouse Gas Emissions

An in-depth analysis of our Scope 1, 2 and 3 emissions has been commissioned and a number of decarbonisation scenarios have been developed. These will be further refined over the coming year, investigating the feasibility of different carbon reduction measures that can be implemented by the organisation. Any refurbishment projects in our buildings include energy efficiency upgrades and there is an ongoing LED replacement programme in galleries. There has been an overall reduction in energy consumption, which can partly be attributed to the closure of the museum during the pandemic and partly to efficiency projects undertaken.

Waste

The V&A is committed to reducing waste at source and requires that all staff and partners implement waste prevention and reduction measures across all areas of their responsibility. We follow a waste hierarchy of reduce, reuse, recycle, recover, dispose. We have dry mixed recycling facilities with a zero operational waste to landfill policy. We also recycle a range of other materials including; food waste, glass, batteries, printer toner cartridges and Kimtech disposable gloves.

There is a continued drive to reduce and reuse materials from exhibitions, with many items being reused internally or donated externally. In preparation for its refurbishment, the V&A Museum of Childhood donated many items to local charities and community groups.

Finite Resources

Water consumption has reduced dramatically in the last year due to the museum being closed for long periods of time. This closure has also provided the opportunity to assess consumption of resources and energy generally, allowing identification and fixing of water leaks, for example.

Biodiversity enhancement

The museum in South Kensington has a wetland green roof. This biodiverse living roof is important for storing rainwater and encouraging flora and fauna. The roof is also home to four beehives, which have been on site since 2013 and produce delicious honey.

Sustainable procurement

The V&A recognises its responsibility to ensure that its procurement activities result in contracts that are economically, environmentally and socially responsible. In conjunction with its Sustainability Plan the V&A strives to incorporate sustainability into its procurement practices, from supplier selection through to product and materials specifications and the rationalisation of goods, works and services. The V&A has a Sustainable Procurement Policy which was last updated in 2020 to incorporate the latest best practice.

Climate change adaptation

This year we joined the London Climate Change Partnership to affirm a commitment to finding suitable climate change adaptation interventions which can be applied to our estate. We are keen to work with others on this, to share knowledge and understand how we can contribute at broader sector and city levels.

Sustainable construction

Currently under construction, the V&A East museum is targeting BREEAM Excellent certification. The new V&A East Storehouse is targeting BREEAM Very Good certification for refurbishment and fit-out.

We are currently developing operational performance criteria for the V&A Museum of Childhood refurbishment, understanding the importance of building performance analysis, target setting and post occupancy evaluation.

Key sustainability data

		Unit	2020-21	2019-20
CO ₂ emissions	Scope 1 emissions (direct)	tonnes of CO ₂	117	138
	Scope 2 emissions (indirect)	tonnes of CO ₂	3,581	3,846
	Total emissions tonnes of CO ₂	tonnes of CO ₂	3,698	3,984
Related Energy Consumption	Electricity	kWh	6,719	8,236
	Gas	kWh	7,494	8,461
	Total	kWh	14,213	16,697
Financial Indicators	Expenditure on energy	£'000	1,128	1,326
	Expenditure on official business travel	£'000	42	494
Waste	Waste sent to landfill	tonnes	-	-
	Waste recycled / re-used	tonnes	52	304
	Waste incinerated	tonnes	44	271
	Composted	tonnes	4	46
	Total waste disposed	tonnes	100	621
Finite Resource Consumption	Water Consumption	m ³	16,652	49,080
	Water Supply Cost	£'000	83	107

Legal and Administrative Information

Principal Address

Victoria and Albert Museum
Cromwell Road
London SW7 2RL

Investment Advisors

Partners Capital LLP
5 Young Street
London W8 5EH

Bankers

National Westminster
Knightsbridge Business Centre
186 Brompton Road
London SW3 1XJ

Auditors-Internal

RSM Risk Assurance LLP
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25 Farringdon Street
London EC4A 4AB

Solicitors

Farrer & Co
66 Lincoln's Inn Fields
London WC2A 3CH

Auditors-External

Museum Group
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
London SW1W 9SP

Trading companies

Moore Kingston Smith LLP
Devonshire House
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London EC1M 7AD

REMUNERATION AND STAFF REPORT

OUR PEOPLE AT THE V&A

The V&A is the world's leading museum of art, design and performance and successfully delivers its mission by utilising and applying the considerable skill, experience, and knowledge of its people. At the beginning of 2020 the V&A directly employed 1,093 people and worked with many more volunteers, freelancers, and partners.

The challenges in 2020-21

As noted elsewhere in this report, the COVID-19 pandemic has created one of the most significant financial challenges in the V&A's history. The museum was only open for 15 weeks of the 2020-21 financial year, with huge negative impacts on the V&A's business model and operating capability and creating considerable challenges for all our people.

During the year, we have adapted rapidly to enable our staff to work remotely from home and also to create a COVID-secure workplace. A Remobilisation Group has been established to oversee newly developed, risk assessed processes and procedures, to ensure our onsite teams are operating in safe and secure spaces. A comprehensive e-learning programme was created to ensure all staff were familiar with COVID-secure operating procedures and remote working policies, before those who were unable to work from home returned to the museum. The museum has also created extensive new systems and processes to enable visitors to return in line with government regulations. Changes involve ticketed entry, extensive communication, training of Front of House staff, and continual monitoring and updating of practices to adapt to a changing environment.

Effective communication and staff engagement has been crucial through the pandemic. Many of our teams have been furloughed, and others working at home for long periods, therefore regular updates on government guidelines, providing support through training, and developing content on well-being, have been vital. An employee survey was undertaken to review the effectiveness of communication, views on working practice and return to the workplace, ahead of the reopening of the museum in August 2020. A further survey has been commissioned in spring 2021, to engage views on future ways of working, to capture positive developments in remote working and use of technology.

Sadly, the conditions have led to a museum-wide Recovery Programme, including multiple cost saving measures, a recruitment freeze and restructuring across all departments, to tackle the severe and ongoing financial impacts of the pandemic. A full consultation process has been undertaken involving our Trade Union colleagues as well as individual employees across a number of months from October 2020 to spring 2021. Where redundancies have been required, voluntary redundancy has been possible in over 80% of cases. We will continue to communicate openly and honestly, and work with our committed and talented workforce to ensure the V&A emerges well placed to fulfil its crucial purpose for many years to come.

Remuneration Committee membership

The membership of the Remuneration Committee comprised the following Trustees:

Nicholas Coleridge CBE; Trustee (Chair)

David Bomford; Trustee

Nick Hoffman; Trustee

The committee is also attended by the Director, Deputy Director & Chief Operating Officer, and Director of People & Change except when matters relating to their own pay and performance are discussed.

Remuneration policy for senior managers

The Remuneration Committee reviews salaries of all senior managers employed by the museum on Senior Manager contracts. Employment contracts are either standard V&A Enterprises Ltd (VAE) terms and conditions of employment, or legacy standard museum terms and conditions of employment, except where they apply to pay determination, which is subject to review by the Remuneration Committee.

At the beginning of the financial year, senior managers are set objectives based on the museum's strategic plan. At the end of the financial year, individual performance against objectives is reviewed. Where it can be demonstrated that performance has exceeded expectations, an individual can be nominated and therefore become eligible for a bonus payment. The nominations are subject to approval by the Remuneration Committee. The Chairman of the Board of Trustees undertakes the performance assessment for the Director.

The annual performance assessments and additional information (see below), are then reviewed by the Remuneration Committee and used to set pay levels and any performance bonuses.

The committee met on one occasion in June 2020 to determine performance bonuses and the senior staff pay award. Due to the financial climate in 2020, no salary increases or bonus payments were made.

Performance assessment and payment

When determining performance bonuses, the committee will take account of:

- The budget for non-consolidated performance related pay agreed as part of the museum's pay remit.
- The performance and contribution of the individual over the period (through performance appraisal).

As with bonus payments for employees subject to collective bargaining arrangements, senior employee bonuses are discretionary and are awarded where performance against objectives is rated as exceptional. Payments are non-consolidated and subject to the overall financial limits agreed as part of the museum's pay remit.

Policy on duration of contracts, notice periods and termination payments

Senior employees (including the Director) are permanent employees of either VAE or the museum.

The notice period for senior employees is three months and for the Director, six months. If any termination payments are made, they are in accordance with museum or VAE contractual terms.

All museum employees (unless choosing to opt-out) are members of either a defined contribution group personal pension or the Principal Civil Service Pension Scheme (PCSPS) which has associated redundancy and early retirement conditions. Termination payments for staff on VAE terms and conditions are determined by The Employment Rights Act 1996 unless individual contracts define other terms.

Senior managers' remuneration disclosure (subject to audit)

The Board of Trustees of the V&A, who hold overall responsibility for the museum, are not remunerated. Expenses paid are disclosed in note 5d.

The director's and senior managers' emoluments and pension details for 2020-21 are shown in the table below. The V&A has prepared this remuneration report in accordance with the Government Financial Reporting Manual, which requires disclosure of information about directors' remuneration, where 'directors' is interpreted to mean those who influence decisions of the V&A as a whole. In the V&A's opinion, this means the Trustees, Director and Deputy Director. The monetary value of benefits-in-kind covers any benefits provided by the employer and treated by the HM Revenue & Customs as a taxable emolument. There were no benefits-in-kind during the year and there were no additional emoluments paid other than as disclosed below.

	<u>Total salary earned</u>		<u>Bonus Paid</u>		<u>Pension Benefits</u>		<u>Total</u>	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Dr Tristram Hunt Director	145-150	145-150	15-20	NIL	57	57	215-225	200-205
Tim Reeve Deputy Director & Chief Operating Officer	120-125	120-125	10-15	NIL	49	45	167-187	165-170

	<u>Accrued pension at pension age as at 31 March 2021 - Related lump sum</u>	<u>Real increase in pension at pension age - Real increase in related lump sum</u>	<u>CETV at 31 March 2021</u>	<u>CETV at 31 March 2020</u>	<u>Real increase in CETV</u>
	£'000	£'000	£'000	£'000	£'000
	Dr Tristram Hunt Director	10-15 nil	2.5-5 nil	155	113
Tim Reeve Deputy Director & Chief Operating Officer	45-50 85-95	2.5-5 nil	745	693	21

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially-assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits value is the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of Classic, Premium and Classic Plus and 65 for members of Nuvos and Alpha. For more details on the pension schemes see note 5c.

Exit packages (subject to audit)

<i>Exit package cost band</i>	<i>Number of compulsory redundancies</i>	<i>Number of other departures agreed</i>	<i>Total number of exit packages by cost band</i>
<£10,000	19	43	62
	(3)	(1)	(4)
£10,000 - £25,000	5	30	35
	(2)	(-)	(2)
£25,000 - £50,000	-	19	19
	(-)	(2)	(2)
£50,000 - £100,000	-	4	4
	(-)	(2)	(2)
Total number of exit packages	24	96	120
	(5)	(5)	(10)
Total resource cost	£162,940	£1,547,787	£1,710,727
	(£37,810)	(£226,770)	(£264,580)

Figures in brackets are for the prior year.

For employees of the museum, redundancy and other departure costs are payable in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Where the museum has agreed early retirements, the additional costs are met by the museum and not the Civil Service pension scheme. For individuals employed by VAE, redundancy and other departure costs are payable in accordance with the provisions of their employment contract. As part of the Recovery Programme in 2020, a Voluntary Options scheme, including the opportunity to apply for voluntary redundancy on enhanced terms, was offered to all staff. In addition, the opportunity to take voluntary redundancy for those at risk of redundancy was offered, in advance of compulsory redundancies being made.

Fair Pay: based on the March 2021 payroll, the highest-earning employee is banded at £145-£150k p.a. including performance pay and any other benefits in kind (2020: £160-165k) and the median employee c. £28.5k (2020: £28k). This is a ratio of 5.13:1 (2020: 5.21:1). The V&A reports its gender pay gap annually. In its most

recent report the V&A had an overall mean gender pay gap of 7.3% (2020: 7.1%) and a median gender pay gap of 0.4% (2020: 0%).

Equality, Diversity, and Inclusion (EDI)

At the V&A we are committed to equality, diversity, and inclusion as central to creating a positive workplace culture for all, recognising and celebrating the wide range of talents and resources of our employees. We strive to be an inclusive, tolerant, and welcoming organisation ensuring that colleagues, partners, and visitors are treated with respect and dignity.

During 2020-21 we have focused on how we could go further in the V&A to actively engage with Anti-Racism. An Anti-Racism Taskforce consisting of employees from across the organisation and representatives from specialist groups was created, to “actively and consciously work against the multi-dimensional aspects of racism across all V&A sites and collections.”

This will feed into a broader EDI strategic objective in the new 5-year strategic plan, underpinned by comprehensive recommendations covering Audiences and Programmes, Workforce Development, Collections, Accountability and Culture. The Anti-Racism Taskforce will continue its work during 2021 maintaining focus to create an integrated approach to implementing the recommendations and to facilitate sustainable change.

We remain committed as an employer to ensuring we welcome and select the most suitable person for any post in respect of experience, knowledge, skills, and behaviours, regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation. We also remain focused on apprenticeships and early careers, creating pipelines for workforce development in the V&A and the sector as a whole. We are a recognised Disability Confident Employer and in our current workforce 5% of employees declared themselves as having a disability.

87.3% of employees have chosen to declare against protected characteristics, creating the following employee profile: 85.3% white, 3.2% black, 5.3% Asian, 3.9% mixed, 2.4% other. The gender profile is 70% female and 30% male.

Employee Absence

The average amount of sick-day absence is 1.9 days (2020: 5.8 days). If long-term sickness (any absence over three weeks in duration) is excluded, the figure falls to 1 day (2020: 3.3 days).

Trade Union Activity

The V&A voluntarily recognises three trade unions in Prospect, PCS and FDA as a Trade Union Side, for all museum employees and meets regularly to facilitate effective communication and negotiation. We have worked closely with Trade Union colleagues over the course of the year, on both the Recovery Programme and on creating a COVID-secure workplace. Union representatives are granted reasonable requests for paid facility time, to carry out their union duties and details are shown below for the year April 2020-March 2021.

The total number of employees who were relevant union officials was 26 (22.4 on an FTE basis) and all spent between 1-50% of their paid working time on facility time. The total cost of facility time was £42,000, the total pay bill during this time was £37.6m, and therefore the percentage of the total pay bill spent on facility time was 0.11%. Finally, the time spent on paid trade union activities as a percentage of total paid facility time hours was 3%.

Off-payroll appointments

For the year ended 31 March 2021, there was one off-payroll engagement for more than £245 per day and that lasted for longer than six months. Consultancy spend for the year ended 31 March 2021 was nil (2020: nil).



Dr Tristram Hunt
Director and Accounting Officer
29 June 2021



Nicholas Coleridge CBE
Chairman of Trustees
29 June 2021

STATEMENT OF TRUSTEES' AND DIRECTOR'S RESPONSIBILITIES

The Board of Trustees of the V&A was established by the National Heritage Act 1983. The functions of the Board, as defined by the National Heritage Act are to:

- Care for, preserve and add to the objects in their collections;
- Secure that the objects are exhibited to the public;
- Secure that the objects are available to persons seeking to inspect them in connection with study or research; and
- Generally promote the public's enjoyment and understanding of art, craft and design both by means of the Board's collections and by such other means as they consider appropriate.

Under ss.9(4) and (5) of the Museums and Galleries Act 1992, the Board of Trustees is required to prepare a Statement of Accounts for each financial year in the form and on the basis determined by the Secretary of State for Digital, Culture, Media and Sport with the consent of the Treasury. The accounts are prepared on an accruals basis to show a true and fair view of the museum's financial activities during the year and of its financial position at the end of the year. The Accounting Officer has taken the necessary steps to ensure that there is no relevant audit information of which the external auditors are unaware. In preparing the accounts the Trustees are required to:

- Observe the accounts direction issued by the Secretary of State for Digital, Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the museum will continue in operation.

The Accounting Officer for DCMS has designated the Director as the Accounting Officer for the museum. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable, and for the keeping of proper records and for safeguarding the V&A's assets, are set out in Managing Public Money published by HM Treasury.

The Accounting Officer is required to confirm that the annual report and accounts as a whole is fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.



Dr Tristram Hunt
Director and Accounting Officer
29 June 2021



Nicholas Coleridge CBE
Chairman of Trustees
29 June 2021

Governance Statement

The V&A is governed by the National Heritage Act 1983. The Act was modified and repealed to some extent by the Museums and Galleries Act 1992, but this did not materially affect the status of the museum. The V&A is a non-departmental public body (NDPB) sponsored by the Department for Digital, Culture, Media and Sport (DCMS), and is a charity exempt from registration under the Charities Act 2011. As an exempt charity it is regulated by DCMS, rather than the Charity Commission. Its investments are governed by the Trustee Act 2000.

The museum is governed by a Board of Trustees answerable to the Secretary of State for Digital, Culture, Media and Sport for the policies and performance of the museum. The Minister is, in turn, answerable to Parliament. The Director of the V&A is accountable both to the Board as Chief Executive and to the Permanent Secretary of DCMS as Accounting Officer.

DCMS drew up a Management Agreement in consultation with the V&A which was agreed in February 2017. This document sets out the broad framework within which the V&A operates. An updated version of the agreement is currently under discussion with DCMS.

Board of Trustees

The V&A Board is a body corporate with between 12 and 20 members. At 31 March 2021 there were 16 Trustees including Nicholas Coleridge CBE, the Chair of the Board of Trustees. Trustees serve an initial term of up to four years. Under the rules laid down by the Commissioner for Public Appointments, Trustees are restricted to serving two terms or a maximum period of ten years. Trustees are not remunerated but are able to claim expenses.

The governance framework of the V&A, including information about the Board's committee structure, its attendance records and a summary of its work, is set out in this statement.

During the year, one Trustee retired from the Board; no new Trustees were appointed; two trustees were reappointed for further four-year periods and one trustee was reappointed for a further two-year period. Details of the Trustees during the year are shown in Table A.

Trustee Appointment & Induction

Appointments to the V&A Board of Trustees, including that of the Chair, are made by the Prime Minister following the DCMS process for public appointments. Appointment to the Board is governed by selection on merit, on the basis of equality of opportunity for all, and is subject to monitoring by the Commissioner for Public Appointments. There is one ex-officio member of the Board, Dr Paul Thompson, the Vice Chancellor of the Royal College of Art. Dr Thompson has served as a Trustee since September 2009 and as his appointment is ex-officio, the general principle that a trustee should serve for no more than ten years has been disapplied. On appointment, Trustees are provided with a Trustee Handbook that gives information on the V&A, outlines the roles and responsibilities of Trustees and senior staff, and refers to other guidelines on public service and conduct of public appointees. New Trustees are personally introduced to their role by the Chair and the Director, involving other V&A staff as necessary. DCMS also provides a booklet for Board members of its NDPBs.

Delegation of Authority

The National Heritage Act 1983 requires the Board to appoint a Director, with the approval of the Prime Minister, and stipulates that the Director will be responsible to the Board for the general exercise of the Board's functions. In general, the Board focuses on policy and strategy, leaving operational matters to the Executive Board (EB). Key decisions and issues reserved to the Board include:

- Issues of corporate strategy;
- Key strategic objectives and targets;
- Major decisions involving the use of financial and other resources;
- Senior personnel issues and standards of conduct;
- The appointment of the Director (jointly with the Prime Minister);
- Involvement in the appointment of some senior staff (jointly with the Director);
- Considering the remuneration of senior staff;
- The approval of major purchases by the museum of objects valued at £100,000, or more, on the recommendation of the Trustees' Collections Committee;
- The approval of major loans by the museum of objects valued at £1,000,000, or more, on the recommendation of the Trustees' Collections Committee

The primary operational decision-making body of the V&A is the Executive Board (EB) comprising senior staff members and chaired by the Director, Dr Tristram Hunt. The full composition of the EB is shown at Table C. It meets fortnightly to review all operational issues.

In addition to the EB, there is a wider Leadership Forum, chaired by the Director, which meets approximately every six weeks.

Compliance with Governance Codes

The museum is a non-departmental public body and a statutory charity. It is mindful of the Corporate Governance Code for central government departments and Trustees are content that the museum complies where appropriate.

The museum is also mindful of the Charity Governance Code for Larger Charities. A review of the museums' compliance with that Code was undertaken in 2018 and Trustees are content that the museum complies where appropriate.

The museum maintains the following policies, available on the website, which are periodically reviewed and updated:

- Modern slavery act statement
- Equality and diversity at the V&A
- Freedom of information
- Collections policies
- Privacy notice and use of cookies
- Public task
- Research ethics policy

Committees of the Board

Much of the Board's business is conducted through its committees. Details of their scope and structure are given in Table B. In the course of the year in response to shifting priorities, the FuturePlan and V&A East Committee was replaced by two new committees: the V&A East Committee and the Building Strategy Committee. The COVID-19 Liaison Committee was established to oversee the V&A's initial response to the closure of the museum in the Spring of 2020.

Board performance

The V&A's response to the COVID-19 pandemic and the implications for the future were central to the Board's activities throughout this year, with meetings taking place via video conferencing. The safety of the V&A's staff and visitors was the primary focus for the Trustees with detailed briefings being provided to the Board at each meeting and through relevant Board Sub-Committees, including the short-term COVID-19 Liaison Committee. During the course of the year, the Trustees considered the severe and ongoing financial implications of the pandemic and the financial strategy for recovery, including the cost reduction plan (the "Recovery Programme") and its implications for colleagues across the museum. Trustees received regular briefings throughout the implementation of the Recovery Programme and were particularly concerned to ensure the V&A maintained the necessary levels of professionalism and expertise across the museum, including within the Collections division. The Board was also briefed regularly on the repeated closure and remobilisation of the museum as it reacted to Government regulations and guidelines.

In addition to its oversight of pandemic response, the Board received briefings on a range of other matters. The development of the two V&A East sites – the Waterfront Museum at East Bank and the Collection and Research Centre – was discussed as a standing agenda item at every Board meeting. The curatorial vision was shared with Trustees as well as the work in train around branding and audiences. In the course of the year and in the wake of the pandemic it was announced that the partnership with the Smithsonian Institute would not proceed and a joint statement was issued on 18 September 2020. The work to decant the V&A's reserve collections from Blythe House was delayed due to closure of the site during the first lockdown and the productivity impacts of social distancing; progress has been monitored throughout the year.

The museum also engaged with a fresh review of Equality, Diversity and Inclusion during the year, which has included instigating an Anti-Racism Taskforce involving staff from across the museum. Other strategic issues

which were considered by Trustees during the year included the development of an International Strategy. Leonie Bell was appointed as Director of V&A Dundee, and presented to the Board with Tim Allan, Chair of V&A Dundee.

During the year the Trustees also considered routine business including: agreeing the budget; reviewing the performance of investments and progress against performance indicators; the annual Safety Report; approving the Gift Acceptance Policy; the second series of the BBC2 documentary, *Secrets of the Museum*, Digital Media projects; further work undertaken on the V&A brand. The Trustees received updates from a number of departments across the museum.

A full review of the effectiveness of all Board sub-committees was undertaken in 2019-20. The Chair's performance is regularly appraised; an internal review process took place in March 2020 and an appraisal by DCMS was undertaken in March 2021 with a report prepared by DCMS on 29 March 2021.

Audit Committee

The Audit Committee is responsible for reviewing the museum's risks, reviewing the controls in place to manage them, and monitoring its compliance with statutory requirements (including the Annual Report & Accounts). During the year the Committee reviewed all the Internal Audit reports it had commissioned and agreed the Internal Audit plan for 2021-22. It reviewed the Strategic Risk Register at each meeting and approved a revised Risk Management Policy. It also reviewed the external audit of the Annual Report & Accounts for 2019-20, approved the Governance Statement and reviewed the Committee's Terms of Reference.

The areas reviewed by Internal Audit during the year included Risk Management, COVID-19 response, remobilisation of the workforce, CRM stabilisation, the apprenticeship levy, the impact of Britain's exit from the EU, implementation of secure remote working, estate management and donor due diligence. In addition, follow-up work was performed to provide assurance on the implementation of recommendations from internal audit work undertaken in the previous year. In its Annual Report, Internal Audit was able to give reasonable assurance on the effectiveness of the V&A's risk management, control and governance processes over the year.

Risk management and control

The museum has adopted a Risk Management Policy that lays out its approach to risk and sets out policies and procedures for managing risk. The implementation of this policy is described here.

Identification and assessment of risk

The museum has two risk registers: Operational and Strategic.

Operational Risk Registers are maintained by line management at a local level and embrace a wide range of risks and issues that concern discrete and containable elements of the V&A's operations such as collections management; staff recruitment, development and appraisal; financial management and fraud prevention; information systems security; audience development and procurement. Managers are expected to regularly review and update their view of risk and highlight major new risks arising to the Executive Board during the year.

When the assessment of the likelihood of a risk crystallising and its impact reach a level that is of material impact to the overall strategy of the V&A or affect its ability to fulfil its purpose, these risks are reflected in the Strategic Risk Register.

The Strategic Risk Register includes risks relating to governance, reputation and policy matters, and key physical threats to staff, volunteers, visitors, or contractors, or to the security of the collections, where the Trustees have statutory or quasi-statutory obligations. The Strategic Risk Register has been re-calibrated to reflect the wide range of risks arising from COVID-19.

The Strategic Risk Register is discussed and updated on a regular basis by the museum's Executive Board; the Audit Committee reviews the updated Strategic Risk Register at its meetings.

The Executive Board establishes mitigating actions to reduce residual risk to an acceptable level and reports to the Audit Committee on their implementation at each meeting.

The procedures associated with the Risk Registers are only part of the control environment operating within the museum. Other key aspects include:

- The Executive Board meets fortnightly to review all operational issues;
- The Trustees and senior management have agreed a Strategic Plan which outlines key short- and medium-term objectives and appropriate indicators. This ensures that scarce resources are applied to key corporate priorities;

- The functions of the Board's Sub-Committees are set out in Table B
- The retention of Internal Auditors with a reporting line directly to the Trustees

Risk profile and impact of COVID-19 pandemic

The museum has a well-worked out process for identifying and continually assessing risks to its ongoing operations and services to the public. Many of these risks change with circumstances and time. The COVID-19 pandemic, which led to museum closure as of 17 March 2020 and subsequent extended closures throughout 2020-21, had a significant impact on every risk identified in the Strategic Risk Register. A global pandemic as a single simultaneous influence on a range of risks had not previously been identified. The Strategic Risk Register has been and will continue to be recalibrated in light of the ongoing impacts of the pandemic.

During the course of 2020-21 the major risks (and mitigating actions) identified for the museum were:

- The funding environment – the immediate impact of the COVID-19 pandemic was closure of the museum and a consequent severe reduction in self-generated income. This significantly increased reliance on Government funding. Whilst additional emergency Grant in Aid has been made available to support recovery from the pandemic impacts, there remains uncertainty around future Grant in Aid settlements. Recovery is likely to be slow, meaning that increased reliance on Government funding will continue to be a risk in a challenging fiscal environment over the coming years. The Board has identified a need to build general reserves to increase financial resilience in this uncertain context, in addition to the measures taken during 2020-21 to secure sustainable cost reductions.
- Pandemic recovery – there remains a risk that the recovery is slower than anticipated with a consequential adverse impact on projected levels of self-generated income. Expected contraction in the tourism economy and reduction in domestic and overseas visitor numbers compound this risk. Projections for visitor numbers have been modelled against a range of scenarios to help manage this uncertainty and cost reductions have already been implemented in line with the central operating scenario. There remains a significant downside risk, particularly in 2021-22 and 2022-23, which is partly mitigated by reserves held and business planning to rebuild diverse commercial income streams.
- As a result of the reorganisation and budget constraints caused by COVID-19, as well as a prolonged period of furlough and remote working, there is a risk of reduced staff engagement and productivity. Regular staff communications and surveys have been in place throughout the pandemic and work is now underway to develop a new People Strategy as part of planning for the post-pandemic workplace.
- Ensuring the security of visitors, staff, volunteers and collections at a time of global instability. The museum has a thorough and flexible security strategy that responds to changes in risk.
- EU Exit – the range of risks relating to the UK's exit from the European Union have been masked by the closures caused by COVID-19 but they were reviewed by the Audit Committee throughout the year.

Whistleblowing arrangements

The museum upholds the core values detailed in the Code of Professional Ethics of the Museums Association and the International Council of Museums, and actively promotes their implementation. In line with these commitments, the museum encourages employees and others with serious concerns about any aspect of the museum's work to come forward and voice those concerns, and expects its managers to encourage employees to express their views openly. This is clearly documented in the Whistleblowing section of the V&A's People Policies and Guidance.

Data quality

The Board has gained assurance that the data quality of the information it receives is sound through a mix of internal audit work on data held and its own challenge of the data presented.

Data protection

The museum takes the protection of personal data very seriously and is mindful of the Data Protection Act 2018, the UK GDPR and the EU GDPR which remains applicable as the museum processes data of European citizens. The Data Protection Officer and the Data Protection & Information Compliance Executive report that during the year the V&A has made two reports to the Information Commissioner's Office (ICO) relating to data breaches caused by data being shared with unauthorised persons – one relating to an error in a Membership mailing and the other relating to potential exposure of data in an MS Forms questionnaire regarding remobilisation. Both cases were closed with recommended actions but no further investigation by the ICO. Actions have since been

taken to reduce the risk of recurrence. One incident in relation to a small amount of personal data released in a response to a Freedom of Information request was reported to the ICO by a third party. The V&A had previously assessed the risk and concluded it was not reportable. The ICO closed the case with recommended actions but no further investigation. Actions will be taken to reduce the risk of recurrence.

Accounting Officer's and Chair's conclusion

We have considered the Annual Governance Statement and the independent advice and assurance provided by the Audit Committee. We conclude that the V&A has satisfactory governance and risk management systems with effective plans to ensure continuous improvement.

Table A

Board of Trustees at date of signing 31 March 2021					
Name	Term expires	Attendance			
		Board	Audit	Rem	
Nicholas Coleridge CBE (Chair)	31/10/2023	6/6	5/5	1/1	
Jonathan Anderson ¹	03/02/2023	3/6			
Martin Bartle	29/02/2024	6/6			
Allegra Berman	29/02/2024	6/6			
David Bomford	31/03/2023	6/6		1/1	
Dr Genevieve Davies	03/02/2023	6/6			
Ben Elliot	31/12/2024	6/6			
Nick Hoffman	14/09/2023	6/6	5/5	1/1	
Amanda Levette CBE	29/02/2024	6/6			
Professor Lynda Nead	31/12/2022	6/6			
Kavita Puri	01/07/2022	6/6			
Caroline Silver	30/06/2022	6/6	5/5		
Amanda Spielman	29/02/2024	6/6	5/5		
Marc St John	03/02/2023	6/6			
Dr Paul Thompson	(ex officio as Vice Chancellor of the Royal College of Arts)	6/6			
Nigel Webb	31/12/2024	6/6			
Other Trustees who served during the year					
Steven Murphy	31/12/2020	4/4			

¹Due to the pandemic and conflicting travel schedules Jonathan Anderson was unable to attend some Trustee meetings in 2020-21. However he has assured the Board that he will make every effort to attend future meetings.

Table B

Committees of the Board of Trustees during the year		
Committee	Primary functions	Chair
Audit	Financial reporting, risk management & assurance	Nick Hoffman
Building Strategy	To oversee and guide the development of the V&A's estate	Nigel Webb
Collections	Acquisition, disposal & loan of the collection	David Bomford
Commercial Strategy	Overseeing and advising on the museum's commercial strategy	Marc St John
Finance	Overseeing the museum's financial position	Caroline Silver
Investment	Monitoring investment performance & policy	Caroline Silver
V&A Museum of Childhood	Policies & practice of the MoC, and the capital project	Marc St John
Remuneration	Remuneration of senior staff	Nicholas Coleridge CBE
Research	Overseeing research policy & projects	Professor Lynda Nead
V&A East	To advise and oversee the establishment of V&A East	Kavita Puri
Visitor Experience	Developing visitor experience strategy	Steven Murphy
COVID-19 Liaison	Initial response to COVID-19 (short-term working group)	Nicholas Coleridge CBE

Table C

V&A Executive Board during the year	
Dr Tristram Hunt	Director (Chair)
Tim Reeve	Deputy Director & Chief Operating Officer
Dr Antonia Boström	Director of Collections
Sophie Brendel	Director of Audiences, Commercial & Digital
Dr Gus Casely-Hayford	Director of V&A East
Dr Helen Charman	Director of Learning & National Programmes
Jane Ellis	Director of Finance & Resources
Jane Lawson	Director of Development
Dr Philippa Simpson	Director of Design, Estate & Public Programme
Alex Stitt	Director of Commercial, Digital and Exhibitions (until 31 March 2021)
Judy Roberts	Director of People & Change

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Victoria and Albert Museum for the year ended 31 March 2021 under the Museums and Galleries Act 1992. The financial statements comprise: The Consolidated Statement of Financial Activities, the Group and Museum Balance Sheets, the Consolidated Cashflow Statement and the related notes, including the significant accounting policies. 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). I have also audited the information in the Remuneration and Staff Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of the Victoria and Albert Museum's affairs as at 31 March 2021 and of its net income for the year then ended; and
- the financial statements have been properly prepared in accordance with the Museum and Galleries Act 1992 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Victoria and Albert Museum in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Victoria and Albert Museum's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

My responsibilities and the responsibilities of the Trustees and Director with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises information included in the Annual Report including the Trustees Report but does not include but does not include the financial statements and my auditor's certificate thereon. The Trustees and the Director are responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Museums and Galleries Act 1992.
- the information given in the Annual report including the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Victoria and Albert Museum and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report including the Trustees' report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Trustees and Director

As explained more fully in the Statement of Trustees and Director's Responsibilities, the Trustees and the Director are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as Trustees and the Director determine is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing the group and the Victoria and Albert Museum's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees and the Director anticipate that the services provided by Victoria and Albert Museum will not continue to be provided in the future or either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Museums and Galleries Act 1992. My 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 a certificate that includes my 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- Inquiring of management, the internal auditor and those charged with governance, including obtaining and reviewing supporting documentation relating to the Victoria and Albert Museum's policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations: Museums and Galleries Act 1992, National Heritage Act 1983, Managing Public Money and Charities Act 2011.

- discussing among the engagement team including key personnel from the auditors of V&A Enterprises Ltd. and involving relevant internal and or external specialists, including experts in the valuation of land and buildings, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and the application of the Coronavirus Job Retention Scheme.
- obtaining an understanding of Victoria and Albert Museum's framework of authority as well as other legal and regulatory frameworks that the Victoria and Albert Museum and group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Victoria and Albert Museum and group. The key laws and regulations I considered in this context included the Museum and Galleries Act 1992, the National Heritage Act 1983, Managing Public Money, Employment Law, Tax Legislation, Pensions Legislation, the Coronavirus Act 2020 and the Charities Act 2011.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board of Trustees;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- in addressing the risk of revenue recognition due to fraud, assessing the recognition of grants and donations in line with the accounting framework and undertaking procedures to test the completeness of grants, donations and legacies.
- In addressing the risk of fraud in the Coronavirus Job Retention Scheme undertaking procedures to test that claims to HM Revenue and Customs were in line with the scheme rules and procedures to test whether employees were working whilst claiming under the scheme.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
7 July 2021

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Consolidated Statement of Financial Activities

	Notes	Unrestricted funds	Restricted funds	Endowment funds	2021 Total funds	2020 Total funds (restated)
		£'000	£'000	£'000	£'000	£'000
Income and receipt of endowments						
<i>Income from donations and legacies</i>						
– Grant in Aid	2a	53,011	26,048	-	79,059	53,098
– Donations, legacies and similar income	2b	1,965	6,742	-	8,707	10,804
– Donated objects	6c	-	1,123	-	1,123	17,084
		<u>54,976</u>	<u>33,913</u>	<u>-</u>	<u>88,889</u>	<u>80,986</u>
<i>Income from other trading activities</i>						
– Trading Income	8	5,941	-	-	5,941	22,390
– Sponsorship		326	-	-	326	2,155
		<u>6,267</u>	<u>-</u>	<u>-</u>	<u>6,267</u>	<u>24,545</u>
Investment income	3	26	-	-	26	107
<i>Income from charitable activities</i>						
– Admissions & exhibition fees (inc loans & touring)		1,621	100	-	1,721	9,855
– Membership income		3,517	-	-	3,517	7,073
– Furlough Income		-	7,118	-	7,118	-
– Other Trading		462	-	-	462	735
		<u>5,600</u>	<u>7,218</u>	<u>-</u>	<u>12,818</u>	<u>17,663</u>
Other income		900	1,474	-	2,374	2,365
Gain on Associate	9	-	3,162	-	3,162	-
Total income		<u>67,769</u>	<u>45,767</u>	<u>-</u>	<u>113,536</u>	<u>125,666</u>
Expenditure						
<i>Expenditure on raising funds</i>						
– Costs of generating voluntary income	5a	6,772	1,920	-	8,692	9,668
– Trading costs	8	3,401	4,296	-	7,697	14,010
– Investment management costs		213	29	94	336	64
		<u>10,386</u>	<u>6,245</u>	<u>94</u>	<u>16,725</u>	<u>24,042</u>
<i>Expenditure on charitable activities</i>						
– Charitable Activities	5a	47,738	20,577	-	68,315	77,120
Loss on Associate	9	-	-	-	-	2,181
Total expenditure		<u>58,124</u>	<u>26,822</u>	<u>94</u>	<u>85,040</u>	<u>103,343</u>
Net income before gains and losses on investments		9,645	18,945	(94)	28,496	22,323
Gains/(Losses) on investment assets	7	3,551	613	1,578	5,742	(954)
Loss on revaluation of fixed assets for the charity's own use	6	-	(6,745)	-	(6,745)	-
Net income	4	<u>13,196</u>	<u>12,813</u>	<u>1,484</u>	<u>27,493</u>	<u>21,369</u>

Consolidated Statement of Financial Activities (cont'd)

	Notes	Unrestricted funds	Restricted funds	Endowment funds	2021 Total funds	2020 Total funds (restated)
		£'000	£'000	£'000	£'000	£'000
Transfers between funds	17	(2,004)	2,004	-	-	-
Net income before other recognised gains and losses		<u>11,192</u>	<u>14,817</u>	<u>1,484</u>	27,493	<u>21,369</u>
(Loss) / gain on revaluation of fixed assets for the charity's own use	6	-	(9,941)	-	(9,941)	<u>29,421</u>
Net movement in funds		11,192	4,876	1,484	17,552	50,790
Fund balances brought forward at 1 April		<u>23,404</u>	<u>658,010</u>	<u>6,374</u>	687,788	<u>636,998</u>
Fund balances carried forward at 31 March	17	<u>34,596</u>	<u>662,886</u>	<u>7,858</u>	705,340	<u>687,788</u>

All operations of the museum continued throughout both periods and no operations were acquired or discontinued in either period. There are no recognised gains or losses other than those shown above.

The notes on pages 46 to 72 form part of these financial statements.

Prior Year Consolidated Statement of Financial Activities

	Notes	Unrestricted funds	Restricted funds	Endowment funds	2020 Total funds (restated)
		£'000	£'000	£'000	£'000
Income and receipt of endowments					
<i>Income from donations and legacies</i>					
– Grant in Aid	2a	36,152	16,946	-	53,098
– Donations, legacies and similar income	2b	2,705	8,099	-	10,804
– Donated objects	6c	-	17,084	-	17,084
		<u>38,857</u>	<u>42,129</u>	<u>-</u>	<u>80,986</u>
<i>Income from other trading activities</i>					
– Trading Income	8	22,390	-	-	22,390
– Sponsorship		2,105	50	-	2,155
		<u>24,495</u>	<u>50</u>	<u>-</u>	<u>24,545</u>
Investment income	3	82	25	-	107
<i>Income from charitable activities</i>					
– Admissions & exhibition fees (inc loans & touring)		9,855	-	-	9,855
– Membership income		7,073	-	-	7,073
– Other Trading		732	3	-	735
		<u>17,660</u>	<u>3</u>	<u>-</u>	<u>17,663</u>
Other income		1,311	1,054	-	2,365
Total income		<u>82,405</u>	<u>43,261</u>	<u>-</u>	<u>125,666</u>
Expenditure					
<i>Expenditure on raising funds</i>					
– Costs of generating voluntary income	5a	8,395	1,573	-	9,968
– Trading costs	8	14,010	-	-	14,010
– Investment management costs		25	22	17	64
		<u>22,430</u>	<u>1,595</u>	<u>17</u>	<u>24,042</u>
<i>Expenditure on charitable activities</i>					
– Charitable Activities	5a	57,316	19,804	-	77,120
– Loss on Associate		-	2,181	-	2,181
Total expenditure		<u>79,746</u>	<u>23,580</u>	<u>17</u>	<u>103,343</u>
Net income / (expenditure) before gains and losses on investments		2,659	19,681	(17)	22,323
Loss on investment assets		(344)	(160)	(450)	(954)
Net income	4	<u>2,315</u>	<u>19,521</u>	<u>(467)</u>	<u>21,369</u>

Prior Year Consolidated Statement of Financial Activities (*cont'd*)

	Notes	Unrestricted funds	Restricted funds	Endowment funds	2020 Total funds (restated)
		£'000	£'000	£'000	£'000
Transfers between funds	17	8	21	(29)	-
Net income before other recognised gains and losses		<u>2,323</u>	<u>19,542</u>	<u>(496)</u>	<u>21,369</u>
Gain on revaluation of fixed assets for the charity's own use		-	29,421	-	<u>29,421</u>
Net movement in funds		2,323	48,963	(496)	50,790
Fund balances brought forward at 1 April		<u>21,081</u>	<u>609,047</u>	<u>6,870</u>	636,998
Fund balances carried forward at 31 March	17	<u>23,404</u>	<u>658,010</u>	<u>6,374</u>	687,788

The notes on pages 46 to 72 form part of these financial statements.

Consolidated and Museum Balance Sheets

	Notes	Group 2021 £'000	Museum 2021 £'000	Group 2020 (restated) £'000	Museum 2020 (restated) £'000
Fixed assets					
Tangible assets	6a	521,244	521,244	529,490	529,490
Intangible assets	6b	1,498	1,498	622	622
Heritage assets	6c	138,097	138,097	136,651	136,651
Investments	7,8	25,303	25,505	19,863	20,065
Investment in Associate	9	21,766	-	18,604	-
		707,908	686,344	705,230	686,828
Current assets					
Stock	10	2,963	1,211	3,580	1,530
Debtors due within one year	11	13,738	14,001	14,215	16,788
Short Term Investments	7	8,552	8,552	8,589	8,589
Cash		41,198	37,058	19,878	12,759
		66,451	60,822	46,262	39,666
Current liabilities					
Creditors due within one year	12	(18,994)	(16,595)	(16,364)	(13,093)
Provisions due within one year	15	(1,401)	(1,334)	(657)	(534)
Net current assets		46,056	42,893	29,241	26,039
Total assets less current liabilities		753,964	729,237	734,471	712,867
Creditors due after one year	12	(48,624)	(48,624)	(46,683)	(46,683)
Net assets		705,340	680,613	687,788	666,184
Represented by					
Designated funds		31,766	31,766	20,619	17,619
General funds		2,830	(131)	2,785	2,785
Total Unrestricted funds	17	34,596	31,635	23,404	20,404
Restricted funds	17	440,199	440,199	421,799	421,799
Revaluation Reserve	17	200,921	200,921	217,607	217,607
Investment in Associate	17	21,766	-	18,604	-
Total Restricted funds		662,886	641,120	658,010	639,406
Total Income funds		697,482	672,755	681,414	659,810
Endowment funds	17	7,858	7,858	6,374	6,374
Total funds		705,340	680,613	687,788	666,184

The financial statements on pages 40 to 72 were approved by the Director and the Chairman.



Dr Tristram Hunt
Director and Accounting Officer
29 June 2021



Nicholas Coleridge CBE
Chairman of Trustees
29 June 2021

The financial statements were authorised for issue by the Accounting Officer and Board of Trustees on the date shown on the audit certificate.

The notes on pages 46 to 72 form part of these financial statements.

Consolidated Cashflow Statement

Year ended 31 March 2021

	Notes	2021 £'000	2020 (restated) £'000
Net cash inflow from operating activities	a	37,563	63,902
Cash flows from investing activities			
Returns on investments		26	107
(Gain)/Loss from associate		(3,162)	2,181
Purchase of property, plant and equipment (inc. heritage and lease assets)		(13,446)	(59,037)
Purchase of investments	7	(5)	(53)
Proceeds from the sale of investments	7	344	64
Net cash used in investing activities		(16,243)	(56,738)
Increase in cash and cash equivalents	c	21,320	7,164

a) Reconciliation of net income to net cash inflow from operating activities

Net income	27,493	21,369
Investment income	(26)	(107)
Donated assets	(1,123)	(17,084)
Depreciation and revaluation loss charged to operations	15,468	15,724
Amortisation	40	40
(Gain)/Loss on investments	(5,742)	954
Decrease in stocks	617	1,707
Increase in debtors	477	(3,332)
Decrease in creditors due within one year	(2,326)	(529)
Increase in provisions due within one year	744	542
Increase in creditors due after one year	1,941	44,618
Net cash inflow from operating activities	37,563	63,902

b) Reconciliation of net cash flow to movement in net funds

Increase in cash in the period	21,320	7,164
Non-cash movement in Short Term Investments	(37)	21
Movement in net funds in the period	21,283	7,185
Net funds at 1 April	28,467	21,282
Net funds at 31 March	49,750	28,467

c) Analysis of net funds and statement of net debt

	At 1 April 2020 £'000	Cashflow £'000	Non-cash changes £'000	At 31 March 2021 £'000
Cash at bank and in hand	19,878	21,320	-	41,198
Short Term Investments	8,589	-	(37)	8,552
	28,467	21,320	(37)	49,750
Finance lease obligations	(48,257)	(2,251)	3,009	(47,499)
Net funds	(19,790)	19,069	2,972	2,251

All cash at bank is held in commercial bank accounts and no overdraft facility is in place.

The notes on pages 46 to 72 form part of these financial statements.

Notes to the Consolidated Financial Statements

1) Accounting policies

a) Basis of Accounting

The financial statements of the museum, which is a public benefit entity under Financial Reporting Standard 102 (FRS102), have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and with the exception of investments which have been included at market value, and comply with Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP), Government Financial Reporting Manual, applicable accounting standards (FRS102) and the Accounts Direction issued by the Department for Digital, Culture, Media & Sport in 2019 with the consent of Treasury in accordance with the Museums and Galleries Act 1992.

The museum is a charity within the meaning of Par. 1, Sch. 6 of the Finance Act 2010. Accordingly the museum is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Consolidated accounts have been prepared which include the museum accounts, the museum's trading subsidiaries V&A Enterprises Ltd (registered no. 01955898), V&A Museum Events Ltd and V&A Ltd, consolidated on a line-by-line basis. The museum Trustees act as Trustees to all the individual funds within the museum accounts. The museum owns the whole of the issued share capital of V&A Enterprises Ltd and V&A Holdings Ltd (a holding company which in turn owns the share capital of V&A Ltd and V&A Museum Events Ltd). The Gilbert Trust for the Arts is accounted for as an associate of the museum and has been consolidated using the equity method in accordance with FRS102. The V&A Foundation and Design Dundee Ltd are separate charitable companies run by their own board of Trustees and are not consolidated into the museum's accounts.

b) Fund accounting

General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the museum. Designated funds comprise unrestricted funds which have been set aside at the discretion of the Trustees for specific purposes. Restricted funds are funds subject to specific restrictions imposed by donors or by the purpose of the appeal. Endowment funds are funds which the donor has stated are to be held as capital or expended over the long term.

The South Kensington and Bethnal Green sites are subject to restrictions on their disposal. As a result, a transfer is made each year from Unrestricted to Restricted funds in respect of the government funded portion of capital movements in the year.

An appropriate proportion of investment returns on Endowment funds are allocated to the relevant Restricted Funds and are available to spend.

c) Incoming resources

Grant in Aid income from the Department for Digital, Culture, Media and Sport is recognised in the Statement of Financial Activities on receipt. The restricted element relates to those funds granted specifically for capital expenditure.

Gifts and donated assets are accounted for when received by the museum, and are valued at their market value on the date of receipt.

Pecuniary legacies are recognised once probate has been granted and notification of entitlement has been received. Residuary legacies are recognised when probate is granted and there is sufficient information to value them and any conditions attached to the legacy are either within the control of the charity have been met. An allowance is made against the amounts receivable to reflect the uncertainty inherent in estate administration.

Grants and other income that is awarded subject to specific performance conditions, including research grants and income from the Heritage Lottery Fund, are recognised when the performance conditions for their receipt have been met and, where appropriate, income is deferred accordingly. Donations are recognised in full in the statement of financial activities when receivable.

Income from sales is included in the financial statements in the year in which the goods or services are supplied. Ticket sales for exhibitions are recognised in the statement of financial activities when the ticket holders attend the respective exhibitions.

Furlough income is recognised in the period to which the underlying furloughed staff costs relate to.

Membership income is recognised in the period it is received.

All other income is accounted for on a receivable basis.

d) Expenditure

Expenditure is classified under the principal categories of Charitable Activities and Raising Funds rather than by type of expense, in order to provide more useful information to the users of the financial statements. Direct expenditure including directly-attributable staff costs are allocated directly to the activities to which they relate.

Finance, Human Resources, Estate, IT, Governance and Central Administration costs are allocated between the activities on the basis of staff numbers within these areas.

Grant expenditure is accounted for when the recipient has indicated acceptance of the terms of the grant, and any conditions attached to the award of the grant have been met. Depreciation has been allocated to activities on a basis consistent with the use of assets and is charged based upon opening asset values.

Termination benefits are recognised as a liability and an expense only when there is a demonstrable commitment either:

- (a) to terminate the employment of an employee or group of employees before their normal retirement date; or
- (b) to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

All other liabilities are recognised as they fall due.

e) Heritage assets

Additions to the collection are capitalised and recognised on the Balance Sheet at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Such items are not depreciated as they are deemed to have indefinite lives. The museum's management policy in respect of its heritage assets is summarised in note 6.

Acquisitions are capitalised at cost. Donated objects are capitalised at their deemed value at the date of donation. This value will be determined by the Keeper of the relevant collection. It is not the museum's policy to revalue items once capitalised. Due to the vast number of items within the V&A's collection, and their diverse nature, to undertake valuations with sufficient frequency for them to remain current would incur a disproportionate cost to the museum.

Only items for which we have reliable information on cost or value have been capitalised. Such information is not readily available for items donated or acquired prior to 1 April 2001, and could only be obtained at a disproportionate cost to the benefits that would be generated. The number of objects that have been capitalised represent approximately 1% of the entire collection, and revaluing the remainder would require so much resource that the museum's ability to deliver its charitable objectives would be impaired.

Any object that has not been in place for five years or longer will be designated as Missing by the museum's Loss Review Board, and will be treated as a disposal in the Financial Statements. No objects that have been capitalised since 2001 have been designated Missing.

f) Tangible fixed assets

Tangible fixed assets are accounted for using modified historical cost accounting where the effect is material. Assets with a value greater than £2,000 are capitalised and included in the balance sheet. Depreciation has been provided on all opening gross book values of tangible assets except land, calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Buildings - Structural	- between 20 and 50 years
Buildings - Fit-out	- between 4 and 20 years
Buildings - Plant & Machinery	- between 4 and 20 years
Furniture and Fittings	- between 4 and 20 years
Equipment	- between 4 and 10 years

For assets under construction, depreciation is not charged until the year the asset is brought into use. A full year of depreciation is charged in the year of acquisition, and none in the year of disposal.

A full professional valuation is carried out every five years by Gerald Eve (Chartered Surveyors) on Land and Buildings and was last performed on 31 March 2018. A desktop revaluation is carried out every year between full revaluations.

g) Intangible assets

Intangible assets with an economic life of more than one year and value greater than £2,000 are capitalised. All intangible assets are measured at cost. Costs relating to assets developed internally are capitalised in accordance with the requirements of FRS102.

Intangible assets are stated at cost less amortisation.

h) Investments

Where possible, investments are valued using unadjusted quoted prices in active markets for identical financial instruments. The museum's investments in its subsidiaries, for which no ready market exists, are measured on a cost basis and reviewed for impairment annually. It is the museum's policy to keep valuations up to date. This means that there is no distinction between realised and unrealised gains in the SoFA.

Investments that are intended to produce a return, but are available to be spent within a 12 month period are treated as Short Term Investments. All other investments, which are intended to produce a long-term return, and are not intended to be spent within the next 12 months, are treated as Fixed Asset Investments.

Simple forward currency contracts are used within the investment portfolios to minimise the effect of currency fluctuations. These are classified as Held for Trading and are accounted for in accordance with IAS39 as permitted by FRS102, and are valued according to market prices for matching contracts at the balance sheet date.

i) Financial Instruments

Trade debts are held at amortised cost and are provided for as doubtful debts once they are deemed to be unrecoverable.

j) Stock and work in progress

Stock is valued at the lower of cost and net realisable value. Stock comprises goods for resale and the cost of exhibitions not yet opened. Exhibition costs are recognised over the duration of the exhibition's run at the V&A.

k) Pension cost

Past and present employees of the museum are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which are described at note 5c. The museum recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, the museum recognises the contributions payable for the year.

V&A Enterprises Limited operates a defined contribution pension scheme and the assets of the scheme are held separately from those of the company in an independently administered fund with Aviva plc.

l) Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

m) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are valued at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

n) Finance lease

In 2019-20 the V&A entered into a 100-year lease on commercial terms for the new V&A East Storehouse. Given the lease term is for the major part of the economic life of the asset, this lease has been classified as a finance lease. The lease terms provide for a rent review at 50 years. Valuations have been prepared on the basis that the V&A cannot be reasonably certain that the lease will be extended beyond this period. In line with FRS102 the lease was recognised at the lower of the amounts equal to the fair value of the leased asset on inception, and the present value of the minimum lease payments. In the absence of an interest rate implicit in the lease, and any external borrowings, the HM Treasury rate of 1.99% has been applied to calculate the present value of the minimum lease payments.

At 31 March 2021 Gerald Eve (Chartered Surveyors) carried out a reinspection valuation of the V&A East Storehouse. Going forwards, this will be valued along with the remainder of the V&A estate.

o) Key judgements

■ Inclusion of associates

The V&A is entitled to appoint four trustees to the Board of the Gilbert Trust for the Arts representing more than 20% of the trustees. In accordance with the Charity SORP the V&A is presumed to have an interest in an associate and a portion of the Gilbert Trust for the Arts' net assets have therefore been included in the V&A's financial accounts. This has been calculated with reference to the proportion of trustees nominated by the V&A, as all trustees have equal voting rights.

While the V&A has the right to appoint trustees on the Board of the V&A Foundation and Design Dundee Ltd, the V&A trustees represent less than 20% of the voting power of each Board and therefore the V&A is not deemed to have significant influence over decision-making, nor are there any other factors arising that would give significant influence over these entities.

■ Valuation of Collections and Research Centre

While in the previous year the Collections and Research Centre was valued on an Existing Use Value basis with the special assumption of vacant possession, works carried out on that property during 2020-21 meant that this basis was no longer appropriate as at 31 March 2021, as the property is no longer suitable for anything other than a highly-specialised publicly accessible museum storage facility. As such, this property has been valued according to its Depreciated Replacement Cost at 31 March 2021.

■ Exhibition WIP impairment

As noted above, exhibition costs are held within stock at the lower of cost and net realisable value prior to being recognised over the duration of the exhibition's run at the V&A. At 31 March 2021, an impairment review was carried out. While these exhibitions were originally planned on the basis that they would generate a positive financial return, visitor number expectations have been downgraded in light of both reduced demand and lower capacity to enable social distancing as a result of the pandemic. This has resulted in lower income projections which no longer support the carrying value of the amounts held within stock, and therefore an impairment loss of £1.8m has been recognised in the year.

p) Going concern

The accounts are prepared on the going concern basis as financial projections show the museum is able to meet its liabilities as they fall due for the foreseeable future. In reaching the conclusion on the ability of the museum to remain a going concern, the Trustees have carefully considered the financial impact of the COVID-19 pandemic. The temporary closure of the museum, the expected lower visitor numbers for a significant period of time following reopening, and the ongoing wider economic impact of the COVID-19 pandemic will all significantly limit the Group's ability to generate income. Mitigating actions taken have included making use of the government's Coronavirus Job Retention Scheme, a recruitment freeze and the Recovery Programme, which has reduced budgets significantly to minimise costs over the years ahead. In addition, DCMS have committed additional funding for the year to 31 March 2022 as part of the Covid Support Package for National Museums and other cultural bodies announced in the Budget in March 2021. These measures, alongside an assessment of the liquidity of assets held and the level of general funds, have given assurance to the Trustees that it is reasonable to assume the museum is able to continue to operate for the coming 12 months and beyond.

2a) Grant in Aid income

Grant in Aid of £79.059m was received from the Department for Digital, Culture, Media and Sport during the year (2019-20: £53.098m). This represents 77% (2019-20: 49%) of the total income for the museum and 70% (2019-20: 42%) of the income of the group, with the balance of funding coming from self-generated income. Included within the total Grant in Aid received is an amount restricted to capital works which for 2020-21 totalled £24.348m (2019-20: £15.103m). The increase in Grant in Aid reflects additional funding to mitigate the impacts of COVID-19 under the Cultural Recovery Fund, funding to support the move from Blythe House to the V&A East Storehouse and additional museums infrastructure funding.

2b) Donations, legacies and similar income

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2021 Total £'000	2020 Total £'000
Donations and Legacies	948	6,742	-	7,690	9,504
Corporate Members	364	-	-	364	542
Director's Circle	653	-	-	653	758
	<u>1,965</u>	<u>6,742</u>	<u>-</u>	<u>8,707</u>	<u>10,804</u>

2c) Statement of Income and Expenditure (museum only)

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2021 Total £'000	2020 Total (restated) £'000
Income and receipt of endowments					
<i>Income from donations and legacies</i>					
– Grant in Aid	53,011	26,048	-	79,059	53,098
– Donations, legacies and similar income	1,965	6,742	-	8,707	10,804
– Donated objects	-	1,123	-	1,123	17,084
– Covenant of profits from subsidiaries	2,579	-	-	2,579	5,380
<i>Income from other trading activities</i>					
– Trading Income	-	-	-	-	-
– Sponsorship	326	-	-	326	2,155
Investment income	26	-	-	26	107
	<u>57,907</u>	<u>33,913</u>	<u>-</u>	<u>91,820</u>	<u>88,628</u>
<i>Income from charitable activities</i>					
– Admissions & exhibition fees (inc loans & touring)	1,621	100	-	1,721	9,855
– Membership income	3,517	-	-	3,517	7,073
– Furlough Income	-	2,822	-	2,822	-
– Other Trading	462	-	-	462	735
	<u>5,600</u>	<u>2,922</u>	<u>-</u>	<u>8,522</u>	<u>17,663</u>
Other income	900	1,474	-	2,374	2,365
Total income	<u>64,407</u>	<u>38,309</u>	<u>-</u>	<u>102,716</u>	<u>108,656</u>

2c) Statement of Income and Expenditure (Museum only) (cont'd)

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2021 Total £'000	2020 Total (restated) £'000
Expenditure on					
<i>Expenditure on raising funds</i>					
– Costs of generating voluntary income	6,772	1,920	-	8,692	9,968
– Trading costs	-	-	-	-	-
– Investment management costs	213	29	94	336	64
	<u>6,985</u>	<u>1,949</u>	<u>94</u>	<u>9,028</u>	<u>10,032</u>
<i>Expenditure on charitable activities</i>					
– Charitable Activities	<u>47,738</u>	<u>20,577</u>	<u>-</u>	<u>68,315</u>	<u>77,120</u>
Total expenditure	<u>54,723</u>	<u>22,526</u>	<u>94</u>	<u>77,343</u>	<u>87,152</u>
Net income / (expenditure) before gains and losses on investments	9,684	15,783	(94)	25,373	21,504
Gains / (losses) on investment assets	3,551	613	1,578	5,742	(954)
Loss on revaluation of fixed assets for the charity's own use	-	(6,745)	-	(6,745)	-
Net income	<u>13,235</u>	<u>9,651</u>	<u>1,484</u>	<u>24,370</u>	<u>20,550</u>
Transfers between funds	<u>(2,004)</u>	<u>2,004</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income before other recognised gains and losses	<u>11,231</u>	<u>11,655</u>	<u>1,484</u>	<u>24,370</u>	<u>20,550</u>
(Loss) / Gain on revaluation of fixed assets for the charity's own use	<u>-</u>	<u>(9,941)</u>	<u>-</u>	<u>(9,941)</u>	<u>29,421</u>
Net movement in funds	<u>11,231</u>	<u>1,714</u>	<u>1,484</u>	<u>14,429</u>	<u>49,971</u>
Fund balances brought forward at 1 April	<u>20,404</u>	<u>639,406</u>	<u>6,374</u>	<u>666,184</u>	<u>616,213</u>
Fund balances carried forward at 31 March	<u>31,635</u>	<u>641,120</u>	<u>7,858</u>	<u>680,613</u>	<u>666,184</u>

3) Investment Income

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2021 Total £'000	2020 Total £'000
Interest receivable	22	-	-	22	54
UK equities and Investment funds	<u>4</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>53</u>
	<u>26</u>	<u>-</u>	<u>-</u>	<u>26</u>	<u>107</u>

4) Net income is stated after charging

	Group 2021 £'000	Museum 2021 £'000	Group 2020 £'000	Museum 2020 £'000
External Auditors' remuneration	85	64	84	61
Finance lease payments				
– Land and Buildings	2,251	2,251	3,171	3,171
Operating lease payments				
– Land and Buildings	255	103	367	103
– Other	15	15	20	20

There were no non-audit services provided by the Comptroller and Auditor General during 2020-21 (2019-20: nil).

5a) Total expenditure

	Direct Costs	Grants Made To Other Charities	Allocated Support Costs	Depreciation, revaluation loss & loss on disposal	2021 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000
<i>Expenditure on raising funds</i>						
Costs of generating voluntary income	4,518	-	2,796	1,377	8,691	9,968
Trading costs	7,697	-	-	-	7,697	14,010
Investment management costs	337	-	-	-	337	64
	<u>12,552</u>	<u>-</u>	<u>2,796</u>	<u>1,377</u>	<u>16,725</u>	<u>24,042</u>
<i>Charitable Activities</i>						
Collections & Learning	27,670	609	21,476	10,997	60,752	62,670
Exhibitions	4,797	-	1,843	923	7,563	14,450
	<u>32,467</u>	<u>609</u>	<u>23,319</u>	<u>11,920</u>	<u>68,315</u>	<u>77,120</u>
Loss on associate	-	-	-	-	-	2,181
Total expenditure	<u>45,019</u>	<u>609</u>	<u>26,115</u>	<u>13,297</u>	<u>85,040</u>	<u>103,343</u>

Grants totalling £0.592m (2019-20: £0.728m) were paid out via the Purchase Grant Fund.

At 31 March 2021, an impairment review was carried out. While these exhibitions were originally planned on the basis that they would generate a positive financial return, visitor number expectations have been downgraded in light of both reduced demand and lower capacity to enable social distancing as a result of the pandemic. This has resulted in lower income projections which no longer support the carrying value of the amounts held within stock, and therefore an impairment loss of £1.8m has been recognised in the year.

	2021	2020
	£'000	£'000
Governance Costs (Direct)		
External Audit Fees (museum only)	64	61
Internal Audit Fees	50	46
Legal costs	13	13
Staff costs	129	136
	<u>256</u>	<u>256</u>

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

	Information services & support	Projects & Estate	Finance & Administration	Human Resources	Other Central Costs	Museum of Childhood - Administration	Governance	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Expenditure on raising funds</i>								
Costs of generating voluntary income	458	1,316	173	114	645	62	27	2,795
<i>Charitable Activities</i>								
Collections & Learning	3,526	10,105	1,327	875	4,958	474	211	21,476
Exhibitions	303	867	114	75	426	41	18	1,844
	<u>4,287</u>	<u>12,288</u>	<u>1,614</u>	<u>1,064</u>	<u>6,029</u>	<u>577</u>	<u>256</u>	<u>26,115</u>

5b) Wages and salaries	2021	2020
	£'000	£'000
Wages and salaries	30,286	30,981
Social security costs	2,924	3,059
Pension costs	4,060	4,295
Agency and temporary staff	335	1,152
	37,605	39,487
Early retirement and redundancy costs	3,078	265
	40,683	39,752

During the year restricted funding for staff costs was received totalling £1.879m (2019-20: £2.932m).

V&A Enterprises Ltd's staff costs were £21.316m (2019-20: £20.610m) of which £3.822m (2019-20: £3.990m) was for trading activities and £17.494m (2019-20: £16.619m) was for services provided to the V&A. More information on the make-up of early retirement and redundancy costs is shown within the Remuneration and Staff Report on page 26.

The number of employees, including the Director, whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2021	2020
£60,001 - £70,000	8	11
£70,001 - £80,000	13	11
£80,001 - £90,000	9	8
£90,001 - £100,000	3	4
£100,001 - £110,000	1	2
£110,001 - £120,000	3	2
£120,001 - £130,000	1	-
£130,001 - £140,000	-	2
£140,001 - £150,000	1	-
£150,001 - £160,000	1	-
£160,001 - £170,000	-	1
	40	41

Of the employees listed above, 16 (2019-20: 19) are members of the Principal Civil Service Pension Scheme, and the total pension contributions payable in the year for these employees was £414,912 (2019-20: £459,672). Another 24 (2019-20: 20) employees are members of the V&A Enterprises Limited defined contribution scheme, and the total pension contributions payable in the year for these employees was £142,984 (2019-20: £127,520).

5c) Pension disclosure

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. The Victoria and Albert Museum is unable to identify its share of the underlying assets and liabilities. The scheme actuary provided a statement in the Civil Superannuation Account 2019-2020, with assessment of the Scheme liability in respect of the Civil Service Pension Scheme (CSPS) as at 31 March 2020, and the movement in the Scheme liability over the year 2019-20. The assessment has been carried out by calculating the liability as at 31 March 2016 based on the data provided as at 31 March 2016 and rolling forward that liability to 31 March 2020. The contributions due from employers and employees to fund future service liabilities are set by the Actuary at the four-yearly Scheme valuation. The last valuation was as at 31 March 2016 and contributions were adjusted to take account of the move to Alpha.

For 2020-21, employer's contributions of £3.028m were payable to the PCSPS (2019-2020: £3.287m) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The scheme Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2020-21 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

The Principle Civil Service Scheme comprises four pension arrangements known as Classic, Classic Plus, Premium and Nuvos and is closed to new members. Before 30 July 2007, anyone employed in an organisation covered by the PCSPS was eligible to participate in one of the final salary arrangements (Classic, Classic Plus and Premium), though from 1 October 2002, new entrants were generally only able to join Premium. All had a normal pension age of 60. From 30 July 2007, new joiners were offered membership of Nuvos, a career average pension with a normal pension age of 65. From 1 April 2015, most PCSPS members switched to the new Civil Servants and Others Pension Scheme, also known as Alpha. Those who were previously members of Classic, Classic Plus or Premium retained a final salary link in Alpha, i.e. their PCSPS service counts towards a pension in the PCSPS but is based on their final salary when they leave Alpha. Some PCSPS members did not have to switch to Alpha under a process referred to as transitional protection. Those who were within 10 years of their PCSPS normal pension age on 1 April 2012 are generally allowed to remain in the PCSPS until they leave employment covered by the Scheme. Those who were between 10 and 13.5 years from their PCSPS normal pension age on 1 April 2012 were given a 'tapered Alpha enrolment date' between 1 May 2015 and 1 September 2025, but could opt to forego their tapered protection and switch to Alpha on 1 April 2015. There was a successful legal challenge against the transitional protection which was found to be discriminatory on the grounds of age. As a result of consultation in Feb 21, the Government will implement the deferred choice underpin (DCU). This will give eligible scheme members a choice at the point their pension becomes payable, whether they wish to receive benefits from the final salary arrangements or benefits equivalent to those that would have been available from Alpha in relation to their service between 1 April 2015 and 31 March 2022. The final salary arrangements will close on 31 March 2022, and from 1 April 2022, all those who remain in service will do so as members of Alpha. Benefits built up in the final salary arrangements will be protected. Alpha is a career average earnings scheme with an accrual rate of 2.32% of each year's pensionable earnings. The total amount accrued is adjusted annually in line with a rate set by Her Majesty's Treasury (HMT) (currently linked to annual movements in the CPI). Alpha's normal pension age is the greater of the member's state pension age or 65.

PCSPS and Alpha are unfunded schemes and the cash required to meet the payment of pension benefits is paid from public funds provided by Parliament. Members contribute on a 'pay-as-you-go' basis, with these contributions (along with those made by employers) being credited to the Exchequer under arrangements governed by pension increase legislation. The contributions due from employers and employees to fund future service liabilities are set by the Actuary at the four-yearly Scheme valuation. These have been adjusted to take account of the move to Alpha.

Employee contributions changed in April 2017 and are now between the rate of 4.6% to 8.05% of pensionable earnings for Classic, Premium, Classic Plus, Nuvos and Alpha. Benefits in Classic accrue at the rate of 1/80th of final pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum. Classic Plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per Classic. In Nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. Its benefits reflect pay throughout an individual's career allowing members to work longer and more flexibly. Each scheme year (1st April to 31st March) pension will be built up at the rate of 2.3% of staff's pensionable earnings. Pensions payable under Classic, Premium, Classic Plus, Nuvos and Alpha are increased annually in line with Pensions Increase Legislation. Benefits in Alpha build up in a similar way to Nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution, rather than join a PCSPS scheme. Employer's contributions of £29,137 (2019-2020: £33,799) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% and 14.75% of pensionable earnings. Employers also match employee contributions up to 3% of pensionable earnings. Employers also contribute a further 0.5% of pensionable pay to cover the cost of centrally-provided risk benefit cover (death in service or ill health retirement).

NEST (National Employment Savings Trust) is a pension scheme that has been set up by the Government for employers to use to comply with auto-enrolment. From 1 December 2013, we are using NEST as the pension scheme for any workers on zero hours contracts. Those workers who earn more than £833 per month (£10,000 pa) will be automatically enrolled into NEST but can then opt out if they wish. Workers can also choose to opt in at any point, as long as they are aged at least 22 and earning less than £10,000 pa. Employer contributions (3%) paid during the year were £7,874 (2019-2020: £22,872).

The museum's trading company, V&A Enterprises Ltd, operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund with Aviva. Employer's total contributions paid during the year was £993,448 (2020: £947,009).

From 1 January 2016 following the introduction of new terms and conditions, new starters are employed by V&A Enterprises Ltd and have been auto enrolled into a Group Personal Pension Scheme which is managed by Aviva.

On joining, employees contribute 5% of gross salary (4% of net pay) and the museum also contributes the sum of 3%. Contributions are deducted from net pay and are paid directly to Aviva.

On completion of 6 months' service and successfully concluding Probation, employees may then choose to enhance their personal contributions to the pension scheme. The museum will contribute the sum of 10% of basic annual salary, provided that the employee also contributes at least 5.5% of gross salary (4.4% of net pay).

Employees can elect to contribute more than the 5.5% of gross salary; however, the V&A's contribution will remain fixed at 10%.

5d) Trustees

The Trustees neither received nor waived any emoluments during the year (2019-2020: nil).

No Trustees were reimbursed for expenses during the year (2019-20: £157).

5e) Average number of employees (*)

	2021	2020
Generating voluntary income	88	94
Trading	138	149
Collections & Learning	678	724
Exhibitions	58	67
	<u>962</u>	<u>1,034</u>

(*) based on full-time equivalents.

Of the above employees, 892 are full time permanent employees of the museum and its subsidiaries (2019-20: 910), 64 are externally-funded posts (2019-20: 76), and the remaining 6 employees are temporary staff (2019-20: 48).

5f) Coronavirus Job Retention Scheme

With the museum closed to the public for all but 15 weeks of the year, the V&A's ability to generate income was severely impacted, and the Coronavirus Job Retention Scheme played an important role in mitigating the immediate financial impact of the pandemic. In addition to the closure of the museum preventing staff in public-facing roles from working, in the initial lockdown capital projects were paused and work involving objects from the collection had to be put on hold. Given the museum-specific nature of the majority of roles, and the fact that all other national museums were subject to the same lockdown restrictions, it was not possible to redeploy furloughed staff to other areas of the public sector. Once it was possible to return to the site in a COVID-secure manner, staff in non-public-facing roles who had been furloughed were able to begin to return to work and use of the Coronavirus Job Retention Scheme reduced significantly, even through subsequent lockdowns.

Claims were made from April 2020 to March 2021 inclusive, totalling £7.1m, with a maximum of 880 staff being furloughed at any point during the year. £4.3m of these claims were made by V&A Enterprises Ltd, with the remaining £2.8m being claimed directly by the museum.

6a) Tangible fixed assets

Group	Land & Buildings	Furniture & fittings	Equipment	Assets in course of construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2020	528,143	6,210	12,539	12,064	558,956
Transfers	25,443	-	715	(26,158)	0
Additions	1,653	5	1,085	21,165	23,908
Disposals	-	(127)	(454)	-	(581)
Revaluation	(29,376)	-	-	-	(29,376)
At 31 March 2021	525,863	6,088	13,885	7,071	552,907
Depreciation					
At 1 April 2020	12,882	5,343	11,241	-	29,466
Charged for the year	14,048	258	1,162	-	15,468
Disposals	-	(127)	(454)	-	(581)
Revaluation	(12,690)	-	-	-	(12,690)
At 31 March 2021	14,240	5,474	11,949	-	31,663
Net book value					
At 31 March 2021	511,623	614	1,936	7,071	521,244
At 31 March 2020	515,261	867	1,298	12,064	529,490

As at 31 March 2021, all assets included within the above net book value are used by the V&A for direct charitable activities.

6a) Tangible fixed assets (cont'd)

Museum	Land & Buildings	Furniture & fittings	Equipment	Assets in course of construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2020	528,143	5,823	12,176	12,064	558,206
Transfers	25,443	-	715	(26,158)	-
Additions	1,653	5	1,085	21,165	23,908
Disposals	-	(72)	(440)	-	(512)
Revaluation	(29,376)	-	-	-	(29,376)
At 31 March 2021	525,863	5,756	13,536	7,071	552,226
Depreciation					
At 1 April 2020	12,882	4,956	10,878	-	28,716
Charged for the year	14,048	258	1,162	-	15,468
Disposals	-	(72)	(440)	-	(512)
Revaluation	(12,690)	-	-	-	(12,690)
At 31 March 2021	14,240	5,142	11,600	-	30,982
Net book value					
At 31 March 2021	511,623	614	1,936	7,071	521,244
At 31 March 2020	515,261	867	1,298	12,064	529,490

Land & Buildings

A desktop valuation of the freehold properties comprising the Victoria and Albert Museum estate was carried out as at 31 March 2021 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation - Professional Standards, January 2014 amendment and FRS102. The net book value of land & buildings of £521.2m includes the site at South Kensington valued at £437.6m, the site at Bethnal Green at £16.2m and the V&A East Storehouse, treated as a finance lease, valued at £57.8m (see note 14). These valuations include some plant and machinery that is included in Fixtures & Fittings and Equipment.

The appropriate basis of valuation for financial statements is normally Existing Use Value and this is used for non-specialised properties. However, the museums at South Kensington and the V&A Museum of Childhood in Bethnal Green are of such a construction and specialised use that an Existing Use basis of valuation is inappropriate. The lack of demand or market value for the property in isolation from its current use is such that the land and buildings are most appropriately valued according to their Depreciated Replacement Cost.

While in the previous year the V&A East Storehouse was valued on an Existing Use Value basis with the special assumption of vacant possession, works carried out on that property during 2020-21 meant that this basis was no longer appropriate as at 31 March 2021, as the property is no longer suitable for anything other than a highly-specialised publicly accessible museum storage facility. As such, this property has been valued according to its Depreciated Replacement Cost at 31 March 2021. As stages of the building works become substantially complete, relevant capital expenditure included within Assets in the course of construction has been transferred to Land & Buildings and revalued on this basis.

This has been treated as a change in accounting estimate and as such no restatement is required. The impact of this is:

	2020 £'000	2021 £'000
At 1 April	-	44,400
Additions	46,600	21,520
Depreciation	(932)	(1,345)
Impairment	(1,268)	(6,745)
At 31 March	44,400	57,830

£10.2m of the capital commitments per note 20 relate to further works on the V&A East Storehouse. Additional costs over and above this are budgeted for and it is expected that a further impairment will be recognised on completion.

The South Kensington and Bethnal Green land and buildings are freehold.

6b) Intangible Assets

Museum	Intangible assets	Assets in course of construction	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 April 2020	1,015	574	1,589
Transfers	-	-	-
Additions	-	916	916
Disposals	-	-	-
At 31 March 2021	1,015	1,490	2,505
Amortisation			
At 1 April 2020	967	-	967
Charged for the year	40	-	40
Disposals	-	-	-
At 31 March 2021	1,007	-	1,007
Net book value			
At 31 March 2021	8	1,490	1,498
At 31 March 2020	48	574	622

No intangible assets are held within the trading subsidiaries

6c) Heritage Assets

Additions of £1.4m (2019-20: £18.8m) were made to the Collection. The additions comprise the following elements:

	2021	2020 (restated)	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Opening balance brought forward					
Donated objects (shown at valuation)	90,668	73,584	61,993	61,239	57,117
Acquisitions (shown at cost)	45,983	44,310	42,122	35,340	33,455
	136,651	117,894	104,115	96,579	90,572
Donations of objects by gift or bequest *	978	13,026	5,991	737	1,030
Donations of objects under the acceptance in lieu scheme	145	4,058	5,600	17	3,092
	1,123	17,084	11,591	754	4,122
Acquisitions	323	1,673	2,188	6,782	1,885
Total Additions	1,446	18,757	13,779	7,536	6,007
Closing balance carried forward					
Donated objects (shown at valuation)	91,791	90,668	73,584	61,993	61,239
Acquisitions (shown at cost)	46,306	45,983	44,310	42,122	35,340
	138,097	136,651	117,894	104,115	96,579

* Donations are shown net of disposals. Disposals of £13,000 in 2020-21 were made, with no item disposed of having a value greater than £950. In 2019-20 disposals of £28,000 were made, which include £15,000 for the Lüster Hanging Lamp, a rectangular moulded glass panel, printed with a chandelier image and encompassing LED lights, designed and made by Ingo Maurer.

Further information on the museum's heritage assets

The V&A holds 1,571,659 museum objects and works of art within its collections, as well as 1,130,830 library items and 1,069 archival collections. Of these approximately 1% have been included in the balance sheet of the museum and the table above. At 31 March 2021, 60,236 items were on display with access to other items available through reading and study rooms or by arrangement. Further access can be obtained from reference facilities and publications, the museum website, selected third party websites, and other electronic media. These objects are held within the following collections:

Asian Collections 140,381 objects and 1 archival collection:

The Asian Department has a collection of objects spanning the wealth and diversity of artistic creation across the continent from 3500 BC to the present day, in a vast range of materials and techniques. In terms of depth and scope the collection is one of the most significant in the world. Particular strengths include textiles from across Asia; ceramics from China and the Middle East; and lacquer and prints from Japan.

Furniture, Textiles & Fashion Collections 83,678 objects:

The Western Furniture and Woodwork collections date from the medieval period to current times and are unique in their international scope. However, the greatest strength lies in the holdings of British furniture made between 1700 and 1900, and international furniture of the 20th century. The Textile collection is the world's largest and the most wide-ranging of its kind, with examples from Africa, the Americas and Europe, extending in date from the 3rd century BC to the present day, primarily from Western Europe. A major strength is the collection of British 20th-century textiles. The Fashion collection consists of mainly British fashionable clothes and accessories for both sexes, from 1600 to the present. Contemporary and 20th-century collections hold small, representative selections from key designers worldwide.

Sculpture, Metalwork Ceramics & Glass Collections 150,118 objects:

The Western Sculpture collection is the most comprehensive holding of post-classical European sculpture in the world. The Metalwork collection contains Western decorative metalwork, silver and jewellery ranging in date from the Bronze Age to the present day. It is unique in its comprehensiveness and diversity and includes the national collection of English silver. The Ceramics collection is without parallel in the world and, by virtue of its size, quality and range, may be considered pre-eminent in its entirety. This includes approximately 38,000 objects which form part of the Wedgwood Museum Collection and were gifted to the V&A during 2014–15 by Art Fund. The Glass collection is the most comprehensive in Europe, and the stained glass holdings are unparalleled anywhere.

Word & Image Collections 800,216 objects, 388 archival collections, 1,022,932 library items:

The Word & Image collections encompass design, drawings, paintings, prints, photographs, digital artworks and the art of the book. They provide a national centre for primary source material for the study of design. The collection of 19th-century British oil paintings includes the principal collection of John Constable, and the foreign oil paintings collection is of national significance. The museum has the national responsibility for collecting watercolours and English portrait miniatures. The Photographs collection, which will incorporate the Royal Photographic Society collection, is international and spans the whole history of the subject from 1839 to the present. The Prints collection, uniquely in Britain, embraces 'fine' prints and commercial production. The Department holds an internationally significant collection of computer-generated artworks from the 1960s to the present day. The National Art Library's holdings of the art, craft and design of the book encompass every aspect of the book from illuminated manuscripts to paperbacks, and its documentary collections include some major manuscript holdings. Contemporary production is a priority in all relevant fields; digital media represents a current challenge. The department is especially active in areas where the fine and applied arts intersect.

Department of Photography 282,000 objects:

The V&A's collection of an estimated 2 million photographs is distributed throughout various departments. A new Department of Photography – drawing from the collections and staff of the former Photographs Section in the Word & Image Department – was established in 2020 with the addition of a new post of Director of Photography. The Department of Photography is responsible for around 800,000 items, incorporating former WID collections and the Royal Photographic Society (RPS) collection which was transferred from the Science Museum Group in 2017. The RPS library and archive, around 27,000 items, is managed by the National Art Library and the V&A Archive. The V&A's collection of photographs is international in scope, spans the whole history of the subject from the 1830s to the present, and is designated as a UK national collection. The Department of Photography is responsible for showcasing the collection in the Photography Centre and delivering its Phase 2 expansion by 2023.

Childhood Collections 32,792 objects and 62 archival collections:

The museum houses the UK's national collection of childhood, which represents the material culture of child-hood from 1600 to the present day, including representations of children. The significance of the collections and archives lies in the unique breadth and depth of their coverage of the theme of childhood. Collections include the largest collection of dolls' houses and children's furniture in the UK; internationally significant collections of dolls, games and puzzles; toys; nursery equipment, including prams, rattles and silver, ceramic and glass feeding vessels and tableware; a significant costume

collection for both sexes including rare survivals of everyday working clothes and mourning garments; paintings, prints, drawings and photographs, depicting children and examples of children's own creativity, agency and imaginative works expressed through their writing and works of art and design.

The archive collections included the British Toy Making archive of toy manufacturers, archives of individual designers, collectors and writers and archive material of individual childhoods, covering letters, diaries, exercise books, school records, photographs and drawings, from a diverse range of donors.

Theatre & Performance Collections 81,592 objects, 619 archival collections, 107,898 library items:

The V&A Theatre & Performance Collections are the UK's National Collection of Performing Arts. Dedicated to history, craft and practice, the collection's primary emphasis is on drama, dance, opera, musical theatre, popular entertainment and music culture and scenography. In providing the national record of performance, it combines the functions of archive, library and educational resource. The department documents production process and reception by gathering a variety of evidence in different media. Since 1992, archival recordings of current theatre productions have been made under a unique agreement with the Federation of Entertainment Unions. Contemporary and 20th-century collecting includes graphic, photographic, video and audio material relating to the performing arts and, selectively, designs, models, costumes, archives, theatre architecture/stage technology and library materials.

Design, Architecture and Digital Collections 882 objects:

The Design, Architecture and Digital collections encompass contemporary architecture and urbanism, furniture, product and digital design, and in addition, the department shares responsibility for the collection of designs with Word and Image and for the collection of twentieth-century furniture and product design with Furniture, Textiles and Fashion. This breadth is reflected in its collection and acquisition practices, which focus on contemporary design and the collection of twentieth-century and contemporary architectural drawings, designs and models. Design, Architecture and Digital is further responsible for Rapid Response Collecting, a contemporary collecting initiative that enables the museum to acquire objects in response to major moments in history that touch the world of design and manufacturing.

Preservation & Management

All objects are recorded and managed by one of the museum's eight collection departments, which is overseen by the respective Collection Keeper or Director, who report to the Director of Collections. The museum maintains a Collections Management System for the documentation of collection objects and archives and a library system for bibliographic items, which are catalogued at collections level.

The museum has established standards of care for the preservation of collections that are regularly reviewed. These standards reflect public access requirements, research and exhibition needs, funding and staff resources, and urgency of care and are available online in the form of the Collections Information and Access Policy and Collections Care and Conservation Policy. These policies were last reviewed and approved by Trustees Collections Committee in June 2019. The museum is guided by 'A Code of Practice on Archives for Museums and Galleries in the United Kingdom' (Standing Conference on Archives and Museums, 3rd edition, 2002) and The National Archives' standard for record repositories, 2004.

The V&A is fully accredited as a museum by Arts Council England and as of November 2016 has gained accreditation as an Archival Service. The museum's Acquisition and Disposal Policy and Collections Development Policy are available on the V&A website (www.vam.ac.uk). The museum's Collections Policies were reviewed and approved by Trustees Collections Committee in June 2019. The National Heritage Act 1983, as amended by the Museums and Galleries Act 1992 sets out the museum's statutory framework and powers of disposal.

Acquisitions are made on the basis of aesthetic or historical significance, illustration of a significant development of a specific technique or to complete an object(s) already held. As specified under this Act, the Board of Trustees may dispose of an object by sale, exchange or gift, if it falls into one or more of the following categories: if it is a duplicate of another object, if it is unsuitable for retention and can be disposed of without detriment to the interests of students or other members of the public, if it is transferred, given to, sold to or exchanged with an institution specified in Schedule 5 of the Museums & Galleries Act 1992, or it has deteriorated beyond usefulness for the purposes of the collections.

7) Investments

	<u>Short Term Investments</u>		<u>Fixed Asset Investments</u>	
	Group	Museum	Group	Museum
	2021	2021	2021	2021
	£'000	£'000	£'000	£'000
Market value at 1 April 2020	8,589	8,589	19,863	20,065
Additions to portfolio	5	5	-	-
Withdrawals from portfolio	(48)	(48)	(296)	(296)
Net gain on revaluation	6	6	5,736	5,736
Market value at 31 March 2021	8,552	8,552	25,303	25,505
of which				
Historical cost at 31 March 2021	8,552	8,552	20,495	20,697
Unrealised investment loss at 31 March 2021	-	-	4,808	4,808
Analysis of loss by asset class				
Gain on assets Available for Sale	-	-	4,797	4,797
Gain on assets Held for Trading	-	-	11	11
			4,808	4,808
Investment assets in the UK				
Government stocks & Corporate bonds	8,500	8,500	3,219	3,219
Investment Funds	-	-	1,094	1,094
Cash & currency hedges	52	52	425	425
Unlisted Equities (trading subsidiary)	-	-	-	202
Multi Asset Investment Funds	-	-	14,379	14,379
Investment assets outside the UK				
Multi Asset Investment Funds	-	-	5,520	5,520
Investment Funds	-	-	666	666
	8,552	8,552	25,303	25,505

The Role of Financial Instruments

The following disclosure describes the nature and extent of risks arising from financial instruments to which the museum is exposed and how the museum manages those risks.

Liquidity and Credit Risk

The largest single source of income (70%) is received by way of Grant in Aid which is drawn down according to need, and as a result the museum is not exposed to significant liquidity or credit risk. The remainder of the museum's activity is funded by self-generated income and funds given for restricted purposes such as capital projects.

Market Risk

At the year end there was significant market risk and uncertainty as a result of the COVID-19 pandemic. The Multi Asset Investment Funds include investments in equities and so are exposed to this risk; however, the diversified nature of these funds has resulted in better performance than if investments were solely held in equities

Foreign Currency Risk

The museum's exposure to foreign currency risk is not significant as wherever possible contracts are negotiated in sterling, and foreign currency receipts are converted to sterling on receipt.

The V&A Museum Permanent Endowment and V&A Museum Reserves portfolio deploy currency hedges to target an allocation range of 65%-85% to Sterling. The hedges are reviewed and adjusted at least quarterly.

Interest Rate Risk

The museum has no exposure to interest rate risk on its financial liabilities. Its financial assets are held in fixed term deposit accounts with maturity of one month or less, or in funds or assets that can be readily traded, and so have no fixed interest rate.

8) Trading subsidiaries

The museum owns the whole of the issued share capital of V&A Enterprises Ltd, a company registered in England and Wales. The company's principal activities are the sourcing, design, production and sale of books and merchandise relating to the collections and mission of the V&A; also the granting of licenses for commercial goods inspired by the collections of the V&A, and sold under the V&A brand. The company runs V&A Publishing and V&A Images, and also delivers corporate venue hire and educational services within the museum.

During the year ending 31 March 2021, the V&A continued to reimburse VAE for the salaries of staff members employed on its behalf (shown within Recharged staff costs income and Recharged staff costs expense below), irrespective of whether the staff members were furloughed. The cost of paying the salaries of staff, whether employed directly by the V&A or on its behalf by VAE, continue to be categorised within costs of generating voluntary income or charitable activities both in the consolidated and museum-only Statements of Income and Expenditure, whether or not staff were furloughed during the year. This ensures comparability of costs across years, and reflects the underlying purpose for which these staff were employed, even while they were unable to work. Income received by VAE under the Coronavirus Job Retention Scheme was retained by VAE in full. The Trustees believe that this arrangement was in the charity's best interests.

The museum also owns 100% of the issued share capital of V&A Holdings Ltd which in turn owns 100% of the issued share capital of V&A Ltd and V&A Museum Events Limited; during the year V&A Ltd undertook consultancy work. No activity was undertaken during the year by V&A Museum Events Limited.

A summary of the results of the subsidiaries are shown below:

	<u>V&A Enterprises Ltd</u>		<u>V&A Ltd</u>	
	2021	2020	2021	2020
Profit and loss account	£'000	£'000	£'000	£'000
Turnover	5,632	21,825	309	565
Cost of sales	(2,104)	(6,936)	(34)	(116)
Gross Profit	3,528	14,889	275	449
Administrative expenses	(5,540)	(6,962)	(3)	(3)
Trading (loss) / profit	(2,012)	7,927	272	446
Furlough income	4,296	-	-	-
Recharged staff costs income	17,494	16,620	-	-
Recharged staff costs expense	(17,494)	(16,620)	-	-
Interest receivable and similar income	-	1	-	-
Profit on Ordinary Activities before Taxation & Distributions	2,284	7,928	272	446
Tax on profit	(16)	7	-	-
Profit after tax	2,268	7,935	272	446
Balance sheet				
Tangible fixed assets	-	-	-	-
Current assets	6,359	9,815	537	1,160
Creditors due within one year	(3,194)	(9,613)	(537)	(1,160)
Creditors due after one year	-	-	-	-
Net assets	3,165	202	-	-
Share capital and reserves	202	202	-	-
Profit and loss account	2,963	-	-	-
Shareholders' Funds	3,165	202	-	-

8) Trading subsidiaries (cont'd)

Reconciliation of results of trading company to the consolidated Statement of Financial Activities:

	<u>V&A Enterprises Ltd</u>		<u>V&A Ltd</u>	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Turnover	5,632	21,825	309	565
Intercompany transactions	-	-	-	-
Trading income included within SOFA	5,632	21,825	309	565
Cost of sales	2,104	6,936	34	116
Administrative expenses	5,540	6,962	3	3
Interest payable	-	-	-	-
Taxation	16	(7)	-	-
<i>Intercompany transactions</i>	-	-	-	-
Trading costs included within SOFA	7,660	13,891	37	119
Interest receivable and similar income	-	1	-	-
<i>Intercompany transactions</i>	-	-	-	-
Included in Investment Income per SOFA	-	1	-	-

9) Associates

Since 2008, the museum has been entitled to appoint four trustees to the board of the Gilbert Trust for the Arts, a separate charity that owns a collection of silver, gold, micromosaics and gold boxes, on long-term loan to the V&A. The Gilbert Trust also owns an endowment, the returns of which are used to fund the display and upkeep of the collection by the V&A, and associated research and outreach activities.

In accordance with the requirements of FRS102 and the SORP, the V&A is required to account for the Gilbert Trust as an associate using the equity method. An investment asset is recognised at a value based on the V&A's hypothetical share of the net assets of the Gilbert Trust, calculated with reference to the proportion of trustees nominated by the V&A. At 31 March 2021, this was £21,766k (2019-20: £18,604k) representing 40% (2019-20: 36%) of the net assets of the Gilbert Trust. The Gilbert Trust saw a net increase in its funds in the year. This, in conjunction with the change in the proportion attributed to the V&A as a result of a trustee stepping down from the board has resulted in an increase in the investment value shown on the V&A's balance sheet, and this movement is included within income in the consolidated Statement of Financial Activities. The actual value of the V&A's incoming resources from the Gilbert Trust are shown within note 21. The V&A's hypothetical share of the results of the Gilbert Trust are shown in the table below.

	2021 £'000	2020 £'000
Investment income	-	-
Total income	-	-
Expenditure on raising funds	(55)	(44)
Expenditure on charitable activities	(97)	(117)
Total expenditure	(152)	(161)
Net expenditure before gains and losses on investments	(152)	(161)
Gains/(Loss) on investments	1,272	(177)
Net income	1,120	(338)
Loss on revaluation of Heritage Assets	-	-
Loss on disposal of Heritage Assets	-	(14)
Net movement in funds	1,120	(352)

10) Stock

	Group	Museum	Group	Museum
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Stock	1,752	-	2,050	-
Exhibition costs	1,211	1,211	1,530	1,530
	2,963	1,211	3,580	1,530

11) Debtors

	Group	Museum	Group	Museum
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Trade debtors	1,293	697	2,220	812
Less provision for doubtful debts	(45)	(35)	(226)	(11)
Other debtors	37	12	67	36
Prepayments and accrued income	9,532	9,166	9,414	8,873
Recoverable taxation (VAT)	2,921	2,896	2,740	2,700
Amounts due from subsidiary undertaking	-	1,265	-	4,378
	13,738	14,001	14,215	16,788

12) Creditors

	Group	Museum	Group	Museum
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade creditors	1,790	1,715	3,704	3,500
Other creditors	70	70	-	-
Accruals	11,697	10,076	5,890	3,961
Deferred income	13 800	579	960	430
Deferred exhibition income	13 1,309	1,309	1,297	1,297
Taxation and social security costs	1,077	595	1,256	648
Finance lease liability	14 2,251	2,251	3,257	3,257
	18,994	16,595	16,364	13,093
Amounts falling due after one year				
Deferred income - after one year	13 1,860	1,860	1,683	1,683
Finance lease liability	14 46,764	46,764	45,000	45,000
	48,624	48,624	46,683	46,683

13) Deferred Income

	2021	2020
	£'000	£'000
As at 1 April	3,940	7,233
Deferred in current year	1,704	1,346
Released from previous year	(1,675)	(4,639)
As at 31 March	3,969	3,940

Of this balance £1.653m represents funds given to the museum in relation to the Royal Institute of British Architects' occupation of certain office and gallery spaces in the museum. An amount representing an annual rental payment is released each year.

14) Finance lease

Finance lease liability	2021	2020
- V&A East Storehouse	£'000	£'000
As at 1 April	48,257	-
Liability in current year	-	46,600
Lease payments	(2,251)	(1,514)
Finance interest	3,009	3,171
As at 31 March	49,015	48,257

In 2019-20 the V&A entered into a 100 year lease on commercial terms for the new V&A East Storehouse. The lease terms provide for a rent review at 50 years. The lease has been accounted for as a finance lease in accordance with FRS102. On inception the lease gave rise to a liability and corresponding asset valued at £46.6m based on a 50 year term. Valuations are prepared on a 50 year term on the basis that the V&A cannot be reasonably certain that the lease will be extended beyond this period.

As at 31 March the lease asset was subsequently revalued and is recognised within tangible fixed assets in the V&A's balance sheet at £57.8m (2019-20: £44.4m). A revaluation loss of £6.8m (2019-20: £1.3m) and a depreciation cost of £1.3m (2019-20: £0.9m) are recognised within the V&A's Statement of Financial Activities. The asset value will reduce throughout the term of the lease as it is annually depreciated. The lease liability of £49.0m is recognised within creditors in the V&A's balance sheet. The lease liability is increased by annual interest which is shown as a finance cost within the V&A's Statement of Financial Activities. The lease payments, paid quarterly in advance, reduce the value of the liability. At the end of the 50 year lease term the net impact of the annual interest and rent payments will reduce the liability to nil. In the first few years of the lease term, the annual interest charge exceeds the value of lease payments, and will therefore increase the value of the lease liability. The lease liability will subsequently reduce in value once the lease payments exceed the annual interest charge. In 2020-21 interest of £3.0m (2019-20 £3.2m) has been recognised as a finance cost within the V&A's Statement of Financial Activities.

15) Provisions

	Group 2021	Museum 2021	Group 2020	Museum 2020
	£'000	£'000	£'000	£'000
As at 1 April	657	534	115	7
Provision in year	1,387	1,335	657	534
Paid in year	(643)	(535)	(115)	(7)
As at 31 March	<u>1,401</u>	<u>1,334</u>	<u>657</u>	<u>534</u>
Provisions - within one year	1,401	1,334	657	534
Provisions - after one year	-	-	-	-
	<u>1,401</u>	<u>1,334</u>	<u>657</u>	<u>534</u>

As a result of the Recovery Programme, organisational-wide restructuring has taken place resulting in a provision to cover the associated expected costs. Provisions for ticket, event and education course refunds made following the closure of the museum in the prior year were released. An increase to the dilapidations provision was made for the warehouse.

16) Financial commitments

At 31 March 2021 the group had annual commitments under non-cancellable leases as follows:

	2021	2021	2020	2020
	Land & Buildings	Other	Land & Buildings	Other
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within one year	287	15	260	20
In the second to fifth year	872	59	960	73
After five years	103	15	206	29
	<u>1,262</u>	<u>89</u>	<u>1,426</u>	<u>122</u>
Finance leases which expire:			2021	2020
			Land & Buildings	Land & Buildings
			£'000	£'000
Within one year			2,670	2,530
In the second to fifth year			10,862	10,680
After five years			179,221	184,986
			<u>192,753</u>	<u>198,196</u>

In 2019-20 the V&A entered into a 50 year finance lease for the V&A East Storehouse. The V&A Museum is also under contract for an operating lease for a storage facility at Dean Hill Park, and V&A Enterprises Ltd is under contract for an operating lease for a warehouse. The other subsidiaries of the museum do not have any financial commitments.

17) Statement of funds

	As at 1 April 2020 (restated)	Incoming Resources	Resources Expended	Transfers	Fixed Assets - Gains/losses on Revaluation	Investments - Gains/losses under Fair Values	As at 31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds							
General Income funds	2,785	58,690	(54,015)	(4,630)	-	-	2,830
Designated Income funds	20,619	9,079	(4,109)	2,626	-	3,551	31,766
Total Unrestricted Funds	23,404	67,769	(58,124)	(2,004)	-	3,551	34,596
Restricted Funds							
<i>Restricted Income Funds</i>							
Acquisitions for the Collection ¹	550	220	(8)	(119)	-	98	741
Restricted Income funds	9,552	15,094	(11,200)	(2,650)	-	385	11,181
Museum Development funds ¹	9,750	24,250	(45)	(18,471)	-	-	15,484
Endowment funds income	1,048	15	(61)	-	-	130	1,132
	20,900	39,579	(11,314)	(21,240)	-	613	28,538
<i>Restricted Asset Funds</i>							
Restricted Capital funds ²	264,248	1,903	(15,508)	22,921	-	-	273,564
Revaluation Reserve	217,607	-	-	-	(16,686)	-	200,921
Heritage Assets ¹	136,651	1,123	-	323	-	-	138,097
Associate	18,604	3,162	-	-	-	-	21,766
	637,110	6,188	(15,508)	23,244	(16,686)	-	634,348
Total Restricted Funds	658,010	45,767	(26,822)	2,004	(16,686)	613	662,886
Endowment Funds							
Endowments ³	6,374	-	(94)	-	-	1,578	7,858
Total Endowment Funds	6,374	-	(94)	-	-	1,578	7,858
Total Funds	687,788	113,536	(85,040)	-	(16,686)	5,742	705,340

	As at 1 April 2019	Incoming Resources	Resources Expended	Transfers	Fixed Assets - Gains/losses on Revaluation	Investments - Gains/losses under Fair Values	As at 31 March 2020 (restated)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds							
General Income funds	1,501	82,405	(74,827)	(5,950)	-	(344)	2,785
Designated Income funds	19,580	-	(4,919)	5,958	-	-	20,619
Total Unrestricted Funds	21,081	82,405	(79,746)	8	-	(344)	23,404
Restricted Funds							
<i>Restricted Income Funds</i>							
- Acquisitions for the Collection ¹	679	384	(12)	(444)	-	(57)	550
- Restricted Income funds	6,311	10,782	(5,522)	(1,770)	-	(249)	9,552
- Museum Development funds ¹	3,256	13,029	-	(6,535)	-	-	9,750
- Endowment funds income	1,057	79	(126)	(108)	-	146	1,048
	11,303	24,274	(5,660)	(8,857)	-	(160)	20,900
<i>Restricted Asset Funds</i>							
Restricted Capital funds ²	270,879	1,903	(15,739)	7,205	-	-	264,248
Revaluation Reserve	188,186	-	-	-	29,421	-	217,607
Heritage Assets ¹	117,894	17,084	-	1,673	-	-	136,651
Associate	20,785	-	(2,181)	-	-	-	18,604
	597,744	18,987	(17,920)	8,878	29,421	-	637,110
Total Restricted Funds	609,047	43,261	(23,580)	21	29,421	(160)	658,010
Endowment Funds							
Endowments ³	6,870	-	(17)	(29)	-	(450)	6,374
Total Endowment Funds	6,870	-	(17)	(29)	-	(450)	6,374
Total Funds	636,998	125,666	(103,343)	-	29,421	(954)	687,788

¹ Transfers are made each year from Income to Restricted Capital funds in respect of certain capital assets acquired, since the assets are subject to restrictions on their disposal.

² Transfers have been made from Unrestricted to Restricted funds in respect of the capital funds in order to show the value of the museum's fixed assets as separate restricted and designated funds.

³ An appropriate proportion of investment returns on Endowment funds are allocated to the relevant Restricted Funds and are available to spend.

Unrestricted funds

General income funds – the general funds consist of the accumulated surplus or deficit on the Statement of Financial Activities. The amount of these available for use at the discretion of the Trustees in furtherance of the general objectives of the museum is detailed in note 18.

Designated income funds – a collection of funds that have been set aside by the Trustees for specific purposes, primarily to meet commitments to live multi-year projects and to provide matched funding in line with the expectations of donors. This includes funds committed to the V&A East project, in addition to a number of essential capital, maintenance and digital infrastructure projects.

Restricted funds

These funds are subject to specific restrictions imposed by the donor, by the purpose of an appeal or are received for a specific purpose. They consist mainly of the following:

Acquisitions for the Collection – a collection of funds from various donations, which are to be used to purchase items for the Collection.

Restricted income funds – represents restricted income funds to be spent towards a specific appeal or purpose that do not fall within one of the other specific categories of restricted funds.

Museum development funds – funds received in relation to FuturePlan projects.

Endowment funds income – income arising from the investment of the Endowment funds, which is to be used as agreed on original receipt of the endowment.

Restricted capital funds – expenditure funded from restricted sources, including capital grant in aid, on assets which have been capitalised. These funds represent the movements of the fixed assets and agree to the balance sheet values.

Revaluation reserve – comprises the cumulative movement in value of land and buildings. The Victoria and Albert Museum freehold properties are valued by Gerald Eve LLP on an annual basis (further details are disclosed in note 6).

Heritage assets – these funds represent the movements in the capital value of the assets donated to or acquired for the collection.

Endowment funds

These comprise funds donated on condition that the capital value of the donation is held in perpetuity, or in the case of expendable endowment, for the long term.

Fair value

Funds include investments stated as fair value. The fair value reserve included in the numbers above is:

	2021	2020
	£'000	£'000
Unrestricted	3,262	49
Restricted	444	44
Endowment	1,102	(311)
	<u>4,808</u>	<u>(218)</u>

18) Statement of fund commitments as at 31 March

	2021	2020
	£'000	(restated) £'000
Funds available for spending at Trustees' discretion:		
General income funds	2,830	2,785
Designated income funds (excluding investment in V&A Enterprises Ltd)	31,564	20,417
	<u>34,394</u>	<u>23,202</u>
Funds raised for specific purposes:		
Restricted income funds	28,538	20,900
Total funds available for spending	<u>62,932</u>	<u>44,102</u>
Funds not available for Trustees' spending:		
Designated income funds - share capital of V&A Enterprises	202	202
Endowment funds (capital element)	7,858	6,374
Capital funds (fixed assets)	634,348	637,110
	<u>642,408</u>	<u>643,686</u>
Total funds not available for spending	<u>642,408</u>	<u>643,686</u>
Total funds in balance sheet	<u>705,340</u>	<u>687,788</u>

19) Analysis of group net assets between funds

	Unrestricted Funds	Restricted Funds	Endowment Funds	2021 Total	2020 Total (restated)
	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 March 2021 are represented by:					
Tangible and intangible fixed assets and heritage assets	-	660,839	-	660,839	666,763
Investments	16,314	22,897	7,858	47,069	38,467
Current assets	38,285	28,166	-	66,451	46,262
Current liabilities	(18,144)	(2,251)	-	(20,395)	(17,021)
Liabilities due after one year	(1,859)	(46,765)	-	(48,624)	(46,683)
Net assets	<u>34,596</u>	<u>662,886</u>	<u>7,858</u>	<u>705,340</u>	<u>687,788</u>

20) Capital commitments

	2021	2020
	£'000	£'000
Capital expenditure commitments were as follows:		
Contracted for, but not provided in the accounts	<u>11,673</u>	<u>29,227</u>

The majority of the capital commitments relate to construction and professional fees on the CRC (£10.2m), remaining commitments relates to design, construction and professional fees on the Museum of Childhood (£0.8m), and phase two of the Photography Centre (£0.3m).

21) Related party transactions

The Victoria and Albert Museum is a Non-Departmental Public Body (NDPB) sponsored by the Department for Digital, Culture, Media and Sport (DCMS). Other bodies sponsored by DCMS are regarded as related parties, as are organisations in which Trustees or key members of management (or their connected persons) have an interest. During the year, the Victoria and Albert Museum only entered into transactions with related parties under normal business terms.

Relationship	Related Party	Donations/ Grants Received/ (Made)	Amount Sold	Amount Purchased	Year end balance Debtors	Year end balance (Creditors)
		£'000	£'000	£'000	£'000	£'000
DCMS funded bodies	Arts Council	573	-	-	-	-
	British Museum	-	892	449	673	(402)
	British Film Institute	-	-	1	-	(2)
	Imperial War Museum	-	-	1	-	-
	Science Museum Group	-	890	783	567	-
	Natural History Museum	-	39	1,002	9	(323)
Tim Reeve is a Trustee	Exhibition Road Cultural Group	-	-	11	-	-
Nicholas Coleridge CBE, Nick Hoffman, Dr Tristram Hunt and Dr Antonia Boström are Trustees; Anthony Misquitta is Co Secretary	Gilbert Trust for the Arts	235	-	-	-	-
Nicholas Coleridge CBE and Dr Genevieve Davies are Trustees; Anthony Misquitta is Co Secretary	V&A Foundation	356	6	-	-	-
Paul Thompson is Vice Chancellor of the RCA; Dr Tristram Hunt is a Trustee	Royal College of Art	-	395	-	-	-
Paul Thompson is a Board Member	Ashmolean Museum	-	-	4	-	-
Tristram Hunt and Tim Reeve are Directors	Design Dundee Ltd	-	7	-	1	-

In addition, five trustees made personal donations worth a total of £239,293 to the museum during the year.

No other trustees or staff members obtained any personal pecuniary benefit from these transactions and no trustee or staff member had any other material transactions with the museum in the year.

No trustees held any significant interests which would conflict with their management responsibilities of the museum.

The Director, Chief Operating Officer and Director of Audiences, Commercial & Digital serve unremunerated on the Board of V&A Enterprises Limited.

The Chief Operating Officer is a Director of V&A Museum Events Ltd, V&A Ltd and V&A Holdings Ltd.

22) Contingent liabilities

There are no contingent liabilities as at 31st March 2021 (2019-20: Nil).

23) Post-balance sheet events

There were no post balance sheet events.

24) Prior year adjustment

On 25 March 2020, ownership of assets previously held on long term loan were transferred to the museum. The assets were valued at £8.3million and this donation should have been recognised in the 2019-20 financial statement. Restating to include the donation has the following effect:

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Statement of Financial Activities				
Net income as previously stated (2019-20)	2,315	11,256	(467)	13,104
Recognition of donated assets	-	8,265	-	8,265
Net income restated (2019-20)	<u>2,315</u>	<u>19,521</u>	<u>(467)</u>	<u>21,369</u>
Balance Sheet				
Funds as previously stated at 31 March 2020	23,404	649,745	6,374	679,523
Recognition of donated assets	-	8,265	-	8,265
Funds restated at 31 March 2020	<u>23,404</u>	<u>658,010</u>	<u>6,374</u>	<u>687,788</u>

