

Victoria and Albert Museum Annual Report and Accounts 2021-2022

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The Annual Report including Trustees' Report

Introduction

The V&A is the world's leading museum of art, design and performance with collections unrivalled in their scope and diversity, spanning 5,000 years of human creativity. It was established in 1852 to make works of art available to all and to inspire British designers and manufacturers. Today, its purpose is to champion design and creativity in all its forms, for everyone.

The V&A was part of the Government's Department of Education and Science and operated under the auspices of an Advisory Council until 1 April 1984, when it acquired Trustee status with the passing of the National Heritage Act 1983 (The Act).

In this context, the Board of Trustees carries out its general functions, specified in The Act as follows:

So far as practicable and subject to the provisions of The Act, the Board shall

- a. care for, preserve and add to the objects in their collections,
- b. secure that the objects are exhibited to the public,
- c. secure that the objects are available to persons seeking to inspect them in connection with study or research, and
- d. 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.

The V&A comprises the main site at South Kensington, Young V&A in Bethnal Green, (formerly the V&A Museum of Childhood and reopening 2023), the archive / study collections site at Blythe House, Kensington Olympia and the V&A Wedgwood Collection in Barlaston. The museum also has a collections store in Dean Hill Park, Wiltshire. The V&A is also developing V&A East, one of the most significant new museum projects in the UK. V&A East is made up of two new sites, currently under construction: V&A East Storehouse (opening 2024) at Here East and V&A East Museum (opening 2025) on Stratford's East Bank.

V&A mission

To be recognised as the world's leading museum of art, design and performance, and to enrich people's lives by promoting research, knowledge and enjoyment of the designed world to the widest possible audience.

V&A strategic objectives

Our strategic objectives are focused on the major expansion of our physical and digital reach, using the lens of design to make our collections increasingly accessible and relevant.

To achieve this we aim to:

1. Create a world-class learning and visitor experience across all V&A sites and collections
2. Focus and deepen the relevance of our collections to the UK creative and knowledge economy
3. Expand the V&A's international reach, reputation and impact
4. Showcase the best of digital design and deliver an outstanding digital experience
5. Diversify and increase private and commercial funding sources

Review of 2021-22

This was a year of significant rebuilding and recovery for the museum as the Recovery Programme put in place to respond to the implications of the pandemic concluded, including an organisational restructure to help reach the £10m annual savings target necessary to safeguard the museum's future. Continued support from DCMS through this challenging period has been essential, and the V&A is grateful for the significant additional funding that has been provided.

The V&A reopened to the public on 19 May 2021 after mandatory closure for the first six weeks of this financial year. While remaining open for the rest of the year, it operated at reduced capacity, opening for five rather than seven days a week and with restricted visitor numbers in response to the changing COVID-19 situation.

World-class exhibitions and programming helped build back audience engagement and revenues, while works continued on landmark capital and environmental projects that will ensure the museum's future as a leading cultural centre with a growing family of sites.

The museum also continued work towards establishing a new, centralised research, National Art Library and Archive function alongside increasing resources focused on Africa and the global African diaspora.

The names and creative vision for V&A East's two new sites in east London were unveiled in June 2021. V&A East Museum and V&A East Storehouse will celebrate global creativity and making, and provide unprecedented access to the V&A's vast collections spanning 5,000 years. Contemporary programmes will create a platform for the global creatives who are shaping today's critical conversations. Both new sites aim to empower the next generation of artists, designers and makers, and be truly rooted in their local community.

The V&A Museum of Childhood was renamed Young V&A in September 2021 reflecting its new mission to inspire young people, to empower educators and to act as a leader in child-centred museum practice. Construction began on the transformation, and the project is on track to open in summer 2023.

A sold-out run for *Epic Iran* and the delayed opening of the immersive exhibition *Alice: Curiouser and Curiouser* began the year's outstanding exhibitions programming at South Kensington. A total of seven major exhibitions were staged, far more than is usual.

- *Bags: Inside Out* (May 2021 - January 2022)
- *Alice: Curiouser & Curiouser* (May - December 2021)
- *Epic Iran* (May - September 2021)
- *Jameel Prize: Poetry to Politics* (September - November 2021)
- *Fabergé in London: Romance to Revolution* (November 2021 - May 2022)
- *Beatrix Potter: Drawn to Nature* (February 2021 - January 2022)
- *Fashioning Masculinities: The Art of Menswear* (March - November 2022)

The V&A launched its most comprehensive Sustainability Action Plan to date in September 2021, featuring a range of commitments to reduce the negative environmental impact of its operations and estate, with a new target to be net zero by 2035. These include embedding sustainability across all V&A operations, and aims to engage audiences with issues of planetary limits and climate justice. The museum hosted installations and events as part of the 2021 London Design Festival (18-26 September) that celebrated design thinking in tackling climate change, and as part of Global Design Forum, organised a Museums Towards Net Zero online event, sharing best practice on actions that museums are taking to reduce their carbon footprint and encourage climate action.

In December 2021, the V&A's flagship national schools challenge, V&A Innovate, won a €50,000 Art Explora – Académie des beaux-arts European Award. The awards were set up in 2020 to fund arts organisations that are developing innovative ways to reach new and wider audiences. Nearly 2,000 students took part in the programme's third year, from schools spanning 19 UK counties, from Kent to Cumbria to Suffolk. In March 2022, 50 students and 20 teachers from nine participating schools pitched their design ideas to the V&A's expert judging panel.

The financial year concluded with the announcement of a return to opening seven days a week from Monday 4 April 2022.

V&A South Kensington exhibitions 2021-22

Exhibition attendance during the financial year was as follows:

Exhibition title	Dates	Visitors
Bags: Inside Out	19/05/2021 - 16/01/2022	88,817
Alice: Curiouser and Curiouser	22/05/2021 - 31/12/2021	167,462
Epic Iran	29/05/2021 - 12/09/2021	56,055
Fabergé in London: Romance to Revolution	20/11/2021 - 08/05/2022	81,763 (as of 31/03/2022)
Jameel Prize: Poetry to Politics	18/09/2021 - 28/11/2021	30,209
Prix Pictet: Fire	16/12/2021 - 09/01/2022	17,062
Beatrix Potter: Drawn to Nature	12/02/2022 - 08/01/2023	21,249 (as of 31/03/2022)
Fashioning Masculinities: the Art of Menswear	19/03/2022 - 06/11/2022	10,921 (as of 31/03/2022)

Performance against strategic objectives

In this section we summarise the V&A's performance against the five objectives outlined in the five-year strategic plan.

1. CREATE A WORLD-CLASS LEARNING AND VISITOR EXPERIENCE ACROSS ALL V&A SITES AND COLLECTIONS

Overview

The experience the V&A delivers for our visitors is uniquely tied to all of the museum's activities, collections and public programme. Visitors to the V&A are invited to explore the world-class collections, galleries and exhibitions on display, and encounter a wide range of stories spanning 5,000 years of human ingenuity across numerous genres.

Exhibitions

The V&A's 2021-22 programme saw the staging of headline exhibitions that had been delayed due to the pandemic. *Epic Iran* was installed in the midst of national lockdowns and opened to the public in May 2021. It received widespread critical acclaim, including five-star reviews in numerous publications, and enjoyed a sold-out run until closing in September. *Bags: Inside Out* reopened to the public after the museum's reopening in May, followed swiftly by *Alice: Curiouser and Curiouser* in the same month. Like *Epic Iran*, *Alice* benefited from a widespread positive response and has since commenced its international tour, opening in Beijing in February 2022.

The autumn programme of exhibitions was launched with *Jameel Prize: Poetry to Politics*, the sixth iteration of the Prize, which has since opened in Santiago, Chile. In November, the V&A staged *Fabergé in London: Romance to Revolution*, London's largest exhibition of works by Carl Fabergé in a generation – bringing together loans from more than 50 collections and including 15 of his famed Imperial Eggs. In February 2022, the V&A opened *Beatrix Potter: Drawn to Nature*, a collaboration with the National Trust exploring Potter's life as a scientist, conservationist and author. The season culminated with the opening of *Fashioning Masculinities: The Art of Menswear*, the V&A's first major exhibition celebrating the power, artistry and diversity of masculine attire told through a compelling hybrid display of fashion and fine art.

FuturePlan: Reimagining the V&A Estate

Young V&A

Progress continued apace on the development of Young V&A as a powerhouse of creativity, designed with and for children from infants to early teens. The museum's new name and vision were announced, collection objects chosen, and new acquisitions made for each of the three galleries: Imagine, Play and Design. They range from The Hero Arm from UK-based prosthetics company Open Bionics to garments by sustainable fashion designer Bethany Williams inspired by the V&A's National Childhood Collection.

Work began in earnest in May 2021 to prepare for the physical transformation of the museum. The project to decant the former V&A Museum of Childhood safely relocated more than 30,000 collection items to storage in South Kensington; work continued on the reuse, recycling and rehoming of non-collection items across the building, and archiving decades' worth of documents.

Outreach and community engagement work included a Summer of Play (July–September 2021) with more than 3,000 participants across the London Borough of Tower Hamlets. Central to this was instigating research and development (R&D) and evaluation practices that will measure impact and inform the developing programme for the new museum. This included commissioning materials and co-facilitation with artists and designer-makers.

Strategic partnerships with Tower Hamlets Council and a wide range of community organisations led to high impact engagement with diverse children and young people borough-wide. Workshops were delivered in collaboration with Spotlight, a creative youth space in Poplar, with young people transitioning from primary school to secondary school. Young V&A Collective launched in September 2021, bringing together groups of 11- to 14-year-olds to co-create new artworks for the museum, alongside a host of in-person play sessions and activities designed to harness young people's creativity as designs for the museum develop. Regular Young V&A Collective meetings have helped develop gallery content, including co-created soundscapes to inform the Imagine gallery.

Structured working during periods of lockdown were key to ensuring the success of the decant, and the project is on track to open in summer 2023. The Board of Trustees gave approval to proceed with the project in its entirety in March 2021. Following a three-month procurement process, a base build contractor Quinn London was appointed in August 2021. After six months onsite, all demolition and strip out activities are complete.

Development of the new gallery environments has continued with specialist contractors Factory Settings, while specialist display case manufacturers Florea D.Sign developed designs ahead of beginning production in May 2022.

Design 1900 – Now

Opened in June 2021, the new permanent gallery features key objects from the museum’s collection alongside new acquisitions and the first redisplay of V&A’s celebrated Rapid Response Collecting programme since its founding in 2014. It also provides the focus for V&A Innovate 2021-22, the museum’s annual flagship National Schools Challenge, designed to support the AQA Design & Technology curriculum creating connections between in-school learning and what’s on display.

The Raphael Court

The Raphael Court reopened in May 2021 to critical acclaim, following a landmark refurbishment that transformed the way visitors experience the Raphael Cartoons, Renaissance treasures lent to the V&A by Her Majesty The Queen. Following a pioneering research and photography project carried out by Factum Foundation, new high-resolution images of the Cartoons – alongside stories about their creation and history – have been made available for visitors to explore in the gallery and online. The gallery launch featured a collaboration with conductor Oliver Zeffman, violinist Viktoria Mullova and the Academy of St Martin in the Fields, whose video performance was made available in June 2021 on Apple Music and Marquee TV, a streaming platform dedicated to art, culture and performance.

The V&A Photography Centre – Phase Two

Work on the Photography Centre has progressed, with major roof replacements and the installation of new mechanical and electrical plant to return the spaces to their original form and provide the ideal environment for the works on display. This phase will create a reading room for our extensive collection of rare and unique photobooks; two galleries dedicated to modern and contemporary work through thematic displays, alongside new commissions; and a room devoted to photographic equipment, tracing its history from the camera obscura to the smartphone. It is scheduled to open in 2023.

John Madejski Garden façades

The decorated façades of the V&A’s inner courtyard are among the earliest surviving parts of the museum. Created by several key figures, they contribute significantly to the architectural heritage of the V&A, and in a wider context, what became known as the South Kensington style. October 2021 presented the first opportunity for a comprehensive survey and conservation-based programme of consolidation and repair, undertaken with generous support from DCMS, with this first phase of works concentrated on the wings of the north elevation. Brickwork, terracotta and marble were cleaned, consolidated and replaced where necessary, and windows refurbished. Work on other façades will continue over the next three years.

Grand Entrance, Cromwell Road

Since the installation of the revolving doors and lobby at the Cromwell Road entrance in 2004, visitor numbers (in a typical year) have more than doubled and security requirements changed significantly. To improve the arrival experience and access for events, a new lobby with sliding doors was installed this year supported by DCMS funding. A new central information and Membership desk was also installed, which doubles as a bar for evening events. Designed by Sam Jacob Studio, these new elements feature patinated brass and glass that complement the heritage materials in the Dome. Nearby toilets were also refurbished, using bespoke terrazzo tiles made from Jasperware waste from the Wedgwood factory. Six motifs from the museum collection were also rescaled and digitally printed onto wall tiles.

Expanding our flagship learning programme

The V&A continually strives to inspire creativity in all our audiences, from under-fives to those in schools, colleges and universities, community groups, adult learners, and museum professionals, achieved through on- and offsite events and outreach.

With the lifting of COVID-19 restrictions in July 2021, Learning and Digital Programmes retained a digital-first approach to content while remobilising and rebuilding onsite delivery of programmes. Highlights include:

- The third year of V&A Innovate was delivered, the museum’s flagship annual National Schools Challenge to support the teaching of Design & Technology at Key Stage 3, with a refocused programme to support in-person and virtual learning and teacher seminar series. V&A Innovate includes a suite of free online resources, and a teacher Continuing Professional Development (CPD) programme aiming to inspire

the next generation of artists, designers and innovators, and to advocate for the vital need for creative education. This year's challenge was delivered by teachers in the 2021 autumn term and based on the themes Renew, Connect, and Move. 1,934 students took part in lessons, after-school clubs and off-timetable enrichment days, and 119 teams entered ideas from 26 schools from Cheshire, Greater Manchester, Suffolk, Gloucestershire, Blackburn with Darwen, Warwickshire, Merseyside, Kent, Cumbria, Greater London, Essex, North Yorkshire, South Yorkshire, Hertfordshire, South Staffordshire, Buckinghamshire, Tyne and Wear and Oxfordshire.

- The museum's Residency Programme restarted with the appointment of interdisciplinary artist Sian Fan in September 2021. As a Digital Wonderlands resident, invited to explore the V&A as a doorway into other worlds and coinciding with *Alice: Curiouser and Curiouser*, Fan activated the residency studio for the first time since 2020. Learners have been invited to see first-hand contemporary practice inspired by our collections.
- The V&A Virtual Classroom sessions were reformatted into webinars to attract more UK-wide schools. These one-on-one sessions, for both primary and secondary classrooms, linked V&A experts and educators with classrooms around the country for live, interactive learning sessions based on the V&A collections.
- DesignLab Nation, part of the V&A's national schools programme, expanded to three new regional partners: Ipswich, Blackpool and Plymouth, and was adapted for delivery online, remotely or with social distancing in place. It was supported by new resources, inspiring films and V&A object loans in selected regions.
- The V&A was a main national hub for the Refugee Week festival (14-20 June 2021), once again collaborating with Counterpoints Arts, for the fourth year running. The museum also participated in ChessFest, a national festival supporting schools, which promotes children's education, critical thinking and social development, and welcomed primary groups on 16 July to *Alice: Curiouser and Curiouser*.
- During Digital Design Weekend (25-26 September 2021) the museum explored how digital design can engage with climate change challenges, while in October 2021, in collaboration with V&A Dundee and Sheffield Museums, the V&A launched the Upstart Creative Careers Festival, a free online event designed for young people to explore pathways into the creative industries.
- Events for families and young people were also staged around the Great Exhibition Road Festival in June 2021; the welcoming of Little Amal on 24 October; and a special Drop in Design: Become a Bio-Designer workshop in the February 2022 half term. Also delivered were participatory and sensory experiences for children aged 0-3; relaxed, early-morning openings of *Beatrix Potter: Drawn to Nature* for children with neurodiverse conditions; and V&A Social Space in March 2022 featuring creative workshops and relaxed speed-mentoring and networking.

V&A Academy

V&A Academy draws on the V&A's enormous wealth of staff experience and expertise to deliver short, intensive courses supporting professional development for colleagues across the sector. The focus is on practical training and skills-development, aiding early and mid-career practitioners in the arts and heritage sectors.

In 2021-22, V&A Academy set out to build on the successful launch of online courses with a programme as rich and rigorous as the pre-COVID offering. More than 5,300 tickets were sold across 68 courses. Sales revenue improved on 2019-20 figures, and the net contribution from V&A Academy to the V&A's finances improved.

Driven – and enabled – by the pandemic, the introduction of online learning has transformed the programme's reach. The proportion of learners living outside London and the south-east doubled to more than half, and new stories were told and audiences reached. Caribbean Art Today: Visualising Evolving Identities was a six-week course, attended by 60 people, exploring what it means to be a Caribbean art-maker in 2022. William Morris: The Beauty of Life attracted the most diverse international audience for a V&A Academy course over the year, and in The Principles of Interpretation, staff from the V&A's interpretation department brought together 60 learners from around the world to share best practice with current and future leaders in the field.

Creating equality and diversity

Equality, diversity and inclusion (EDI) has been a major priority and focus in 2021-22. An Anti-Racism Taskforce was created at the V&A during 2020 in response to the Black Lives Matter movement, and one of the key recommendations proposed was the recruitment of a Lead role for EDI. In November 2021, Ali Jafarey was recruited within the People and Change team as EDI Lead. With this appointment, expertise and influence has already supported the Talent and Skills team in building and implementing an EDI training programme.

Online webinars focusing on unconscious bias and the impact on the workplace were launched in January 2022 with more than 150 employees attending. Workshops on Inclusive Leadership have also been delivered to the

Executive and Trustee boards. We have also built a bespoke online eLearning course, Unconscious Bias at Work, for all new employees as part of their corporate induction programme.

All these modules are mandatory for all employees and will continue throughout 2022. EDI has also influenced the revised values and behaviours framework with a new value of Equity being introduced. The revision includes accompanying workshops for managers during March and April 2022 to support the delivery of the new organisational strategy. This will all accompany a planned tour of the People Team showcasing the new People Hub information platform on the museum intranet, which now has a dedicated EDI section.

Anti-Racism Taskforce

The Taskforce developed and agreed a set of wide-ranging objectives during 2020-21, and in 2021-22 the focus has been on prioritising those objectives, setting a framework within which to measure progress and implementing early actions.

The Taskforce comprises volunteers from across the organisation; it has an Executive Board member as Chair but is intentionally non-hierarchical. During the year, 17 colleagues have served on the Taskforce and we have been supported in this work by Inc Arts UK who have been in attendance at every monthly meeting.

Across the museum a number of targeted initiatives have taken place, including a focus on broadening the global scope of our fashion collections through the development of the *Africa Fashion* exhibition – a show that has also given us a great opportunity to consider how best to attract, welcome and retain a wider audience.

The development of the V&A's new 2022-25 strategy has been influenced by the work of the taskforce and has principles of diversity and inclusion at its heart, including the stated aim to promote an inclusive and anti-racist culture.

In the year ahead, the Taskforce will support delivery of a number of priority projects and continue to monitor delivery of the recommendations as these become embedded into business as usual activity.

V&A East: Young People and Community Engagement

V&A East is committed to creating opportunities for young people, opening up career pathways and fostering the next generation of creatives. It champions under-represented movements and voices to present a diverse range of perspectives, and highlight new forms of creative excellence to challenge the canon and showcase the dynamism and complexity of creativity and making from around the world.

Created with and for east Londoners, to date, V&A East has consulted with more than 20,000 local people and creatives through education and career initiatives, pre-opening events and activities, working in partnership with organisations such as CREATE, Bow Arts, Hackney Quest, Blackhorse Workshop, Bromley By Bow Centre, Spotlight Centre, London Centre for Book Arts and Turning Earth, among many others, and will be scaled up over the coming months and years.

The V&A East Youth Collective Programme is a rolling six-month paid opportunity for locals aged between 16 and 25, and welcomed its second cohort this year following a successful pilot. The collective is playing a key role in shaping the making of V&A East from exhibitions and programming to opening hours, ticket prices and beyond.

Creative agency A Vibe Called Tech, which explores the intersection of Black creativity, culture and innovation, joined the V&A East project over summer 2021 as part of a three-month creative residency supported by Google Arts and Culture. It collaborated with young people on digital content experiments to inform V&A East's evolving creative programme.

A year-long pilot project, V&A East MAKE Space, launched in March 2022. It aims to create a radically inclusive space for young people to come together, make, develop their creativity and access advice and guidance on careers and opportunities in the creative sector. Run in collaboration with Stratford Youth Zone, the pilot offers weekly drop-in open studio workshops for 9- to 14-year-olds and 15- to 25-year-olds, with monthly practical workshops led by an east London designer/maker. These sessions respond to input from V&A East's Youth Collective and the young people participating in the MAKE Space programme. The pilot is an important test site to inform V&A East Storehouse's regular creative drop-in programme, once open in 2024, as well as an opportunity to respond to local needs and build relationships with our communities.

Refreshing collection displays

The Theatre and Performance galleries began a major refresh in August 2021, with more than 120 objects going on show. Better reflecting the range of the department's holdings, 80% of the objects went on display for the first time. They range from the dress in which Sandie Shaw won the 1967 Eurovision Song Contest to a pair of the UK's first skin-tone pointe shoes for Black, Asian and dual-heritage dancers.

Future activity

The V&A's online learning programme will expand further, with new art history offerings and a course in 2023 on the history of African textiles.

The Young V&A team is developing three co-creation projects to provide audience-generated content with young people for each permanent gallery. A scaled-up programme of learning activity for schools, families and young people will also celebrate 150 years of the V&A in Bethnal Green for summer 2022, gearing up behind the scenes and publicly, towards the new museum for 2023.

Meanwhile teams across the V&A will continue to develop detail for object layouts, mounting strategies, graphics, conservation treatment schedules and loan agreements for Young V&A. Preparations are underway for occupation of the building after base build reaches Practical Completion in September, ready for the new gallery environments to be constructed.

2. FOCUS AND DEEPEN THE RELEVANCE OF OUR COLLECTIONS TO THE UK CREATIVE AND KNOWLEDGE ECONOMY

New curatorial departments became established this year following a restructure aimed at rationalising the departments' focuses and contributing towards the overall savings needed across the V&A as a result of the pandemic. The four curatorial departments are:

- Decorative Art and Sculpture
- Performance, Furniture, Textiles and Fashion
- Art, Architecture, Photography and Design
- Asia

These sit alongside an enlarged research department comprising the V&A Research Institute, the National Art Library and the V&A Archives.

The V&A Research Institute

Despite the ongoing challenges and disruptions caused by the pandemic, the V&A Research Institute has had a busy and varied year, and concluded a number of research projects with exhibitions, conferences and digital outputs.

An increasing focus in recent years, particularly through the generous support of the Andrew W Mellon Foundation, has been on research to underpin and drive forward thinking and partnership development around V&A East. This year saw the successful delivery of the VARI / V&A East Public Engagement Fellowship, *A Question of Clay*. Led by Public Engagement Fellow Dr Georgia Haseldine, working in collaboration with artist Theaster Gates, this has investigated histories and narratives of clay, and explored ways to engage new audiences with them. A community research project was developed called Brickfield Newham, delivered on a construction site in the Royal Docks as part of Newham Heritage Month. Communities from across the Borough of Newham made bricks from local industrial waste materials, with students from the University of East London devising new performances inspired by the local histories of housing and brickmaking that the project had highlighted. *A Question of Clay* also contributed to Theaster Gates' monographic exhibition *A Clay Sermon* at the Whitechapel Gallery, and collaborated with V&A Wedgwood Collection on a research project with young people to re-interpret the Wedgwood anti-slavery medallion.

Young people in East London were at the heart of the Show + Tell + Share project, also funded through the Andrew W. Mellon Foundation, which rethinks audience engagement and access to V&A collections, particularly with the V&A East Storehouse in mind. Through a focus on site and serendipity, three research fellows have developed a Serendipity Prototype: a digital tool that aims to move away from traditional cataloguing and research techniques to offer surprise encounters with objects and stories, and reveal unexpected connections to engender more personal and subjective insights.

Other research projects this year include *Shaping Space – Architectural Models Revealed*, funded by the Arts and Humanities Research Council (AHRC) and led by VARI's Dr Simona Valeriani, which looked at how architectural models shape the spaces we live in. It delivered a successful exhibition and public programme at the Building Centre in London.

Play in the Pandemic, led by UCL and the University of Sheffield, in collaboration with Young V&A and the Great Ormond Street Hospital, researched the impact of the pandemic on children’s play, culminating in an online exhibition developed by Young V&A.

And in a year in which Glastonbury Festival could not take place, a project led by the V&A in partnership with the AHRC proved timely. Glastonbury @ 50 has used the Glastonbury Festival Archive, which came to the V&A in 2016, to explore new ways of engaging with live performance archives. The project produced a hugely successful online conference and series of events at the V&A – on the weekend in which the festival should have taken place – and two innovative digital outputs that aim to capture and represent live site-specific performance at the Festival over its 50-year history, drawing on items from the Glastonbury Festival Archive.

COVID-19 has undoubtedly continued to affect research, particularly through restrictions on travel and in-person gatherings. While certain activities (such as international exchanges) were paused, we adapted activities wherever possible, reaching expanded international audiences through online conferences, and exploring alternative research, practice and performance venues, as demonstrated through the Brickfield Newham project.

Over the coming year we continue to develop our projects and partnerships in East London as the opening of V&A East approaches. Having signed a collaboration memorandum of understanding with the University of East London in the past year, and with UCL in the previous year, we look forward to developing these partnerships. Our enquiries into ceramic histories continue with a new project, supported by the AHRC and following on from its funded redevelopment of the Science Lab, which investigates innovation, experimentation and place-making in East London’s porcelain industries during the 18th century, and that involves introducing young people to the role of science in museums. We will also be hosting two VARI / V&A East residences in collaboration with Bow Arts’ RAW Studios at Royal Albert Docks, welcoming international practitioners into a three-way collaboration focused on materials, making and manufacture in east London.

As part of the Collection Division restructure carried out in 2020-21, the museum began a comprehensive review of the National Art Library and Archive services, led by two independent consultants. This was completed in November 2021, and set out a vision for the future of the National Art Library and Archives as a core part of the V&A’s mission to be accessible to all. Work began this year on implementing their transformation, which includes creating a Chief Librarian role, to be appointed in summer 2022, alongside aims to make digitised collections more discoverable and to improve remote access to our unique and distinctive collections.

V&A East

V&A East Storehouse

In June 2021, the V&A revealed the curatorial vision for V&A East Storehouse and V&A East Museum, announcing contemporary acquisitions ranging from Kehinde Wiley’s *Portrait of Melissa Thompson*, 2020, to Molly Goddard’s iconic “Daria” dress from 2019.

Despite a challenging context for construction projects, several major milestones were met in the first months of 2022, with the completion of the lightbox that illuminates the central Collection Hall, and in March, the “birdcage” scaffold was struck, revealing the scale of the space for the first time. The feature staircase and entrance tunnel were fully installed, alongside structural frames for two large objects, the Kaufmann Office and Frankfurt Kitchen, and collections storage systems including monumental carousel systems for large-scale textiles.

In May 2021 the concrete façade of Robin Hood Gardens was installed, among six of the museum’s large objects that are due to be embedded within the fabric of the building. By October 2021, conservation was also completed on all but one of these, including the Torrijos Ceiling.

Work on the Blythe House decant – the UK’s biggest collection move since World War Two – met a significant milestone. A total of 250,000 objects, 350,000 library books and 1,000 Archive items will move to V&A East Storehouse. Of these, 9,787 objects across 12 collection areas needed urgent conservation and stabilisation, which is now complete.

Planning continued during lockdowns to ensure the team “hit the ground running” in May 2021. Phase Two project workstreams were completed for Photography, Audit, Reconciliation and Hazard Mitigation. Essential archive rehousing achieved 88% completion and work began on Phase Three: Pack and Move. In October 2021 a first pilot move was completed of the Museum Registry to South Kensington. Packing began in August 2021, with 31% of the collection packed by year end.

At the start of the project 54% of objects at Blythe House had an image. That figure now stands at 97%, with 140,463 images uploaded to DAMS, while 99% of reconciliation work – reuniting objects with their identifying information – was completed this year.

V&A East Museum

V&A East Museum reached its “topping out” milestone in December 2021, reaching its full height of 42.5m and marking the completion of the building’s steel frame. The frame holds up the precast concrete façade panels and floor plates of the public spaces and galleries, and itself comprises 2,051 pieces. Work began on lifting the concrete façade into place.

Design briefs for the Why We Make gallery, the two permanent collection spaces at the V&A East Storehouse, were brought to near completion, ahead of a tender process in spring/summer 2022. Designers will be sought to create spaces that will attract young, diverse Londoners.

Expanding national engagement

It is vital that the V&A collections and expertise reach as diverse an audience as possible, wherever they might live. We achieve this by providing the best possible physical and intellectual access to our collections and by working flexibly in partnership with many different organisations across the UK, from schools and community groups to historic houses and large local authority run museums. The loan of our objects and touring exhibitions, giving grants and support through the Arts Council England/V&A Purchase Grant Fund and delivering our groundbreaking learning programmes are just some of the ways we work collaboratively to inspire creative practitioners and champion the skills needed for the future creative economy.

Advice to Government and others

As part of our role as a national museum, we advise the Government and its agencies on objects that fall within the remit of our collections. In 2021-22 the work of agencies exploded following the pause during the pandemic and we have commented on 12,186 objects that fell within our remit.

DesignLab Nation

DesignLab Nation is the V&A’s national secondary schools programme, developed in partnership with regional museums, designers and schools to expand the reach of the V&A’s collections and expertise outside of London, supporting the teaching of the Design & Technology GCSE. This year saw the completion of Phase 1 projects with partners at Culture Coventry, Museums Sheffield, The Potteries Museum, Stoke-on-Trent, the National Glass Centre, Sunderland and Blackburn Museum, pivoting our offer and creating new resources so the projects could be offered online, in person or in a hybrid format.

Supporting acquisitions

The Arts Council England/V&A Purchase Grant Fund supports colleagues working in regional museums to buy objects to develop and grow their collections to better reflect and respond to their communities.

Overall, this financial year the Fund has helped 53 museums, record offices and specialist libraries from Whitby to Plymouth acquire objects for their collections. Overall, 73 grants, totalling £755,199 have been awarded, which supported purchases costing £2,091,013. Highlights include the purchase of *Asymmetric Vessel*, 2021, by Dame Magdalene Odundo for the Hepworth Wakefield in Yorkshire, and a 17th-century cabinet for the Norton Priory, Cheshire.

Make Good: Rethinking Material Futures

As part of the V&A’s Sustainability Plan, a 10-year project launched in February 2022 dedicated to looking at the use of renewable, natural materials and the future of sustainable forestry in connection to design and architecture.

Supported by the designer and furniture maker John Makepeace OBE, *Make Good: Rethinking Material Futures* comprises an annual display, symposium and programme of acquisitions. It invites designers, scientists, manufacturers, and academics to share research, knowledge and skills that encourages ideas of stewardship of natural resources and the use of responsibly sourced wood in particular.

The first display opened in the V&A’s Furniture Gallery, closely followed by the first symposium. Together they featured several design projects engaging with forest care, circular and non-extractive production and the use of natural, renewable materials. These included using wax mixed with ground-down timber offcuts to create crayons, by Japanese designers Studio Playfool, and a chair made from an expanding foam derived from wood shavings mixed with a bio resin, by Marjan van Aubel and James Shaw.

National touring exhibitions

The impact of the COVID-19 pandemic including national lockdowns, which inevitably caused delays, was still in evidence in 2021-22. However, *Game Plan: Board Games Rediscovered* was back on tour in the autumn of 2021 and seen by 5,500 visitors across two venues.

Exhibition title	Venue	Dates	Visitors	V&A objects
Game Plan: Board Games Rediscovered	The Corn Exchange, Newbury	25/06/2021 - 05/09/2021	739	80
	Epping Forest Museum	25/09/2021 - 24/12/2021	4,717	80

National loans

In 2021-22 the V&A lent 549 objects to temporary exhibitions at 60 UK venues and 45 overseas venues. Additionally, 1,440 long-term loaned objects supported permanent displays at 121 venues in the UK and at eight international venues.

The V&A also has approximately 165,000 objects, which form the V&A Wedgwood Collection, on long-term loan to the World of Wedgwood, with 3,500 objects on display in the purpose-built museum at Barlaston, Stoke-on-Trent.

	Short-term loan	Long-term loan
Number of objects to UK venues	319	1,416*
Number of UK venues	60	121
Number of objects to overseas venues	230	24
Number of overseas venues	45	8

*Figure excludes the V&A Wedgwood Collection

V&A Wedgwood Collection

The collection of more than 165,000 works of art, ceramics, manuscripts and photographs in Barlaston reopened in May 2021 as the V&A Wedgwood Collection. It is one of the most important industrial collections in the world and a unique record of British ceramic production.

The collection was a partner in the British Ceramics Biennial (11 September-17 October 2021) running a series of workshops with young people and hosting an event for the V&A's UPSTART careers festival.

I Am a Man and a Brother, a community engagement project supported by Art Fund and Fiskars, examined Josiah Wedgwood's anti-slavery medallion. It was co-designed with anti-racist campaigner Grace Barrett AKA I AM ALLY and Georgia Haseldine, VARI/V&A East public engagement fellow.

Development continued this year on the collection's digital presence and research and learning programmes. A new Archives Assistant was appointed, supported by the Worshipful Company of Arts Scholars, to catalogue the UNESCO-recognised V&A Wedgwood Collection archives. The year concluded with the exciting acquisition of a rare tea set designed by Paul Follot for Wedgwood in 1923, along with the accompanying design drawings.

Acquisition highlights

Developing the V&A's collections is essential to ensuring the relevance and ongoing evolution of the world's leading museum of art, design and performance. This year's acquisitions reflect a collections policy that is under regular review, and is aligned to the V&A's mission to represent the best examples of historic and contemporary art and design from around the world and from a broad community of makers, artists and designers.

Despite the financial challenge brought about by the pandemic and the reduction in acquisition budgets, the Collections Group has reviewed and supported remarkable acquisitions across all departments, through purchase, often with restricted funds, gifts, bequests and Acceptance in Lieu.

Many acquisitions have been made to support capital projects in development, such as for Young V&A and V&A East Museum, as well as our busy exhibition programme. We have also continued to make strategic acquisitions that enrich the diversity of the collection and support the creative industries and contemporary artists, makers and designers in the UK.

The V&A looks after 2.8 million objects, library items and archives in its collections. In 2021-22, the collection grew by 5,105 items, with a total value of £11.2m. Of this, the cost of objects purchased was £0.9m, with a significant proportion made possible by funding from external sources, including generous support from V&A Members and a number of private donors. The value of objects donated, either directly or via the Acceptance in Lieu scheme, was £10.3m.

Highlights include:

- ***An Allegorical Tomb in honour of John Somers, Lord Chancellor of England, c.1726, by Giovanni Antonio Canaletto, G B Piazzetta and G B Cimaroli.*** On long-term loan in the British Galleries from Lord Plymouth and his son Lord Windsor since 2001, and displayed in the British Galleries, the major canvas was acquired through the Acceptance in Lieu scheme
- ***Portrait of Melissa Thompson, 2020, by Kehinde Wiley,*** a large-scale oil painting of an east London resident depicted against a backdrop of William Morris's *Wild Tulip* design from 1884
- The statuette ***The Death of Cleopatra, 1859, by Henry de Triqueti,*** a masterpiece in ivory and bronze, saved for the nation following an export ban
- **Multiple items for the 2022 exhibition *Africa Fashion*** by designers including Imane Ayissi, IAMISIGO, Orange Culture and Maison ARTC, expanding the museum's holdings in contemporary fashion from the African continent
- **Ensemble, 2017, by Harris Reed,** an emerging British-American designer included in the exhibition *Fashioning Masculinities: The Art of Menswear*
- **Sandy Powell's "autograph suit"** signed by 200 names across film, fashion and music including Leonardo DiCaprio, Daniel Kaluuya and Billie Eilish, gifted to the V&A after it was auctioned to save Derek Jarman's Prospect Cottage for the nation
- ***Pity the Slave, 1832, by Grace Lambert,*** an embroidered sampler and significant addition to the V&A's collection of anti-slavery accessories and needlework

Fashion in Motion

Fashion in Motion is a series of live events presented against the unique backdrop of the V&A's galleries. Featuring established and emerging designers, the event makes the exclusive spectacle of fashion shows and presentations available to a wider audience, and hopes to inspire the next generation of designers.

March 2022 marked the return of Fashion in Motion after its two-year hiatus, with the generous sponsorship of Libbie Scher Mugarbi. Designer Harris Reed showcased dramatic, sculptural pieces that demonstrated his gender fluid aesthetic, worn by a diverse group of models. Musician, actor and activist Olly Alexander, as Years & Years, performed songs created especially for the event. Tickets sold out within 10 minutes of release and each show filled the Raphael Court to its 300-person capacity. The event received significant media coverage.

Contemporary Programmes

Formed in late 2021, the Contemporary Programme team includes both curatorial and project management expertise, and leads on V&A Friday Lates, London Design Festival, and other festivals, biennales and one-off collaborations with artists and designers to create a rich tapestry of engagement with contemporary issues.

From April to August 2021, Friday Lates took the form of digital commissions broadcast online, inviting artists, musicians, dancers and choreographers to explore and reinterpret the museum. Highlights included films devoted to contemporary fashion from the Middle East and North Africa, and elements of Senegalese and Afro-Brazilian spiritual traditions. These were broadcast on Instagram and YouTube, and hosted on the V&A Blog.

Over summer 2021, the V&A collaborated with Discover South Kensington and London Festival of Architecture to bring a regenerative design to Exhibition Road, with project partners the Science Museum and Goethe Institute. A hydroponic canopy titled *Algae Meadow* by Seyi Adekun and Wayward was part of the South Ken Green Trail in summer 2021.

After a year's hiatus, London Design Festival returned in September 2021 featuring 11 V&A commissioned projects focused on exploring challenges including the climate crisis. A pavilion, *Between Forests and Skies*, by emerging practice Nebbia Works featured in the John Madejski Garden, constructed from the lowest carbon aluminium yet produced. It toured to COP26 in Glasgow and was subsequently donated to Yorkshire Sculpture Park. The Placeholders project by Juliet Haysom and Aude-Line Duliere repurposed stones from the V&A's Aston Webb Screen as street furniture, and is still in place on Exhibition Road.

In-person Friday Late events resumed in September 2021, attracting audience numbers similar to pre-pandemic levels. These figures dropped in October and November as COVID cases rose before national restrictions were introduced in December 2021. In-person Friday Late events resumed again in March 2022.

Future activity

The coming year will see the opening of Young V&A as a transformed national museum dedicated to young people, from early years to teens, reimagined as a space to imagine, play and design. Also opening is the Photography Centre Phase Two, while the move of the V&A's entire collections of objects in storage from Blythe House to V&A East Storehouse will be completed.

The transport and installation of collections at V&A East Storehouse will begin in autumn 2022 and run through to January 2024.

A major project at the V&A Wedgwood Collection, supported by the Art Fund, to install new museum-grade storage furniture will begin in summer 2022. It will enable the unpacking, cataloguing and digitisation of the collection over the coming years.

3. EXPAND THE V&A'S INTERNATIONAL REACH, REPUTATION AND IMPACT

COVID recovery

The lasting impact of COVID-19 on the V&A's international programmes was significant in 2021-22. While the V&A itself was closed to the public at the start of the new financial year, the challenges of international collaboration were compounded by travel and quarantine restrictions in a number of key markets. Most notably, this included Northeast Asia, where a number of major programmes remain in development.

However, there remained notable successes. A number of significant exhibitions continued to travel globally, new international licensing relationships and diplomatic initiatives were advanced, digital audiences grew, and new internationally focused exhibitions were developed, including *Fabergé in London: Romance to Revolution*, *Africa Fashion* and *Hallyu! The Korean Wave*.

Developments in China

The V&A's partnership with Design Society in Shenzhen-Shekou continued with the presentation of *Fashioned from Nature* (supported by the China National Silk Museum). *Values of Design: China in the Making* – an exhibition developed in collaboration with the V&A – continued to be presented at the V&A Gallery in the Sea World Culture and Arts Center.

In a new partnership with Art Exhibitions China (AEC), the V&A made its first visits to Changsha and Zhengzhou with the exhibition *Masterpieces in Miniature: Treasures from the Rosalinde and Arthur Gilbert Collection*. The partnership with AEC will result in a five-city exhibition tour, to be completed in 2022.

A new partnership was agreed with YT Media in China that will see two further exhibitions presented in multiple cities in China over the coming two years.

Partnership with La Biennale di Venezia

Since 2015, the V&A has staged an annual special project at the Pavilion of Applied Arts in the Arsenale in Venice in partnership with La Biennale di Venezia. In May, the museum unveiled Three British Mosques at the Biennale Architettura 2021. Responding to the overall event's theme, How will we live together? set by Lebanese architect Hashim Sarkis, the display explored contemporary multiculturalism by spotlighting three adapted mosque spaces in London.

Ghana

In 2021-22, Dr Tristram Hunt visited Ghana to begin conversations about a potential cultural agreement with the V&A. The visit included meetings with the Ministry of Tourism, Arts and Culture in Accra and Asantehene Otumfuo Osei Tutu II at the Manhyia Palace in Kumasi. While in Ghana, Dr Hunt also visited Cape Coast Castle and Elmina Castle in Cape Coast. Discussions continue about a framework for cooperation.

Donatello partnership

The V&A partnered with the Palazzo Strozzi in Florence and the Gemäldegalerie in Berlin to stage the first major exhibition in 40 years on the Italian sculptor Donatello. Loans and expertise from the V&A have been fundamental for the exhibition, which opened in early 2022 at the Palazzo Strozzi in Florence, and the tour will culminate with its staging at the V&A in 2023.

Professional development

In 2021-22, the V&A partnered with Qatar Museums to develop two new professional development programmes for museum staff, in support of the wider Qatar National Vision 2030. The programmes, delivered virtually from London, were titled Generating New Income Streams and The Making of Exhibitions, and drew on the skills and support of the V&A museum staff.

In December 2021, the Palestinian Museum and the V&A announced an inaugural collaboration to conserve material cultural heritage through a grant from the ALIPH Foundation. Designed to develop the capacities of the Palestinian Museum's collections department, the project will establish the first textile conservation studio in Palestine, and document and conserve Palestinian material heritage endangered by conflict, particularly traditional embroidered dresses.

Commercial opportunities

The V&A's international brand licensing and publishing programmes continued to gain traction despite the global pandemic, with some 95 international licensees across the globe, including 23 new deals signed since April 2020. The success of the brand licensing programme relies on the promotion of our permanent collection, offering an infinite source of design inspiration to retailers, manufacturers and designers. The programme also supports the V&A's international brand strategy and promotes its cultural assets to regions with a lesser knowledge of the museum. Categories are wide ranging, from homeware to apparel, stationery to crafting, and objects are tailor-made to suit each market and produced and marketed under stringent approvals and guidelines. V&A Publishing titles are distributed through commissioned warehousing in the UK, USA and Australasia, and many are licensed co-editions in multiple languages. Strategic collaborations with online retail giants such as TMall are supported by the V&A's expanding presence on social media platforms such as Weibo.

V&A international touring exhibitions 2021-22

Despite the challenges of COVID-19, our international touring programme continued to build again last year, with six exhibitions successfully presented in nine cities – Antwerp, Auckland, Bendigo, Changsha, Gothenburg, Santiago, Shenzhen, Tainan and Zhengzhou – realised through remote delivery by the V&A's exhibitions team in London.

A total of 719 V&A objects travelled to these venues, alongside 551 loaned objects.

Exhibition	Venue	Dates	Visitors	V&A Objects
Masterpieces in Miniature	DIVA, Antwerp, Belgium	05/03/2021 - 15/08/2021	20,681	-
	Zhengzhou Museum, China	30/09/2021 - 04/01/2022	110,148	-
	Hunan Museum, China	18/01/2022 - 17/04/2022	36,991	-
Mary Quant	Bendigo Art Gallery, Victoria, Australia	21/03/2021 - 11/07/2021	51,506	172
	Auckland Art Gallery, New Zealand	11/12/2021 - 13/03/2022	26,503	37
Tim Walker	Chimei Museum, Taiwan	31/07/2021 - 15/05/2022	54,019 (as of 22/03/2022) and 66,911 (as of 30/04/2022)	32
Kimono: Kyoto to Catwalk	Museum of World Cultures, Gothenburg, Sweden	17/08/2021 - 30/01/2022	24,400	158
Alice: Curiouser and Curiouser	YT/UCCA, Beijing, China	25/02/2022 - 11/06/2022	5,230 (as of 31/03/2022)	111
Jameel Prize: Poetry to Politics	CCLM, Santiago, Chile	04/03/2022 - 03/07/2022	937 (as of 31/03/2022)	-

4. SHOWCASE THE BEST OF DIGITAL DESIGN AND DELIVER AN OUTSTANDING DIGITAL EXPERIENCE

Engagement with the V&A's digital collections content increased during the pandemic, particularly relating to content for makers (activities at home, for example) and video content. Overall, there were extensive shifts in how audiences wanted to engage with the V&A, moving away from "what's on" listings pages based on physical visits towards long-form articles and film.

Explore the Collections

Explore the Collections launched in February 2021 as a new digital platform that enables people around the world to search, explore and discover more than 1.2m objects from the museum's collections. It brings together data, stories, images and content, with a fluid and story-led approach. In April 2021, it was announced as a Silver award winner in the Design category of the GLAMi Awards 2021, and has continued to grow this year, with new features launched over summer 2021 including image zoom, improved clarity about which objects are on display and improvements to search functionality. The second version of the V&A's public Collections Data API was also released, which opens up our collections data for use by the broadest audience, including for research and to build digital products and services.

Secrets of the Museum

This successful BBC Two series champions and celebrates stories of creativity from across the V&A, showcasing objects from the collections and sharing insights from those who care for them. The second series of *Secrets of the Museum* began broadcast on 20 July 2021, reaching approximately 7.6 million viewers across six episodes both live and via BBC iPlayer (not including repeat views).

There were 200+ pieces of press coverage for the series, and online, 663,000 video engagements across Instagram, Facebook and Twitter (shared figures with the V&A and BBC Arts). The series also prompted 163,000 engagements (likes, comments, shares) across the V&A's Instagram, Facebook and Twitter accounts, and 209,000 Instagram Stories views.

Planning and production began on series three this year, with cameras following V&A experts for eight months. The new series focuses on the V&A's family of museums and partner institutions, from V&A Dundee and the V&A Wedgwood Collection in Barlaston, to the new sites V&A East and Young V&A. It also follows objects on loan to Blackpool's new Showtown Museum and traces acquisitions back to their creative origins.

Social media

The V&A holds accounts and is active across Facebook, Instagram, Twitter, LinkedIn, Pinterest and, since April 2021, TikTok. Our activity on these platforms during the 2021-22 period continued to be strong and impactful for the V&A. Our core audience grew by 163,129, raising our overall following to 3.9 million. Our posts saw 9,251,507 engagements and reached 148 million people.

The V&A is also active on Chinese social media channels WeChat, Weibo and Kuaishou. The V&A's Weibo and WeChat accounts garnered 20 million impressions this year, while two official livestreams via Fliggy and Kuaishou attracted 300,000 viewers.

The V&A's TikTok channel has seen steady growth after launching this year. Aiming to engage with a younger demographic and present a lighter, more personable angle on the museum, the channel has gained 23,000 followers, with nearly two million views and 185,000 engagements. We are the second most followed UK museum on the platform.

A partnership with TikTok has aided the museum in producing engaging educational content. This spans funding from a #LearnOnTikTok bursary, and bespoke advice and platform support from TikTok to boost V&A content and further its reach. For the launch of *Fashioning Masculinities: The Art of Menswear*, the V&A presented a curated evening event with TikTok, which 90 of its high-profile arts and fashion content creators attended.

YouTube

The 2021-22 period was the most successful to date for V&A YouTube film engagement, with content gaining just under eight million views, up 10% on the previous year. A notable success was achieved by exploring the phenomenon of ASMR (autonomous sensory meridian response) in a museum context, with a series created with Julie Rose Bower generating more than two million views since launch. The museum is now approaching 250,000 subscribers, gaining roughly 61,000 subscribers over the year.

Alice in cinemas

In July 2021, the V&A filmed an exclusive, 80-minute private view of the immersive exhibition *Alice: Curiouser and Curiouser* specially for the big screen. Presented by senior curator Kate Bailey and broadcaster Andi Oliver, it featured close-ups of key objects and interviews with guest contributors, including Peter Blake and Ralph Steadman.

It was distributed with Trafalgar Releasing to 122 cinemas nationwide and released on 14 October 2021, with 2,476 admissions. The film was also broadcast nationally on Sky Arts on 28 November 2021.

Curious Alice

Working with HTC Vive, the V&A created a virtual reality (VR) experience inspired by *Alice: Curiouser and Curiouser*. A collaboration with artist Kristjana S. Williams and immersive game designers PRELOADED, the experience invites viewers into the world of Wonderland, and was presented as part of the exhibition. The experience presents a fully immersive, interactive reimagining of Wonderland for the exhibition, and is also available as an extended 'at home' version on all major VR platforms.

Visitors to the exhibition were positive and enjoyed feeling as if they were immersed in the world of Wonderland. Associated content about the Curious Alice experience also proved popular online, with website content receiving more than 78,000 views. Social content about the Alice VR experience saw more than 84,000 engagements over the course of the exhibition, and on YouTube more than 30,000 people watched our films.

E-commerce launch

In October 2021 a new e-commerce platform launched, replacing an end-of-life platform and providing improved security, system integrations and heightened capabilities for future growth. A full visual refresh of the online shop has for the first time enabled visitors and users to make varied purchases – spanning tickets, merchandise, museum donations and membership – in a single online transaction, and using multiple payment options. Member discounts can be auto-applied to shop transactions while memberships and details can be easily updated online.

This improved technical performance and a vastly improved customer experience has driven significant business change, establishing a strong foundation to support the V&A's future multi-site digital commercial growth.

Search the Archives

The browsing experience of archival records was improved this year following data cleaning work carried out by archivists and collections management.

Compliance

The Digital Media Team is committed to inclusive design and has been working to ensure our website is accessible, in accordance with the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018. The website was last monitored by GDS and EHRC in June 2021, who determined that our Accessibility Statement is compliant. This is an important milestone in ensuring that our digital estate is inclusive and accessible to all.

To be fully compliant with GDPR and PECR regulations we have also implemented a Cookie Consent Tool (One Trust) across key parts of the web estate. We are monitoring how this impacts our ability to collect web analytics data, report on user behaviour and gather insights to inform product development.

Future activity

A new visual identity system will be rolled out in the coming year, alongside a restructure of vam.ac.uk as a single V&A family website for venues as well as masterbrand programmes and activities.

We have also started the build and testing for a new feature within Explore the Collections: Contextual Pages that will bring together Collection objects and stories aggregated around some of the key themes of the collections.

5. DIVERSIFY AND INCREASE PRIVATE AND COMMERCIAL FUNDING SOURCES

Private fundraising

In a period of recovery for fundraising at the V&A, a total of £18.5m was raised directly for the museum, of which £9.0m was generated by V&A Membership and a further £9.5m of restricted income was raised towards the V&A's ongoing capital projects, acquisitions and learning programmes.

Despite the museum running reduced opening hours throughout 2021-22, we saw significant progress in fundraising towards the second and final phase of the Photography Centre with £0.6m secured from a number of generous individuals, trusts and foundations including the Parasol Foundation Trust, The Bern Schwartz Family Foundation and the V&A Americas Foundation, together with a further £2.0m towards the support of Photography-related activities.

Fundraising towards the development of Young V&A progressed with £1.0m in pledges secured from the Buffini Chao Foundation, Oak Foundation, Thompson Family Charitable Foundation and a number of other trusts, generous supporters and legacy bequests. In addition, £3.8m was raised towards V&A East Storehouse thanks to supporters including the Garfield Weston Foundation, The Rosalinde and Arthur Gilbert Foundation, the Atkin Charitable Foundation and the V&A Americas Foundation.

A number of generous gifts have supported curatorial posts this year including the inaugural Parasol Foundation Curator of Women in Photography and the Elizabeth Gage Curator of Jewellery. Further support from The Bern Schwartz Family Foundation has also enabled us to extend the role of Curatorial Fellow in Photography, supported by The Bern Schwartz Family Foundation for two further two-year periods.

We appreciate the generosity of all the individuals, trusts and foundations and corporate partners who have helped to support our exhibitions, displays and events programme this year. This includes returning sponsors Gucci and American Express® who have generously supported *Fashioning Masculinities: The Art of Menswear*, and first-time supporters Genesis and The Bagri Foundation join the Ministry of Culture, Sports and Tourism Republic of Korea in supporting *Hallyu! The Korean Wave*. *Africa Fashion* will be made possible thanks to Gregory Annenberg Weingarten, GRoW @ Annenberg and Merchants on Long. We are grateful to Dr Genevieve Davies and Pan Pacific London for their generous support of *Fabergé in London: Romance to Revolution* and to Unwin Charitable Trust and Kathryn Uhde for *Beatrix Potter: Drawn to Nature*. We would also like to thank Libbie Scher Mugarabi for her donation towards Fashion in Motion.

This year has seen an exceptional recovery of the V&A Membership scheme after the impact of the prolonged closure of the museum in 2020-21. Membership levels climbed steadily due to high renewal rates and the acquisition of more than 23,000 memberships.

We are grateful for the loyal and sustained support of Director's Circle and Young Patrons' Circle members, and to the many new patrons who have joined over the past year. Both programmes have exceeded targets, with their vibrant events being consistently and enthusiastically attended.

We are especially grateful for those who left a legacy in their Will this year. Gifts received in 2021-22 helped to support acquisitions and capital projects including Young V&A and V&A East Storehouse. A number of objects were also bequeathed to the collection.

We are enormously grateful to the trusts, foundations, legacy donors and individuals who have helped us continue to secure a number of important acquisitions for the V&A collection. Highlights include the acquisition of Kehinde Wiley's *Portrait of Melissa Thompson* with support from the Art Fund and a legacy donation from Dr Philip da Costa. We were also delighted to acquire *Death of Cleopatra* by Henri de Triqueti thanks to the generosity of a number of trusts and foundations.

In addition, the V&A's Zorian Clayton, Assistant Curator, Prints, was among the recipients of the Art Fund New Collecting Award, to improve the visibility of trans identities in the V&A's collection, with a focus on contemporary artists working in Europe and the Americas over the past century. Further important acquisitions were also made possible thanks to the generosity of the Photographs Acquisition Group, which continues to offer valuable support and encouragement to the curatorial team and Photography collection.

We were thrilled that V&A Innovate, our national design challenge for secondary schools, won an Art Explora – Académie des beaux-arts European Award, which will fund the fourth year of the programme with additional support from the John S Cohen Foundation. We are also grateful to the Paul Hamlyn Foundation for their support of the Designing Together SEND Programme at Young V&A which will develop new approaches to supporting engagement and learning in museum spaces.

Corporate Membership saw a growth in total income in 2021-22. We would like to express our sincere gratitude to the Corporate Members that have renewed their support, and those that joined the scheme for the first time.

Despite the challenges of frequent changes to COVID restrictions throughout the year, we have seen a positive increase in revenue generated through Venue Hire, particularly as restrictions have been eased and public confidence in large-scale events has grown.

How we fundraise

The V&A's Development team has an exceptional reputation in the sector for fundraising professionally, responsibly and sensitively. Partnerships and donations are considered in line with our statutory obligations and charitable aims and our Due Diligence and Gift Acceptance Policy is reviewed annually by the Board of Trustees.

The V&A always adheres to the Code of Fundraising Practice; many of the fundraising team are members of the Institute of Fundraising and a number of its Legacies staff are members of the Institute of Legacy Management. The museum is also registered with the Fundraising Regulator and Fundraising Promise, which sets the standard of fundraising activity in the UK.

The V&A operates almost exclusively on a one-to-one basis with supporters and partners, ensuring communications are not excessive or intrusive and that the individuals we contact do not feel under any undue pressure to donate. Our members are all individuals who have actively agreed to engage with the V&A and we regularly engage with our members as a group. We also recognise the importance of retaining elements of both digital and physical engagement across events and programming following the pandemic.

Feedback from supporters on how we could improve is taken seriously, and we are pleased that we have had no complaints over the past year related directly to how we fundraise.

Furthermore, advisory boards made up of volunteers representing a diverse range of our supporters help us to understand what these groups expect of the V&A and how we can best deliver the world-leading programmes we have become known for. When fundraising is carried out on behalf of the museum it is with a small group of trusted partners who help us secure sponsorship from organisations, or individuals who promote the V&A through their personal and professional connections. We work closely with these partners to ensure their approach consistently meets the high standards of the museum's own fundraising.

Commercial activity

Licensing

The V&A brand is a powerful endorsement of authenticity, high quality and trust, from which licensees and the V&A simultaneously build and benefit. The year delivered ongoing growth for the programme, enabling existing and new audiences to connect with the V&A's collections. There were 24 new licensees signed over the year, and 22 debut licensee launches (taking the total to 95 licensees globally). More than 1,400 products were created.

Homeware launches across the UK, Europe, USA and Japan included sofas and fabrics, window blinds and curtains, bedding and wall art. East Asia was a focus for global expansion, with V&A Beauty launching in Korea as part of a new 10-year collaboration with Netmarble Healer.B, with a planned global rollout due in 2022-23. There were four new fashion collaborations in Korea and China, and six new homeware licensees. The V&A cemented a 15-year collaboration with jewellery retailer Chow Sang Sang by creating two V&A x Chow Sang Sang Jewellery stores, in K11 Musea, Hong Kong and The Londoner Hotel complex in Macau. The new concept stores feature modern jewellery presented alongside examples of European art and design.

As in-person trade shows and events returned, the V&A exhibited at both Brand Licensing Europe and Decorex in 2021, building significant brand exposure.

Image Licensing

Image Licensing has made a recovery this year with higher than expected revenue, and sales close to pre-pandemic levels. There has been increased interest in V&A content from a variety of markets worldwide. V&A images have been licensed for use on a number of fashion brands this year in Europe and Australia, plus interest from premium brands in the USA. Images and footage have been used in documentaries and features, from the BBC's Imagine to Warner Bros and Disney movies. V&A content is used in exhibitions worldwide by institutions such as the Metropolitan Museum of Art, Qatar Museums and Art Exhibitions China for publicity, displays, catalogues and merchandise. There is a growing market for V&A video with online educational publishers, while the traditional book publishing market remains strong.

Publishing

The V&A published 19 titles in 2021-22, ranging from research monograph *Europe Divided: Huguenot Refugee Art and Culture* to exhibition books for *Fabergé in London*, *Fashioning Masculinities* and *Beatrix Potter*. The autumn 2021 list was particularly noteworthy with the release of three landmark titles in partnership with Thames & Hudson – *William Morris, Silk: Fibre, Fabric and Fashion* and *The V&A Sourcebook of Pattern and Ornament*. Sales were strong, tempered by the challenges of forecasting stock requirements during this period of uncertainty. Further challenges are being created by the ongoing global paper, grey board and shipping capacity shortages, profoundly affecting costs and production schedules.

Retail

In total, gross sales for the year were £7.3m (£1.7m online and £5.6m from physical shops), up 198% on 2020-21's results with the physical shops at South Kensington open for 45 of the 52 weeks of the year, trading five days a week. A key focus was the safe reopening of shops from May 2021. Sales conversion remained high even as visitor numbers increased, though a slow-down followed the arrival of the Omicron variant affecting trading through December 2021 and January 2022. The conflict in Ukraine further affected trading for Fabergé-related merchandise from the end of February.

Nevertheless, sales conversion in physical shops and average transaction values were buoyed by strong exhibition performances. *Alice: Curiouser and Curiouser* closed in December 2021 and achieved sales of £1.3m and the highest sales conversion of 32.6%. *Bags: Inside Out* closed in January 2022 and achieved sales of £0.4m including from a small range in collaboration with Mulberry. *Beatrix Potter: Drawn to Nature* opened in February 2022 and began well, as did *Fashioning Masculinities: The Art of Menswear*, opening in March 2022. Strong sales from V&A catalogues together with high conversion rates are key for all three spring 2022 exhibitions with more than 25,000 catalogues sold this year.

The new e-commerce platform launched in October and work on enhancements for increased optimisation are ongoing. Online shop sales were on a par with last year, despite the disparity in online versus physical shopping in 2021-22.

Future activity

The museum will continue to build on the strong recovery seen this year, harnessing the return to seven-days-a-week opening and streamlined online capabilities, while navigating continued issues with global supply chain, logistics and rising cost issues.

We will continue to seek new brand licensing prospects in broad product categories and multiple territories, including pop-up stores and retail collaborations. Our ongoing aim is to spread our exposure in (and balance our dependency on) the key territories of the UK and Europe, USA, Japan, China and Korea (the latter two with agency representation). As we are building more credibility in the international retail arena, we are attracting businesses with global reach and greater distribution capability. Ultimately, these international deals will generally deliver more substantial financial return on our relatively low risk investment of staff resource.

As brand licensing activities create greater awareness of V&A collections, opportunities for image licensing are opening out, particularly for apparel and general merchandise, which tends to be more lucrative than typical editorial deals. We are also piloting an expanded selection of video footage as an area for new sales growth.

Retail looks forward to optimising the strong exhibition programme for the coming year, in which some weeks will include multiple openings. A replacement retail and finance system will be implemented, and in June 2022 updates made to the e-commerce platform to enhance online optimisation and trading. Planning and development will begin for two new shops at Young V&A alongside the creation of sustainable and commercial product ranges for all shop locations.

The museum aims to further grow its membership with a focus on building member loyalty and engagement. This will be achieved through the delivery of a high-quality, hybrid events programme in addition to using the new e-commerce platform to drive new membership sales online.

Additional information

Performance indicators

The following table shows the key indicators that the V&A uses to measure its performance during the year, and includes performance indicators agreed with DCMS as part of our Funding Agreement.

	2021-22	2020-21
Number of visits to the museum	1,194,366	129,772
V&A South Kensington	1,194,366	129,772
Young V&A	-	-
Blythe House	-	-
Number of overseas visits	94,500	3,700
V&A South Kensington	94,500	3,700
Young V&A	-	-
Number of children aged 16 and under attending museum sites	123,800	7,800
V&A South Kensington	123,800	7,800
Young V&A	-	-
Number of facilitated and self-directed visits to the museum by children under 18 in formal education	5,687	-
V&A South Kensington	5,687	-
Young V&A	-	-
Number of instances of children under 18 participating in onsite organised activities	16,457	4,579
V&A South Kensington	16,457	4,579
Young V&A	-	-
Number of instances of adults aged 18 and over participating in onsite activities at the museum	42,789	2,459
V&A South Kensington	42,789	2,459
Young V&A	-	-
Number and % of visits by UK adult visitors aged 18 and over from National Statistics–Socio Economic Classification (NS-SEC) groups 5-8	78,451 8% of UK adult visits	9,393 8% of UK adult visits
V&A South Kensington	78,451 8% of UK adult visits	9,393 8% of UK adult visits
Young V&A	n/a	n/a
Number and % of visits by UK visitors from an ethnic minority background	142,600 13% of UK visits	17,200 14% of UK visits
V&A South Kensington	142,600 13% of UK visits	17,200 14% of UK visits
Young V&A	n/a	n/a
Number of unique web visits	12,911,066	11,136,448
% of visitors who would recommend a visit		
V&A South Kensington	99%	97%
Young V&A	n/a	n/a
Number of UK loan venues	181	128
Number of loan venues (UK & Overseas)	234	161
Self-generated income	£53,193,000	£27,359,000
Admission income	£5,667,000	£1,721,000
Trading profit / (loss)	£3,355,000	£(1,756,000)
Charitable Giving	£26,166,000	£13,363,000
Of which donated objects	£10,348,000	£1,123,000
Charitable Giving as % of baseline GiA	54%	17%

Financial Review

Trading companies

The museum owns 100% of the issued share capital of V&A Enterprises Ltd (VAE), which carries out trading operations on behalf of the museum. For the year ended 31 March 2022, VAE made profits of £0.1m (2021: £2.3m), which will be paid to the museum as a distribution under Gift Aid. 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. There was no trading activity undertaken by V&A Holdings Ltd during the year. V&A Ltd undertakes consultancy work on behalf of the museum and contributed £0.2m to the group (2021: £0.3m) in the year, which will be paid to the museum as a distribution under Gift Aid. A further wholly owned subsidiary of V&A Holdings Ltd, V&A Museum Events Ltd, which undertakes certain fundraising activities in support of the museum's charitable objectives is also part of the group. There was no trading activity undertaken by V&A Museum Events Ltd during the year (2021: no activity). Further details are given in note 8 to the accounts. The accounts consolidate the results of the museum with those of its trading subsidiaries.

Related charities

The V&A has a close relationship with a number of other charities:

- The Gilbert Trust for the Arts (charity no. 1055853). The V&A manages the Trust's collections under a long-term agreement; the Trust has a minority of its Trustees appointed solely by the museum.
- The V&A Foundation (charity no. 1144508). It has the same charitable objectives as the V&A, and a minority of its Trustees are appointed by the V&A. In the year ended March 2022, the Foundation made grants to the museum of £0.6m (2021: £0.3m).
- Design Dundee Limited (charity no. SC041219). The V&A is a founding partner of Design Dundee Limited. The Deputy Director and COO of the V&A is a member of the Design Dundee Limited board and the V&A provides ongoing support in relation to the operations of V&A Dundee.

None of these charities are controlled by the V&A. However, as the V&A appoints more than 20% of the trustees of the Gilbert Trust for the Arts, a portion of its net assets have been included in the V&A's financial accounts, as required under FRS102. None of the activities or financial results of the V&A Foundation or Design Dundee Limited have been consolidated within the museum's results in this report, reflecting the lack of control or significant influence the V&A has over Design Dundee Limited, and in the case of the Foundation, reflecting the Accounts Direction issued by the Secretary of State for Digital, Culture, Media & Sport, with the approval of the Treasury.

Results for the year

This has been another challenging year for the V&A, with the museum remaining closed for the first six weeks, reopening in late May 2021. While we were able to welcome more than eight times as many visitors to the South Kensington site than in the previous year, this still represented a 68% drop compared to 2019-20. Self-generated income was up by 94% and while still substantially lower overall than pre-pandemic, we have found that average spend per visitor across retail, catering and exhibition ticketing is higher compared to 2020-21, as those visitors who have returned are among our most loyal and generous. While our varied income streams are all slowly recovering, but generally remain well below pre-pandemic levels, it has been really positive to see our brand licensing business exceeding 2019-20 results.

Fundraised income has increased in comparison to 2020-21 with a £1m endowment, and extremely generous institutional donors supporting our capital projects in particular.

As we have begun our journey towards a new normal, additional Grant in Aid funding under DCMS's COVID-19 Support Package has been critical in giving us the confidence to rebuild. We are very grateful for this support, but appreciate that it cannot continue indefinitely. Our focus on cost control has therefore been crucial in managing not just the short-term financial position of the institution, but also ensuring financial sustainability over the longer-term. Opening only five days a week was the most visible way in which we maintained discipline over our operating costs in the year, but even as we revert to seven-day opening, we continue to exercise caution in our budgeting and forward planning, and have retained many of the spend controls imposed in 2020-21.

Total Grant in Aid was £78.3m (2021: £79.1m). Alongside the additional COVID-19 Support Package resource funding noted above, a Public Bodies Infrastructure Funding allocation was granted to the V&A, helping to fund essential work to protect the heritage buildings at South Kensington.

Fixed assets

Capital expenditure for the museum in the year was £30.6m (2021: £24.8m).

Thanks to the Public Bodies Infrastructure Fund Grant in Aid allocation from DCMS, the main entrance on Cromwell Road was revamped, along with the adjacent toilets; detailed surveys were carried out of the garden façade to inform future conservation work; and detailed surveys and feasibility work were carried out on the historic roofs over the North East Quarter.

Significant progress was made in the year on the transformation of the Bethnal Green site to become the new Young V&A, while the construction of the V&A East Storehouse continued, despite the impact of construction industry-wide supply chain pressures. Back at South Kensington, phase 2 of the Photography Centre continued.

The depreciation charge for the year was £14.8m (2021: £15.5m). A desktop valuation of the V&A Estate was performed by Gerald Eve, Chartered Surveyors as at March 2022; the last full quinquennial valuation was undertaken in March 2018. V&A South Kensington was revalued at £444.0m (2021: £437.6m), while Young V&A at Bethnal Green was revalued at £13.2m (2021: £16.2m), the reduction reflecting the closure and stripping out of the building. The lease for the new V&A East Storehouse at Here East continues to be accounted for as a finance lease in accordance with FRS102, giving rise to a fixed asset of £67.6m (2021: £57.8m).

Heritage assets

Spend on objects for the collection amounted to £0.9m (2021: £0.3m) with a significant portion being funded from private donations. In addition, donated objects by gift, bequest or under the Acceptance in Lieu scheme amounted to £10.3m (2021: £1.1m).

Reserves policy

The Trustees annually review the level of readily available reserves (those that are not restricted or tied up as fixed assets) appropriate to the scale, complexity and risk profile of the organisation.

The Grant in Aid (GiA) received from DCMS represented 59% of the museum's income in the year (2021: 70%). The rest of the operational costs are financed by self-generated funds such as exhibition and trading income. These funding streams are volatile, and their associated risks are managed through the museum's policy for maintaining general and designated funds, and providing contingencies for annual and project budgets.

Taking an overall view of the annual operational activities, the level of self-generated income, GiA and planned capital investment in light of the level of operational risk and uncertainty facing the V&A in the wake of the pandemic, the Trustees believe that the minimum level of general reserves should be £5.0m (2021: £5.0m).

The Trustees are acutely aware that the current economic climate and future uncertainty in relation to all income streams require this assessment to remain under review. While the V&A had funds of £757.1m at 31 March 2022 (2021: £705.3m), the Trustees only have access to the combined total of certain General and Designated funds whose value is £46.1m (2021: £34.4m – see note 18). Of this amount, £5.0m of general funds were held at the year end, in line with the reserves policy set out above. The remaining £41.1m is held for specific building and IT infrastructure projects planned over the next two to three years, including commitments relating to the opening of new sites at V&A East. The balance of funds is restricted, with the vast majority representing capital assets, mainly the three V&A sites at South Kensington, Hackney and Bethnal Green and the portion of the collection that is valued under Heritage Assets accounting.

Principal risks and uncertainties

A description of the principal risks and uncertainties facing the museum and its subsidiary undertakings, as identified by the museum Trustees, together with a summary of their plans and strategies for managing those risks is shown within the Governance Statement on pages 36-41.

Investment policy

The Trustees' Investment Policy is governed by the Trustees Act 2000 and based on a consideration of the risk, return and cash flow requirements arising from each category of funds, unrestricted, restricted and permanent endowments. The policy is currently implemented through investment in a number of portfolios managed by Partners Capital LLP. The market value of museum investments, long and short-term, was £60.7m at 31 March 2022 (2021: £34.1m). The objectives and performance for the funds overseen by the V&A Investment Committee are as follows.

Fund	Overall objective	Actual net return (income + gain – costs) %	Actual net return (income + gain – costs) £
Short term fund	To meet the requirement for general reserves in order to manage the financial impact of a significant risk crystallising. Investment timeframe of less than one year.	-0.30%	£-25,996
Reserve fund	To meet specific restricted and designated expenditure purposes, whilst preserving capital in real terms with the potential for moderate real growth. Investment timeframe of five years.	-3.08%	£-495,238
Endowments	To fund the purchase of new collection items, maintain existing collections and to support the ongoing activities of the V&A (consistent with the purposes of each underlying trust) whilst preserving capital in real terms. Perpetual investment timeframe.	5.34%	£353,918
Bollinger endowment	To fund future renovations of the gallery allowing all fixtures & fittings to be kept current. To invest only in UK Government debt and or to be invested by an external professional financial adviser with the highest priority being the preservation of capital. Investment timeframe of 10 years.	-0.27%	£-6,874

Fund performance is measured against a composite benchmark designed to measure the performance of the strategic asset allocation agreed in the investment policies, as this is the best test of our investment manager's performance. The asset allocation profile is agreed for each fund and reviewed at least annually. The portfolios are partially protected from foreign exchange rate fluctuations through the deployment of appropriate hedging strategies. There is a target allocation to pound sterling of 75% of the investment assets' value, although to account for fluctuations in the value of the investment assets, the actual allocation to pound sterling is permitted to range from 65% to 85%. The composition of the 25% allocation to non-sterling currencies comprises mainly US dollars and emerging market currencies. All investments are made in accordance with the museum's Investment Policy, which is reviewed annually by the museum's Investment Committee and Board of Trustees.

Payment policy

The museum aims to settle all bills within 30 days or in accordance with the suppliers' terms of business. In 2022 75% (2021: 76%) of invoices were settled on time.

Political gifts and 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 £0.8m to other organisations under the Purchase Grant Fund scheme to enable acquisitions (2021: £0.6m, see note 5a).

Auditors' disclosure and remuneration

The Comptroller and Auditor General is the auditor of the museum's consolidated accounts. The audit fee paid to the National Audit Office was £67,700 (2021: £64,000).

Additionally, a sum of £25,580 (2021: £23,925) was paid to auditors of other entities in the group including £2,370 (2021: £2,910) for non-audit services.

Sustainability

In September 2021, we launched our first publicly available Sustainability Plan, openly publishing detailed actions for the period 2021-24. Taking a holistic approach to sustainability and focused on systemic change across the themes of Place, People and Programme, it has provided a clear framework for our action. Our overarching ambition is to enable people, through art, design, and performance, to contribute to a thriving planet and shape sustainable futures.

We have developed clear and comprehensive monitoring and reporting, including developing a quarterly sustainability dashboard and are strengthening governance to regularly update Directors and Trustees on progress on performance against actions in the Sustainability Plan. A Sustainability Steering Group provides leadership and coordination, while a grassroots network of employee Sustainability Coordinators are using their enthusiasm, creativity and expertise to embed sustainable practices across the V&A.

Sustainability is becoming an organisational purpose to guide decision-making and behaviours, for example being considered at business case stage for proposed projects. The acquisitions workflow has been updated to include the carbon emissions associated with a new acquisition and any ways in which the acquisition links to sustainability and the climate crisis. Environmental impact has also been integrated into our loan assessment and approval process. As the organisation expands, our challenge will be facilitating an integrated approach to sustainable development across all departments and sites. Developing a structured environmental management system will be part of this.

Equipping our people with the knowledge and tools needed to contribute to the V&A's strategic sustainability goals is an ongoing activity. We have delivered a dedicated learning and development programme for employees and volunteers. This includes certified Carbon Literacy training and sessions on subjects including finance and biodiversity. The programme has been popular and has been an opportunity to add value to continuing professional development activity.

In our public programme we have engaged our audiences in issues of planetary limits and climate justice, focusing on people's agency to take positive action. This includes Digital Design Weekend, which explored how digital design can help make the reality of climate change visible to us all, to *Make Good: Rethinking Material Futures*, a 10-year project encompassing an annual display, symposium and programme of acquisitions dedicated to looking at the use of renewable, natural materials and the future of sustainable forestry in connection to design and architecture. Our national schools challenge, V&A Innovate includes activities and themes around different topics related to sustainable development, this year included 'Renew: how might we give objects, materials and spaces a second life?'

Sharing our knowledge, skills and experiences with the cultural and heritage sectors, and beyond, nationally and internationally has been an important part of our work. By being open about what has worked well at the V&A and what challenges we're facing in different areas of sustainability, we have collaboratively found ways to consolidate, improve and amplify activity. We are always learning from others and reciprocate via events, working groups and networks such as the National Museum Directors' Council and the Exhibition Road Cultural Group.

Greenhouse gas emissions

Scope 1 and 2 emissions are significantly lower than pre-pandemic years due to lockdown-related closures of our museum at South Kensington and refurbishment-related closure of Young V&A. We have expanded our reporting this year to include Blythe House (storage), Dean Hill (storage) and Vision Park (retail warehouse). Ongoing LED lighting upgrade projects have been implemented, which have reduced electricity consumption.

As part of our Sustainability Plan, we set a science-based target of achieving net zero for our Scope 1, 2 and 3 emissions. We commissioned a piece of work to map possible decarbonisation pathways to support this target for Scope 1 and 2 emissions. We have begun to calculate our Scope 3 emissions comprehensively, with data so far available for 2019-20 and 2020-21. Recognising the lesser accuracy of quantifying Scope 3 emissions, data improvement and some qualitative actions have been undertaken in this area. We are planning to include embodied carbon calculations for projects and temporary exhibitions, targeting 300kgCO₂/m². Our business travel policy has been updated to include a ban on flights within Great Britain or any city with a Eurostar terminal, and in recognition of the harmful impact of air travel, an internal carbon compensation scheme has been set up to fund further energy efficiency measures in our buildings.

Waste

In conjunction with offering recycling facilities for a number of materials streams, we are focused on avoiding and reducing waste at source. One of our most resource-intensive activities is the delivery of temporary exhibitions. We have updated sustainability specifications in briefs and tenders to include the closing of material loops, focus on longevity of materials, leasing/use of service packages, and reuse and recovery to design out waste and maximise resource value. Alongside this, in-house design and projects teams have undertaken intensive training on net zero and circularity, and a material library containing alternative materials options with higher sustainability credentials has been developed. These new approaches will take time to embed but making structural changes to our operations should have the most impact. An ongoing challenge is obtaining comprehensive waste data outside of operational waste and recycling figures. An environmental management system is in the process of being introduced to help tackle this.

We have also been reducing waste from non-object decants of buildings such as Blythe House, the Museum of Childhood and refurbishment of spaces at the South Kensington site by donating unwanted items to charities and community groups. Investigating circular options for other materials have included working with small companies to transform lost property umbrellas into desk lamps and prototyping the use of fabric offcuts from textiles conservation to create bags.

Finite resources

Water consumption is also lower than pre-pandemic years due to the closure of our buildings. We are now implementing further efficiency measures such as the installation of Propelair toilets, reducing consumption of those facilities by approximately 80%.

Biodiversity enhancement

In 2021, the V&A collaborated with Discover South Kensington and London Festival of Architecture to create the South Ken Green Trail, a walking trail and set of installations to demonstrate how plants, greenery and biodiversity can be creatively embedded in London's public realm. The V&A installation, Algae Meadow was a community build project which explored how we care for and enhance biodiversity in an urban setting through careful use of local resources, material and plant ecologies.

Sustainable procurement

Engaging with our suppliers is an important part of reducing our value chain emissions and as a first step, we have consulted with 10 key suppliers to assess how we can collaborate in this endeavour. We have asked questions around their decarbonisation plans, wider sustainability activity and how they can support the V&A's net zero target. We have also been continuing to build meaningful sustainability criteria into specifications, briefs and tenders. Sustainability weightings are being included in our procurement criteria and the next step is monitoring the delivery of these sustainability requirements.

Climate change adaptation

A climate resilience assessment has been initiated for our South Kensington site, reviewing the impacts of climate change on the museum's five principal areas of risk (people, premises, collections, infrastructure, brand), with an ambition to understand better the future challenges and prioritise mitigation and adaptation activities. Baseline data of past climate-related incidents, such as overheating and flooding, has started to be collated.

Our Preventive Conservation team is taking a data science-led approach to providing suitable conditions for the display and storage of our unique collections whilst ensuring our carbon emissions don't increase. This includes using data from the museum's environmental monitoring system and UK climate projections to model how the observed external climate influences the indoor climate and how this may change in the future.

Reducing environmental impacts from ICT and digital

All ICT waste is removed by WEEE approved organisations and has been for some time. More significantly, the Board and Trustees have approved a five-year technology transformation programme where we are adopting a cloud-first approach. A sizable portion of the current infrastructure will move to the Microsoft cloud reducing our energy usage and reducing our carbon emissions.

Sustainable construction

To support the delivery of our Sustainability Plan we have developed a series of metrics and targets, which can be used to evaluate building performance. The gap between design aspiration and operational reality for buildings has been well documented and researched, often leading to issues such as excess energy consumption. With major capital projects including the V&A East Museum and Storehouse in Stratford, and the refurbishment of Young V&A in Bethnal Green, maintaining a focus on operational building performance is essential. Factors include: occupant feedback, operational energy and carbon emissions, whole life costing, health and wellbeing, and futureproofing. The museum at South Kensington was designed to be an architectural exhibit itself and following this through in an age of environmental concern, all projects should be focused on sustainable building performance. The refurbishment of Young V&A is centred around reuse alongside building fabric improvements and upgrading of controls.

Key sustainability data

		Unit	2021-22	2020-21	2019-20
CO ₂ emissions	Scope 1 emissions (direct)	tonnes of CO ₂	186	117	138
	Scope 2 emissions (indirect)	tonnes of CO ₂	3,242	3,581	3,846
	Total emissions tonnes of CO ₂	tonnes of CO ₂	3,428	3,698	3,984
Related energy consumption	Electricity	MWh	7,750	6,719	8,236
	Gas	MWh	6,358	7,494	8,461
	Total	MWh	14,108	14,213	16,697
Financial indicators	Expenditure on energy	£'000	1,463	1,128	1,326
	Expenditure on official business travel	£'000	141	42	494
Waste	Waste sent to landfill	tonnes	-	-	-
	Waste recycled / reused	tonnes	167	52	304
	Waste incinerated	tonnes	115	44	271
	Composted	tonnes	14	4	46
	Total waste disposed	tonnes	296	100	621
Finite resource consumption	Water consumption	m ³	30,174	16,652	49,080
	Water supply cost	£'000	85	83	107

Legal and Administrative Information

Principal Address

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Cromwell Road
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Bankers

National Westminster Bank
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South Kensington
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Solicitors

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Investment Advisors

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Auditors-Internal

RSM Risk Assurance LLP
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Auditors-External

Museum Group
Comptroller and Auditor General

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Trading companies

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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 2021-22 the V&A directly employed 905 people and worked with many more volunteers, freelancers and partners.

The challenges and opportunities in 2021-22

Since 2020, the V&A has experienced ongoing adverse financial and operating implications of the global pandemic. In autumn 2020, we began an extensive Recovery Programme, which continued into 2021-22. This comprised a number of activities, including an organisational restructuring programme, which has now been completed. This was a difficult period for many of our people, as a number of redundancies were unfortunately unavoidable. Overall, the museum reduced its headcount by 14%, however where redundancy was necessary, we were able to agree a voluntary approach in more than 85% of cases. We have also created a number of new roles, bringing in new skills and experience, to enable the delivery of a new organisational strategy. The V&A Redesign Programme has also launched, which brings together a number of projects to facilitate our growth and expansion, and the programme will have many positive people impacts. We have a professional, creative and highly talented workforce and we are in a strong position to ensure the V&A continues its successful recovery and growth over the next few years.

Ways of working and engagement

The V&A is currently operating a hybrid working model for the majority of our people, and on average a minimum of 60% of their time is spent on site, with the remainder remote working. This approach brings the many advantages of work-life balance, along with the crucial opportunity to connect and collaborate with colleagues in the museum environment, and is therefore a popular balance. Hybrid working has been an effective recruitment offering and has led to the attraction of a wider range of potential employees, positively impacting diversity.

Effective communication and staff engagement continues to be crucial, and we have recently formed a new Employee Engagement Forum, to sit alongside our other communication channels, and to ensure we continue the excellent standard of engagement we have reached over the past few years. A full engagement survey will be conducted in summer 2022, to formally measure our progress.

Values and behaviours

With the launch of a new organisational strategy and brand in April 2022, we have also revised the organisational values and behaviours. Five values of: equity, creativity, collaboration, sustainability and generosity have been created, each with indicative behaviours, which will guide us and help refine our working culture at the V&A and deliver our ambitions for the future.

Remuneration Committee membership

The membership of the Remuneration Committee comprised the following Trustees:

Sir 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 did not meet in 2021-22, as a Government pay freeze, which was applicable to the V&A, was imposed for the financial year 2021-22. No senior pay adjustments were therefore possible.

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 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>	
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Dr Tristram Hunt, Director	145-150	145-150	nil	0-5	57	57	200-205	200-205
Tim Reeve, Deputy Director & Chief Operating Officer	120-125	120-125	nil	0-5	45	27	165-170	150-155

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. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax, which may be due when pension benefits are taken.

	Accrued pension at pension age as at 31 March 2022 – Related lump sum	Real increase in pension at pension age – Real increase in related lump sum	CETV at 31 March 2022	CETV at 31 March 2021	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Dr Tristram Hunt Director	15–20	2.5–5	198	155	28
	nil	nil			
Tim Reeve Deputy Director & Chief Operating Officer	45–50	0–2.5	796	745	7
	85–95	nil			

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include 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 the higher of 65 or State Pension Age for members of Alpha. For more details on the pension schemes see note 5c.

Exit packages (subject to audit)

(Figures in brackets are for the prior year.)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	7	7
	(19)	(43)	(62)
£10,000–£25,000	-	13	13
	(5)	(30)	(35)
£25,000–£50,000	3	14	17
	(-)	(19)	(19)
£50,000–£100,000	-	4	4
	(-)	(4)	(4)
£100,000–£150,000	-	1	1
	(-)	(-)	(-)
Total number of exit packages	3	39	42
	(24)	(96)	(120)
Total resource cost	96,254	1,043,545	1,139,799
	(162,940)	(1,547,787)	(1,710,727)

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 (subject to audit)

Based on the March 2022 payroll, the highest-earning employee is banded at £145-£150,000 p.a. including performance pay and any other benefits in kind (2021: £145-150,000) and the median employee £28,858 (2021: £28,500). This is a ratio of 4.24:1 (2021 restated: 4.30:1). This reduction in the ratio is attributable to the increase in London Living wage. In 2021-22 there was no increase in the director's salary (0%). There were no annual performance bonuses in 2021 or 2022. In 2022 the highest paid director and employees received a staff recognition bonus of £500 (2021: nil). For employees there was a 1.3% increase in the median salary. Salaries ranged from £20,700 to £147,500 (2021 restated: £20,100 to £147,500) Further details on the pay percentiles are laid out in the table below:

	25th percentile	50th percentile	75th percentile
2022 pay	£22,877	£28,858	£37,950
2022 pay ratio	5.35	4.24	3.23

The V&A has an overall mean gender pay gap of 7.3% and a median gender pay gap of 0.4%.

Staff employment contract types, 2022

Permanent	Fixed-term	Zero hours
71%	10%	19%

Staff turnover in 2021/2022 was 23.3%

Equality, diversity and inclusion (EDI)

EDI has become a major priority at the V&A, alongside our values and behaviours, to create a positive workplace culture, making full use of the wide range of talents and skills of our employees. An Anti-Racism Taskforce, consisting of employees from across the organisation and representatives from specialist groups was created in 2020, and one of the key recommendations from the group was to recruit an EDI Lead for the museum, and this role is now in place. The Taskforce will continue to develop as part of the wider number of employee equality groups, all contributing to the organisational EDI Strategy, which is also launched in April 2022.

A large amount of training and development has taken place in 2021-22 across the organisation, including Inclusive Leadership at Trustee and Executive level, in addition to other EDI training and this activity will continue, as a proactive and agile roadmap of development into the future.

Employee data

We are concentrating on using our employee data to effectively measure progress towards meeting our strategic objectives. We remain focused on apprenticeships and early careers, creating pipelines for workforce development in the V&A and the sector as a whole as we move to expand into east London.

We are a recognised Disability Confident Employer and in our current workforce (31/03/22) 4% of employees declared themselves as having a disability.

87.3% of employees have chosen to declare against protected characteristics, creating the following employee profile: 84.9% white, 2.4% Black, 6.5% Asian, 4.5% mixed, 1.8% other.

The gender profile is 72.7% female and 27.3% male. Both of the directors are male (100%). 87.5% of the executive board is female.

We continue to monitor absence due to sickness, and the average in 2021-22 was 6.6 days (2020-21: 1.9 days). If long-term absence (any absence over three weeks in duration) is excluded, the figure falls to 4.4 days (2020-21: 1 day)

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 plans for the future. 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 2021-March 2022.

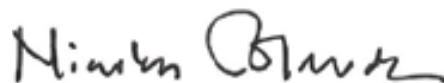
The total number of employees who were relevant union officials was 31 (25.82 on an FTE basis) and all spent between 1-50% of their paid working time on facility time. The total cost of facility time was £10,125, the total pay bill during this time was £34.3m, and therefore the percentage of the total pay bill spent on facility time was 0.03%. Finally, the time spent on paid trade union activities as a percentage of total paid facility time hours was 42%.

Off-payroll appointments

For the year ended 31 March 2022, there were four off-payroll engagements for more than £245 per day and that lasted for longer than six months and less than one year. (2021: one) None related to directors or people with significant financial control and all were within the scope of IR35 (2021: none). Consultancy spend for the year ended 31 March 2022 was nil (2021: nil).



Dr Tristram Hunt
Director and Accounting Officer
14 July 2022



Sir Nicholas Coleridge CBE
Chairman of Trustees
14 July 2022

STATEMENT OF TRUSTEES' AND ACCOUNTING OFFICER'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 and Accounting Officer are required to:

- Observe the accounts direction issued by the Secretary of State for Digital, Culture, Media and Sport (DCMS), 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.

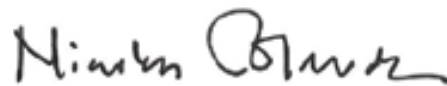
The Accounting Officer for DCMS has designated the Director as the Accounting Officer for the museum. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable, and for the keeping of proper records 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.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the V&A's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.



Dr Tristram Hunt
Director and Accounting Officer
14 July 2022



Sir Nicholas Coleridge CBE
Chairman of Trustees
14 July 2022

Governance Statement

The V&A comprises the Victoria and Albert Museum at South Kensington, Young V&A at Bethnal Green (formerly the Museum of Childhood) and the V&A reserve collections at Blythe House. There are also object stores at Dean Hill Park, Wiltshire. Two new sites – together, V&A East – are under construction in the Queen Elizabeth Olympic Park, with the V&A due to exit Blythe House in March 2024. The V&A has partnerships with cultural institutions in Dundee (V&A Dundee), Shekou in China (V&A at Design Society) and V&A Wedgwood Collection in Barlaston, with facilities operated by third parties under licence.

The museum 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 and was due for review following the completion of the 2021 Comprehensive Spending Review. Negotiations on a new agreement began in the summer of 2021 but have not yet completed.

Board of Trustees

The V&A Board is a body corporate with between 12 and 20 members. At 31 March 2022 there were 16 Trustees including Sir Nicholas Coleridge CBE, the Chair of the Board of Trustees. 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 no Trustees retired from the Board, no new Trustees were appointed, and one Trustee was reappointed for a further four-year period. Details of the Trustees during the year are shown in Table A (on page 40).

Trustee appointment and 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. 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 non-departmental public bodies. Trustees serve an initial term of up to four years and DCMS is responsible for determining the renewal and term length for all Trustees.

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. 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 £500,000, or more, on the recommendation of the Trustees' Collections Committee (Board approval to raise this threshold from £100,000 to be in line with other similar institutions was granted in November 2021); and
- the approval of major loans by the museum of objects valued at £1m or more, on the recommendation of the Trustees' Collections Committee.

The primary operational decision-making body of the V&A is the Executive Board comprising senior staff members and chaired by the Director, Dr Tristram Hunt. The full composition of the Executive Board is shown at Table C (on page 41). It meets fortnightly to review all operational issues.

In addition to the Executive Board, 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. An external review of the museums' compliance with that Code was undertaken between January and March 2022 and Trustees reviewed the findings, including any recommendations at their away day in May 2022. In the opinion of this review, the V&A Trustee Board takes its responsibilities seriously and operates in a professional manner compliant with the principles of the UK Corporate Governance Code 2018.

The museum is also mindful of the Charity Governance Code for Larger Charities. A detailed review of the museums' compliance with that Code was undertaken in 2018, compliance with that Code is routinely monitored and Trustees are content that the museum complies where appropriate. The review suggested ways to continue streamlining the machinery of the Board to ensure Trustee receipt of key information. It also reinforced the importance of a focus on future skills requirements, particularly in light of the upcoming recruitment of a new Chair in 2023 and the move to multi-site operation by 2025.

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
- Gift acceptance
- Sustainability
- Collections policies
- Privacy notice and use of cookies
- Public task
- Research ethics policy

We do not publish our register of interests externally, however information on its contents can be requested by contacting: hello@vam.ac.uk.

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 (on page 41). In June 2021, to help manage the evolution towards a Museum Group, the Commercial Strategy Committee changed its scope, it was renamed as the Audiences and Commercial Strategy Committee, and took on the responsibilities of the Visitor Experience Committee, which was stood down.

In addition, the COVID-19 Liaison Committee that was established to oversee the V&A's initial response to the closure of the museum in the spring of 2020 has been stood down. Impacts of the pandemic continued to be closely monitored by a Remobilisation Group which, in line with government guidelines pertaining to COVID-19, was disbanded at the end of March 2022. Business as usual health and safety practices will incorporate COVID-19 into their processes.

The Museum of Childhood Committee was also renamed Young V&A Committee in line with the rebranding of this site.

Board performance

The V&A's response to the COVID-19 pandemic was once again central to the Board's activities throughout this year, including a focus on the reopening of the museum on 19 May, launch of major exhibitions including *Alice: Curiouser and Curiouser* and *Epic Iran* and planning for the return to seven-day opening in April 2022. Whilst the Board was able to meet in person on two occasions, the majority of meetings again took 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 a standing remobilisation update. This provided information on the stringent measures taken to avoid further closures to the museum and the measures in place to allow for safe operation.

The Board also considered a range of other critical work areas over the year, including standing updates on progress with the development of the two V&A East sites – V&A East Museum and V&A East Storehouse – and progress with the capital works for redevelopment of the Museum of Childhood into Young V&A. The Board was briefed on progress with the Technical Architecture and Digital Strategy, the Brand Strategy and plans for the 2022-23 International Strategy. Endorsement was given to the Museum's Three-Year Strategy, including a refreshed Mission, Vision and Values as progress is made towards multi-site operation.

The Board was also kept apprised of the work of the museum's Anti-Racism Taskforce, a forum made up of staff members from across the museum to make recommendations directly to the Executive Board via the Director of Finance and Resources as Chair. One of the recommendations was that members of the Executive and Trustees undertake training in this area, and bespoke Inclusive Leadership training sessions have now been provided for both Executive Board members and Trustees.

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 and approving the Gift Acceptance Policy.

An external review of the Board's effectiveness, taking into account its relationship with the Executive Team and key Trustee Committees, was undertaken between January and March 2022 as mentioned above, and the Chair's performance is also regularly appraised. 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). These controls have been in place for the year under review and up to the date of approval of the annual report and accounts. Regular scrutiny of these internal control processes is overseen by the Audit Committee, and the programme of internal audits for each year provides another method of testing and assurance. During the year the Committee reviewed all the Internal Audit reports it had commissioned and agreed the Internal Audit plan for 2022-23. It reviewed the Strategic Risk Register at each meeting, reviewed the external audit of the Annual Report & Accounts for 2020-21 and approved the Governance Statement.

The areas reviewed by Internal Audit during the year included business continuity, Capital Projects, Health and Safety, People Strategy and the collections management risk landscape. 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 levels of risk register: 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 an online learning module was developed and rolled out to assist managers with applying the principles of risk management.

When the assessment of the likelihood of a risk crystallising and its impact reaches a level that is of material impact to the overall strategy of the V&A or affects 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 recalibrated 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.

Monitoring of risk

An established process is in place for identifying and continually assessing risks to ongoing operations and services to the public. Many of these risks change with circumstances and time. The COVID-19 pandemic, which led to museum closures, including for the first six weeks of 2021-22, had a significant impact on every risk identified in the Strategic Risk Register. The Strategic Risk Register was recalibrated in light of the pandemic and has adapted as that risk profile has continued to change.

During the course of 2021-22 the major risks identified for the museum were:

- The funding environment – for the first half of the year there remained uncertainty around future Grant in Aid settlements, however this has been addressed through the Comprehensive Spending Review, which has provided some welcome medium-term certainty around funding and the risk has been reduced accordingly.
- Pandemic recovery – there remains a risk that the recovery is slower than anticipated, including the pace of recovery for inbound tourism. Lower footfall will lead to lower commercial income. This will be mitigated to some extent by work on a brand campaign to launch in early 2022-23, aimed at attracting new audiences.
- Increasing operational and financial risks relating to inflationary pressures – both in the supply chain and the labour market – have emerged as a major risk in the second half of the financial year. This will be mitigated to some extent by building reserves toward target levels, and also through working with DCMS on the Museums Freedoms review, which could enable much-needed operational flexibility around procurement and pay.
- 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, including emerging risks around the conflict in Ukraine. A new Safety and Security Committee has been established during the year, to provide enhanced senior management oversight of these areas.
- Continued pandemic impacts on major capital projects, particularly the construction work at V&A East. Work has taken place throughout the year to mitigate and to quantify and plan for these impacts, as well as working with DCMS to secure funding for the additional costs arising as a result of the pandemic.

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 three-year 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 (on page 41);
- The retention of Internal Auditors with a reporting line directly to the Trustees.

Sanctions

As a result of the Russian invasion of Ukraine, a full assessment has been undertaken to identify any exposure to persons or organisations listed in the HM Treasury Notice on financial sanctions. The V&A worked closely with DCMS to ensure appropriate mitigating action was taken around loans of cultural objects. Controls are in place to ensure no transactions or other exposure to persons or organisations on the UK financial sanctions list arise.

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 and information assurance

The V&A takes the protection of personal data very seriously, being mindful of the Data Protection Act 2018, the UK GDPR and the EU GDPR which remains applicable as the V&A processes data of European citizens. The Data Protection Officer and the Data Protection & Information Compliance Manager report that no personal data breach notifications have been made to the Information Commissioner's Office during the year.

The V&A's Senior Information Risk Owner, the Director of Finance and Resources, has received assurance of the security of the museum's information assets from Information Asset Owners. A particular focus has been on deletion of records; adequate controls are in place that will be enhanced in the future through system upgrades.

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.

<i>Name</i>	<i>Term expires</i>	<i>Attendance</i>	
		<i>Board</i>	<i>Audit</i>
Sir Nicholas Coleridge CBE (Chair)	31/10/2023	6/6	4/4
Jonathan Anderson	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	
Dr Genevieve Davies	03/02/2023	5/6	
Ben Elliot	31/12/2024	6/6	
Nick Hoffman	14/09/2023	6/6	4/4
Amanda Leveté CBE	29/02/2024	5/6	
Professor Lynda Nead	31/12/2022	5/6	
Kavita Puri	01/07/2026	6/6	
Caroline Silver	30/06/2022	5/6	3/4
Amanda Spielman	29/02/2024	6/6	4/4
Marc St John	03/02/2023	6/6	
Dr Paul Thompson	(ex officio as Vice Chancellor of the Royal College of Arts)	5/6	
Nigel Webb	31/12/2024	6/6	

*At the start of the 2021-22 reporting period, conflicting business-critical travel schedules continued to limit Jonathan Anderson's abilities to attend certain Trustee meetings. However, he has worked hard to make alternative arrangements and as a result has been able to attend every meeting since November 2021.

<i>Committee</i>	<i>Primary functions</i>	<i>Chair</i>
Audit	Financial reporting, risk management and assurance	Nick Hoffman
Building Strategy	To oversee and guide the development of the V&A's estate	Nigel Webb
Collections	Acquisition, disposal and loan of the collection	David Bomford
Audiences and Commercial Strategy (formerly Commercial Strategy)	Overseeing and advising on the museum's audience and commercial strategies.	Marc St John
Finance	Overseeing the museum's financial position	Caroline Silver
Investment	Monitoring investment performance and policy	Caroline Silver
Young V&A (previously V&A Museum of Childhood)	Policies and practice of Young V&A, and the capital project	Marc St John
Remuneration	Remuneration of senior staff	Sir Nicholas Coleridge CBE
Research	Overseeing research policy and projects	Professor Lynda Nead
V&A East	To advise and oversee the establishment of V&A East	Kavita Puri


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

Parliamentary accountability (subject to audit)

There are no disclosable remote contingent liabilities, (2021: nil) no disclosable losses and special payments, (2021: nil) no gifts were made over the limits prescribed in Managing Public Money (2021: nil) and no material income from fees and charges (2021: nil).



Dr Tristram Hunt
Director and Accounting Officer
14 July 2022



Sir Nicholas Coleridge CBE
Chairman of Trustees
14 July 2022

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 and its Group for the year ended 31 March 2022 under the Museums and Galleries Act 1992.

The financial statements comprise: the Victoria and Albert Museum and its Group's:

- Balance sheet as at 31 March 2022;
- Consolidated Statement of Financial Activities, Consolidated Statement of Cash Flows; and
- The related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the Victoria and Albert Museum and its Group's affairs as at 31 March 2022 and its net income for the year then ended;
- have been properly prepared in accordance with the Museums 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 (UK) (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 and its Group 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 and its Group'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 and its Group'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 Accounting Officer 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, but does not include the financial statements nor my auditor's certificate and report. The Trustees and Accounting Officer 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 part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Museums and Galleries Act 1992.

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

- those parts of the Annual Report subject to audit have been properly prepared in accordance with Secretary of State directions issued under the Museums and Galleries Act 1992; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Victoria and Albert Museum and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual Report,

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the Victoria and Albert Museum 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 Annual Report, subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by the Charities Act 2011 have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Trustees and Accounting Officer

As explained more fully in the Statement of Trustees' and Accounting Officer's Responsibilities, the Trustees and the Accounting Officer 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 the Trustees and the Accounting Officer determines are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Victoria and Albert Museum and its Group'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 Accounting Officer either intend to liquidate the entity or to cease operations, or have 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 Museum 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Victoria and Albert Museum and its Group's accounting policies and key performance indicators.
- inquiring of management, the Victoria and Albert Museum's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Victoria and Albert Museum and its Group'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 including the Victoria and Albert Museum and its Group's controls relating to its compliance with the Museums and Galleries Act 1992, the National Heritage Act 1983, Charities Act 2011 and Managing Public Money;
- discussing among the engagement team including significant component audit teams and involving relevant internal specialists, including financial instrument specialists, and external specialists including land and building valuation specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Victoria and Albert Museum and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Victoria and Albert Museum and Group's framework of authority as well as other legal and regulatory frameworks in which the Victoria and Albert Museum and Group operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Victoria and Albert Museum and its Group. The key laws and regulations I considered in this context included, Museum and Galleries Act 1992, the National Heritage Act 1983, the Charities Act 2011, Managing Public Money, employment law, pensions legislation and tax legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the Audit Committee and legal counsel concerning actual and potential litigation and claims;

- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;
- 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 fraud through revenue recognition, evaluating the design and implementation of controls; testing income to corroborating evidence; assessing the completeness of revenue streams; and testing the appropriateness of significant estimates made at year-end;
- in addressing the risk of misstatement in land and building valuation, evaluating the design and implementation of controls; assessing the competence, objectivity and independence of valuers; testing the inputs and methodology used in the valuation; and evaluating the outputs of the valuation;
- in addressing the risk of misstatement in the valuation of investments, evaluating the design and implementation of controls; assessing the competence, objectivity and independence of the fund manager; appraising the accuracy of previous valuations; testing the inputs and ownership of the investments in the current year valuation; and evaluating the outputs of the current year valuation; and
- in addressing the risk over the completeness of heritage assets, evaluating the design and implementation of controls; testing the heritage asset listing; and assessing the completeness of the heritage asset listing.

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.

Other auditor's responsibilities

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
18 July 2022

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

Consolidated Statement of Financial Activities

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2022 Total funds £'000	2021 Total funds £'000
Income and receipt of endowments						
<i>Income from donations and legacies</i>						
– Grant in Aid	2a	58,188	20,080	-	78,268	79,059
– Donations, legacies and similar income	2b	2,601	12,217	1,000	15,818	8,707
– Donated objects	6c	-	10,348	-	10,348	1,123
		<u>60,789</u>	<u>42,645</u>	<u>1,000</u>	104,434	<u>88,889</u>
<i>Income from other trading activities</i>						
– Trading income	8	12,321	-	-	12,321	5,941
– Sponsorship		949	50	-	999	326
		<u>13,270</u>	<u>50</u>	<u>-</u>	13,320	<u>6,267</u>
Investment income	3	7	-	-	7	26
<i>Income from charitable activities</i>						
– Admissions & exhibition fees (inc loans & touring)		5,617	50	-	5,667	1,721
– Membership income		5,115	-	-	5,115	3,517
– Furlough income		-	241	-	241	7,118
– Other trading		439	-	-	439	462
		<u>11,171</u>	<u>291</u>	<u>-</u>	11,462	<u>12,818</u>
Other income		919	1,560	-	2,479	2,374
Gain on Associate	9	-	-	-	-	3,162
Total income		<u>86,156</u>	<u>44,546</u>	<u>1,000</u>	131,702	<u>113,536</u>
Expenditure						
<i>Expenditure on raising funds</i>						
– Costs of generating voluntary income	5a	8,094	1,947	-	10,041	8,692
– Trading costs	8	8,811	155	-	8,966	7,697
– Investment management costs		214	-	84	298	336
		<u>17,119</u>	<u>2,102</u>	<u>84</u>	19,305	<u>16,725</u>
<i>Expenditure on charitable activities</i>						
– Charitable Activities	5a	<u>44,582</u>	<u>19,542</u>	<u>-</u>	64,124	<u>68,315</u>
Loss on Associate	9	-	2,045	-	2,045	-
Total expenditure		<u>61,701</u>	<u>23,689</u>	<u>84</u>	85,474	<u>85,040</u>
Net income before gains and losses on investments		24,455	20,857	916	46,228	28,496
(Losses)/Gains on investment assets	7	(308)	195	236	123	5,742
Loss on revaluation of fixed assets	6	-	(3,517)	-	(3,517)	(6,745)
Net income	4	<u>24,147</u>	<u>17,535</u>	<u>1,152</u>	42,834	<u>27,493</u>
Transfers between funds	17	(12,424)	12,424	-	-	-
Net income before other recognised gains and losses		<u>11,723</u>	<u>29,959</u>	<u>1,152</u>	42,834	<u>27,493</u>
Gain/(Loss) on revaluation of fixed assets	6	-	8,936	-	8,936	(9,941)
Net movement in funds		<u>11,723</u>	<u>38,895</u>	<u>1,152</u>	51,770	<u>17,552</u>
Fund balances brought forward at 1 April		<u>34,596</u>	<u>662,886</u>	<u>7,858</u>	705,340	<u>687,788</u>
Fund balances carried forward at 31 March	17	<u>46,319</u>	<u>701,781</u>	<u>9,010</u>	757,110	<u>705,340</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 50 to 77 form part of these financial statements.

Prior Year Consolidated Statement of Financial Activities

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2021 Total funds £'000
Income and receipt of endowments					
<i>Income from donations and legacies</i>					
– Grant in Aid	2a	53,011	26,048	-	79,059
– Donations, legacies and similar income	2b	1,965	6,742	-	8,707
– Donated objects	6c	-	1,123	-	1,123
		<u>54,976</u>	<u>33,913</u>	<u>-</u>	<u>88,889</u>
<i>Income from other trading activities</i>					
– Trading income	8	5,941	-	-	5,941
– Sponsorship		326	-	-	326
		<u>6,267</u>	<u>-</u>	<u>-</u>	<u>6,267</u>
Investment income	3	26	-	-	26
<i>Income from charitable activities</i>					
– Admissions & exhibition fees (inc loans & touring)		1,621	100	-	1,721
– Membership income		3,517	-	-	3,517
– Furlough income		-	7,118	-	7,118
– Other trading		462	-	-	462
		<u>5,600</u>	<u>7,218</u>	<u>-</u>	<u>12,818</u>
Other income		900	1,474	-	2,374
Gain from Associate		-	3,162	-	3,162
Total income		<u>67,769</u>	<u>45,767</u>	<u>-</u>	<u>113,536</u>
Expenditure					
<i>Expenditure on raising funds</i>					
– Costs of generating voluntary income	5a	6,772	1,920	-	8,692
– Trading costs	8	3,401	4,296	-	7,697
– Investment management costs		213	29	94	336
		<u>10,386</u>	<u>6,245</u>	<u>94</u>	<u>16,725</u>
<i>Expenditure on charitable activities</i>					
– Charitable Activities	5a	47,738	20,577	-	68,315
Total expenditure		<u>58,124</u>	<u>26,822</u>	<u>94</u>	<u>85,040</u>
Net income / (expenditure) before gains and losses on investments		9,645	18,945	(94)	28,496
Gains on investment assets		3,551	613	1,578	5,742
Loss on revaluation of fixed assets for the charity's own use		-	(6,745)	-	(6,745)
Net income	4	<u>13,196</u>	<u>12,813</u>	<u>1,484</u>	<u>27,493</u>
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>	<u>27,493</u>
Loss on revaluation of fixed assets for the charity's own use		-	(9,941)	-	(9,941)
Net movement in funds		<u>11,192</u>	<u>4,876</u>	<u>1,484</u>	<u>17,552</u>
Fund balances brought forward at 1 April		<u>23,404</u>	<u>658,010</u>	<u>6,374</u>	<u>687,788</u>
Fund balances carried forward at 31 March	17	<u>34,596</u>	<u>662,886</u>	<u>7,858</u>	<u>705,340</u>

The notes on pages 50 to 77 form part of these financial statements.

Consolidated and Museum Balance Sheets

	Notes	Group 2022	Museum 2022	Group 2021	Museum 2021
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	6a	541,354	541,354	521,244	521,244
Intangible assets	6b	2,280	2,078	1,498	1,498
Heritage assets	6c	149,338	149,338	138,097	138,097
Investments	7,8	55,455	55,658	25,303	25,505
Investment in Associate	9	19,721	-	21,766	-
		<u>768,148</u>	<u>748,428</u>	<u>707,908</u>	<u>686,344</u>
Current assets					
Stock and Work in Progress	10	3,635	1,953	2,963	1,211
Debtors due within one year	11	19,392	19,982	13,738	14,001
Short Term Investments	7	5,026	5,026	8,552	8,552
Cash		31,137	26,343	41,198	37,058
		<u>59,190</u>	<u>53,304</u>	<u>66,451</u>	<u>60,822</u>
Current liabilities					
Creditors due within one year	12	(20,656)	(17,780)	(18,994)	(16,595)
Provisions due within one year	15	(868)	(821)	(1,401)	(1,334)
Net current assets		<u>37,666</u>	<u>34,703</u>	<u>46,056</u>	<u>42,893</u>
Total assets less current liabilities		<u>805,814</u>	<u>783,131</u>	<u>753,964</u>	<u>729,237</u>
Creditors due after one year	12	(48,704)	(48,704)	(48,624)	(48,624)
Net assets		<u>757,110</u>	<u>734,427</u>	<u>705,340</u>	<u>680,613</u>
Represented by					
Designated funds		41,319	41,319	31,766	31,766
General funds		5,000	2,038	2,830	(131)
Total Unrestricted funds	17	<u>46,319</u>	<u>43,357</u>	<u>34,596</u>	<u>31,635</u>
Restricted funds	17	472,203	472,203	440,199	440,199
Revaluation Reserve	17	209,857	209,857	200,921	200,921
Investment in Associate	17	19,721	-	21,766	-
Total Restricted funds		<u>701,781</u>	<u>682,060</u>	<u>662,886</u>	<u>641,120</u>
Total Income funds		<u>748,100</u>	<u>725,417</u>	<u>697,482</u>	<u>672,755</u>
Endowment funds	17	9,010	9,010	7,858	7,858
Total funds		<u>757,110</u>	<u>734,427</u>	<u>705,340</u>	<u>680,613</u>

The financial statements on pages 46 to 77 were approved by the Director and the Chairman.



Dr Tristram Hunt
Director and Accounting Officer
14 July 2022



Sir Nicholas Coleridge CBE
Chairman of Trustees
14 July 2022

Consolidated Cash Flow Statement

Year ended 31 March

	Notes	2022 £'000	2021 £'000
Net cash inflow from operating activities	a	42,478	37,563
Cash flows from investing activities			
Returns on investments		7	26
Loss / (Gain) from associate		2,045	(3,162)
Purchase of property, plant and equipment (inc. heritage and lease assets)		(28,088)	(13,446)
Purchase of investments	7	(35,300)	(5)
Proceeds from the sale of investments	7	8,797	344
Net cash used in investing activities		(52,539)	(16,243)
(Decrease) / Increase in cash and cash equivalents	c	(10,061)	21,320

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

Net income		42,834	27,493
Investment income		(7)	(26)
Donated assets		(10,348)	(1,123)
Depreciation and revaluation loss charged to operations		18,286	15,468
Amortisation		338	40
Gain on disposal of fixed assets		-	(5,742)
(Gain)/Loss on investments		(123)	617
(Increase) / Decrease in stocks		(672)	477
Increase in debtors		(5,654)	(2,326)
(Decrease) / Increase in creditors due within one year		(1,723)	744
(Decrease) / Increase in provisions due within one year		(533)	1,941
Increase in creditors due after one year		80	-
Net cash inflow from operating activities		42,478	37,563

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

(Decrease) / Increase in cash in the period		(10,059)	21,320
Non-cash movement in Short Term Investments		(3,526)	(37)
Movement in net funds in the period		(13,585)	21,283
Net funds at 1 April		49,750	28,467
Net funds at 31 March		36,165	49,750

c) Analysis of net funds and statement of net debt

	At 1 April 2021 £'000	Cash flow £'000	Non-cash changes £'000	At 31 March 2022 £'000
Cash at bank and in hand	41,198	(10,061)	-	31,137
Short Term Investments	8,552	-	(3,526)	5,026
	49,750	(10,061)	(3,526)	36,163
Finance lease obligations	(47,499)	(2,670)	3,175	(46,994)
Net funds	2,251	(12,731)	(351)	(10,831)

All cash at bank is held in commercial bank accounts and no overdraft facility is in place.
The notes on pages 50 to 77 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 the 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 (registered no.09337645) and V&A Ltd (registered no.02815248), 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 same period as the related staff costs

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 other than for objects acquired through the Acceptance in Lieu scheme, where the value reflects the amount of tax settled by the acceptance of the property. 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 13% 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 been recorded as 'Not 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.

For unquoted investments, reported valuations reflect their fair value which are generally compiled using US GAAP principles. Typically, this will involve valuing unquoted investments based on the price of comparable quoted investments or other observable market data, or discounting projected cash flows back to present value.

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.

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. The V&A is not deemed to have significant influence over decision-making and does not control Design Dundee Limited. The Accounts Direction issued by the Secretary of State for Digital, Culture, Media & Sport, with the approval of the Treasury for the 2021-22 financial year requires the exclusion of the Foundation from the consolidated accounts.

Valuation of Collections and Research Centre

While in the 2019-20 financial 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 was no longer suitable for anything other than a highly-specialised publicly accessible museum storage facility. As such, this property was valued according to its Depreciated Replacement Cost at both 31 March 2021 and 31 March 2022.

Valuation of Other Land and Buildings

The V&A use an external valuer to assess the capital value of the museum's interest in properties included in the financial statements. The properties are valued at fair value and the valuations are conducted in line with FRS102 and the charity SORP and with regard to the Accounting Direction issued reference to the Government Financial Reporting Manual (the FReM) in place at the time of the valuation, as required by the DCMS Accounting Direction

Valuation of investments

Whilst the majority of investments held are quoted and their valuations are derived using observable prevailing market prices, there is a portion of the portfolio that is unquoted and whose valuations are derived from significant unobservable inputs. These investments are held through third party managers who will make judgements as to what valuation methodology to use.

Exhibition Work in Progress 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. Each year an impairment review is carried out. As at 31 March 2022 no impairment was required. At 31 March 2021, the review showed that while these exhibitions were originally planned on the basis that they would generate a positive financial return, visitor number expectations had to be downgraded in light of both reduced demand and lower capacity to enable social distancing as a result of the pandemic. This resulted in lower income projections which no longer supported the carrying value of the amounts held within stock, and therefore an impairment loss of £1.8m was recognised in that 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 and the mitigating actions taken to reduce the impact of these risks. 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 £78.268m was received from the Department for Digital, Culture, Media and Sport during the year (2020-21: £79.059m). This represents 64% (2020-21: 77%) of the total income for the museum and 59% (2020-21: 70%) 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 2021-22 totalled £20.080m (2020-21: £26.048m).

2b) Donations, legacies and similar income

	Unrestricted funds	Restricted funds	Endowment funds	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000
Donations and Legacies	1,281	12,212	1,000	14,493	7,690
Corporate Members	541	-	-	541	364
Director's Circle	779	5	-	784	653
	<u>2,601</u>	<u>12,217</u>	<u>1,000</u>	<u>15,818</u>	<u>8,707</u>

Donations, legacies and similar income 2021

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

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

	Unrestricted funds	Restricted funds	Endowment funds	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000
Income and receipt of endowments					
<i>Income from donations and legacies</i>					
– Grant in Aid	58,188	20,080	-	78,268	79,059
– Donations, legacies and similar income	2,601	12,217	1,000	15,818	8,707
– Donated objects	-	10,348	-	10,348	1,123
– Covenant of profits from subsidiaries	296	-	-	296	2,579
<i>Income from other trading activities</i>					
– Trading Income	3,214	-	-	3,214	-
– Sponsorship	949	50	-	999	326
Investment income	7	-	-	7	26
	<u>65,255</u>	<u>42,695</u>	<u>1,000</u>	<u>108,950</u>	<u>91,820</u>
<i>Income from charitable activities</i>					
– Admissions & exhibition fees (inc loans & touring)	5,617	50	-	5,667	1,721
– Membership income	5,115	-	-	5,115	3,517
– Furlough income	-	85	-	85	2,822
– Other trading	439	-	-	439	462
	<u>11,171</u>	<u>135</u>	<u>-</u>	<u>11,306</u>	<u>8,522</u>
Other income	919	1,560	-	2,479	2,374
Total income	<u>77,345</u>	<u>44,390</u>	<u>1,000</u>	<u>122,735</u>	<u>102,716</u>

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

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2022 Total £'000	2021 Total £'000
Expenditure on					
<i>Expenditure on raising funds</i>					
– Costs of generating voluntary income	8,094	1,947	-	10,041	8,692
– Trading costs	-	-	-	-	-
– Investment management costs	214	-	84	298	336
	<u>8,308</u>	<u>1,947</u>	<u>84</u>	<u>10,339</u>	<u>9,028</u>
<i>Expenditure on charitable activities</i>					
– Charitable activities	44,583	19,539	-	64,122	68,315
Total expenditure	<u>52,891</u>	<u>21,486</u>	<u>84</u>	<u>74,461</u>	<u>77,343</u>
Net income before gains and losses on investments	24,454	22,904	916	48,274	25,373
(Losses)/Gains on investment assets	(308)	195	236	123	5,742
Loss on revaluation of fixed assets	-	(3,517)	-	(3,517)	(6,745)
Net income	<u>24,146</u>	<u>19,582</u>	<u>1,152</u>	<u>44,880</u>	<u>24,370</u>
Transfers between funds	(12,424)	12,424	-	-	-
Net income before other recognised gains and losses	<u>11,722</u>	<u>32,006</u>	<u>1,152</u>	<u>44,880</u>	<u>24,370</u>
Gain/(loss) on revaluation of fixed assets	-	8,936	-	8,936	(9,941)
Net movement in funds	<u>11,722</u>	<u>40,942</u>	<u>1,152</u>	<u>53,816</u>	<u>14,429</u>
Fund balances brought forward at 1 April	<u>31,635</u>	<u>641,120</u>	<u>7,858</u>	<u>680,613</u>	<u>666,184</u>
Fund balances carried forward at 31 March	<u>43,357</u>	<u>682,062</u>	<u>9,010</u>	<u>734,429</u>	<u>680,613</u>

Statement of Income and Expenditure (museum only) 2021

	Unrestricted funds	Restricted funds	Endowment funds	2021 Total
	£'000	£'000	£'000	£'000
Income and receipt of endowments				
<i>Income from donations and legacies</i>				
– Grant in Aid	53,011	26,048	-	79,059
– Donations, legacies and similar income	1,965	6,742	-	8,707
– Donated objects	-	1,123	-	1,123
– Covenant of profits from subsidiaries	2,579	-	-	2,579
<i>Income from other trading activities</i>				
– Trading Income	-	-	-	-
– Sponsorship	326	-	-	326
Investment income	26	-	-	26
	<u>57,907</u>	<u>33,913</u>	<u>-</u>	<u>91,820</u>
<i>Income from charitable activities</i>				
– Admissions & exhibition fees (inc loans & touring)	1,621	100	-	1,721
– Membership income	3,517	-	-	3,517
– Furlough Income	-	2,822	-	2,822
– Other Trading	462	-	-	462
	<u>5,600</u>	<u>2,922</u>	<u>-</u>	<u>8,522</u>
Other income	900	1,474	-	2,374
Total income	<u>64,407</u>	<u>38,309</u>	<u>-</u>	<u>102,716</u>
Expenditure on				
<i>Expenditure on raising funds</i>				
– Costs of generating voluntary income	6,772	1,920	-	8,692
– Trading costs	-	-	-	-
– Investment management costs	213	29	94	336
	<u>6,985</u>	<u>1,949</u>	<u>94</u>	<u>9,028</u>
<i>Expenditure on charitable activities</i>				
– Charitable Activities	47,738	20,577	-	68,315
Total expenditure	<u>54,723</u>	<u>22,526</u>	<u>94</u>	<u>77,343</u>
Net income / (expenditure) before gains and losses on investments	9,684	15,783	(94)	25,373
Gains on investment assets	3,551	613	1,578	5,742
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>
Transfers between funds	(2,004)	2,004	-	-
Net income before other recognised gains and losses	<u>11,231</u>	<u>11,655</u>	<u>1,484</u>	<u>24,370</u>
Loss on revaluation of fixed assets	-	(9,941)	-	(9,941)
Net movement in funds	<u>11,231</u>	<u>1,714</u>	<u>1,484</u>	<u>14,429</u>
Fund balances brought forward at 1 April	<u>20,404</u>	<u>639,406</u>	<u>6,374</u>	<u>666,184</u>
Fund balances carried forward at 31 March	<u>31,635</u>	<u>641,120</u>	<u>7,858</u>	<u>680,613</u>

3) Investment income

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2022 Total £'000	2021 Total £'000
Interest receivable	7	-	-	7	22
UK equities and investment funds	-	-	-	-	4
	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>26</u>

All investment income in 2022 and 2021 was unrestricted

4) Net income is stated after charging

	Group 2022 £'000	Museum 2022 £'000	Group 2021 £'000	Museum 2021 £'000
External Auditors' remuneration	91	68	85	64
Finance lease payments				
– Land and Buildings	2,251	2,251	2,251	2,251
Operating lease payments				
– Land and Buildings	281	103	255	103
– Other	15	15	15	15

There were no non-audit services provided by the Comptroller and Auditor General during 2021-22 (2020-21: nil).

5a) Total expenditure

	Direct Costs £'000	Grants Made To Other Charities £'000	Allocated Support Costs £'000	Depreciation, revaluation loss & loss on disposal £'000	2022 Total £'000	2021 Total £'000
<i>Expenditure on raising funds</i>						
Costs of generating voluntary income	5,438	-	2,903	1,700	10,041	8,691
Trading costs	8,966	-	-	-	8,966	7,697
Investment management costs	298	-	-	-	298	337
	<u>14,702</u>	<u>-</u>	<u>2,903</u>	<u>1,700</u>	<u>19,305</u>	<u>16,725</u>
<i>Charitable Activities</i>						
Collections & Learning	24,675	942	18,066	11,320	55,003	60,752
Exhibitions	6,476	-	1,668	977	9,121	7,563
	<u>31,151</u>	<u>942</u>	<u>19,734</u>	<u>12,297</u>	<u>64,124</u>	<u>68,315</u>
Loss on associate	2,045	-	-	-	2,045	-
Total expenditure	<u>47,898</u>	<u>942</u>	<u>22,637</u>	<u>13,997</u>	<u>85,474</u>	<u>85,040</u>

Grants totalling £0.755m (2020-21: £0.592m) were paid out via the Purchase Grant Fund.

	2022 £'000	2021 £'000
Governance Costs (Direct)		
External Audit Fees (museum only)	68	64
Internal Audit Fees	52	50
Legal costs	6	13
Staff costs	139	129
	<u>265</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 £'000	Projects & Estate £'000	Finance & Administration £'000	Human Resources £'000	Other Central Costs £'000	Museum of Childhood - Administration £'000	Governance £'000	Total £'000
<i>Expenditure on raising funds</i>								
Costs of generating voluntary income	604	1,731	201	168	95	69	34	2,902
<i>Charitable Activities</i>								
Collections & Learning	3,760	10,771	1,254	1,046	594	432	210	18,067
Exhibitions	347	994	116	97	55	40	19	1,668
	<u>4,711</u>	<u>13,496</u>	<u>1,571</u>	<u>1,311</u>	<u>744</u>	<u>541</u>	<u>263</u>	<u>22,637</u>

Total expenditure 2021

	Direct Costs	Grants Made To Other Charities	Allocated Support Costs	Depreciation, revaluation loss & loss on disposal	2021 Total
	£'000	£'000	£'000	£'000	£'000
<i>Expenditure on raising funds</i>					
Costs of generating voluntary income	4,518	-	2,796	1,377	8,691
Trading costs	7,697	-	-	-	7,697
Investment management costs	337	-	-	-	337
	<u>12,552</u>	<u>-</u>	<u>2,796</u>	<u>1,377</u>	<u>16,725</u>
<i>Charitable Activities</i>					
Collections & Learning	27,670	609	21,476	10,997	60,752
Exhibitions	4,797	-	1,843	923	7,563
	<u>32,467</u>	<u>609</u>	<u>23,319</u>	<u>11,920</u>	<u>68,315</u>
Loss on associate	-	-	-	-	-
Total expenditure	<u>45,019</u>	<u>609</u>	<u>26,115</u>	<u>13,297</u>	<u>85,040</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	2022	2021
	£'000	£'000
Wages and salaries	27,809	30,286
Social security costs	2,792	2,924
Pension costs	3,426	4,060
Agency and temporary staff	281	335
	34,308	37,605
Early retirement and redundancy costs	(233)	3,078
	34,075	40,683

During the year restricted funding for staff costs was received totalling £2.006m (2020-21: £1.879m).

V&A Enterprises Ltd's staff costs were £20.998m (2020-21: £21.316m) of which £3.187m (2020-21: £3.882m) was for trading activities and £17.811m (2020-21: £17.494m) 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 32. There was an overaccrual for redundancy costs in 2021 of £252k.

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:

	2022	2021
£60,001 - £70,000	15	8
£70,001 - £80,000	14	13
£80,001 - £90,000	8	9
£90,001 - £100,000	3	3
£100,001 - £110,000	3	1
£110,001 - £120,000	4	3
£120,001 - £130,000	1	1
£130,001 - £140,000	-	-
£140,001 - £150,000	1	1
£150,001 - £160,000	-	1
	49	40

Of the employees listed above, 16 (2020-21: 16) are members of the Principal Civil Service Pension Scheme, and the total pension contributions payable in the year for these employees was £401,217 (2020-21: £414,912). Another 33 (2020-21: 24) 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 £154,263 (2020-21: £142,984).

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 2021/2022, with assessment of the Scheme liability in respect of the Civil Service Pension Scheme (CSPS) as at 31 March 2022, and the movement in the Scheme liability over the year 2021/2022. 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 2022. 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 2021-22, employer's contributions of £2.411m were payable to the PCSPS (2021: £3.028m) 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 2021-22 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial 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 hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated 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.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

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, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

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 p/a. Employer contributions (3%) paid during the year were £3,530 (2021: £7,874).

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 £989,604 (2021: £993,448).

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 six 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 (2020-21: nil).

No Trustees were reimbursed for expenses during the year (2020-21: nil).

5e) Average number of employees (*)

	2022	2021
Generating voluntary income	91	88
Trading	112	138
Collections & Learning	566	678
Exhibitions	52	58
	<u>821</u>	<u>962</u>

(*) based on full-time equivalents.

Of the above employees, 764 are full time permanent employees of the museum and its subsidiaries (2021: 892), 48 are externally funded posts (2021: 64), and the remaining 9 employees are temporary staff (2021: 6).

5f) Coronavirus Job Retention Scheme

The museum first made use of the Coronavirus Job Retention Scheme (CJRS) when it launched in April 2020 and continued to utilise the scheme until it was closed by Government on 30 September 2021. The scheme played an essential part in financial management through the pandemic, as the ability to generate income was severely impacted. The museum was closed on a number of occasions from March 2020, reopening to the public in May 2021 for five days per week. From May 2021, the CJRS claims reduced significantly, as the vast majority of staff returned to work and only a small number of individuals, whose roles were impacted by closure and review of the National Art Library, were subject to part-time furlough from May to September. Claims were made from April 2021 to September 2021 inclusive, totalling £0.2m (2021: £7.1m)

6a) Tangible fixed assets

	Land & Buildings	Furniture & fittings	Equipment	Assets in course of construction	Total
GROUP	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2021	525,863	6,088	13,885	7,071	552,907
Transfers	3,237	-	-	(3,237)	-
Additions	17,655	468	2,093	9,244	29,460
Disposals	-	(146)	(60)	-	(206)
Revaluation	(6,423)	-	-	-	(6,423)
At 31 March 2022	540,332	6,410	15,918	13,078	575,738
Depreciation					
At 1 April 2021	14,240	5,474	11,949	-	31,663
Charged for the year	13,057	319	1,393	-	14,769
Disposals	-	(146)	(60)	-	(206)
Revaluation	(11,842)	-	-	-	(11,842)
At 31 March 2022	15,455	5,647	13,282	-	34,384
Net book value					
At 31 March 2022	524,877	763	2,636	13,078	541,354
At 31 March 2021	511,623	614	1,936	7,071	521,244

As at 31 March 2022, all assets included within the above net book value are used by the V&A for direct charitable activities. We do not hold sufficient data to show the historical cost of the V&A's land and buildings.

MUSEUM

Cost or valuation					
At 1 April 2021	525,863	5,756	13,536	7,071	552,226
Transfers	3,237	-	-	(3,237)	-
Additions	17,655	468	2,093	9,244	29,460
Disposals	-	(10)	(60)	-	(70)
Revaluation	(6,423)	-	-	-	(6,423)
At 31 March 2022	540,332	6,214	15,569	13,078	575,193
Depreciation					
At 1 April 2021	14,240	5,142	11,600	-	30,982
Charged for the year	13,057	319	1,393	-	14,769
Disposals	-	(10)	(60)	-	(70)
Revaluation	(11,842)	-	-	-	(11,842)
At 31 March 2022	15,455	5,451	12,933	-	33,839
Net book value					
At 31 March 2022	524,877	763	2,636	13,078	541,354
At 31 March 2021	511,623	614	1,936	7,071	521,244

Land & Buildings

A desktop valuation of the freehold properties comprising the Victoria and Albert Museum estate was carried out as at 31 March 2022 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 £524.8m (2021: £521.2m) includes the site at South Kensington valued at £444.0m (2021: £437.6m), the site at Bethnal Green at £13.2m (2021: £16.2m) and the V&A East Storehouse, treated as a finance lease, valued at £67.6m (2021: £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 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.

The V&A East Storehouse is 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.

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

6b) Intangible Assets

	GROUP			MUSEUM		
	Intangible assets	Assets in course of construction	Total	Intangible assets	Assets in course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 April 2021	1,015	1,490	2,505	1,015	1,490	2,505
Transfers	2,341	(2,341)	-	2,341	(2,341)	-
Additions	-	1,120	1,120	-	918	918
Disposals	-	-	-	-	-	-
At 31 March 2022	3,356	269	3,625	3,356	67	3,423
Amortisation						
At 1 April 2021	1,007	-	1,007	1,007	-	1,007
Charged for the year	338	-	338	338	-	338
Disposals	-	-	-	-	-	-
At 31 March 2022	1,345	-	1,345	1,345	-	1,345
Net book value						
At 31 March 2022	2,011	269	2,280	2,011	67	2,078
At 31 March 2021	8	1,490	1,498	8	1,490	1,498

6c) Heritage Assets

Additions of £11.2m (2020-21: £1.4m) were made to the Collection. The additions comprise the following elements:

	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000
Opening balance brought 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 of objects by gift or bequest *	3,026	978	13,026	5,991	737
Donations of objects under the acceptance in lieu scheme	7,322	145	4,058	5,600	17
	10,348	1,123	17,084	11,591	754
Acquisitions	893	323	1,673	2,188	6,782
Total Additions	11,241	1,446	18,757	13,779	7,536
Closing balance carried forward					
Donated objects (shown at valuation)	102,139	91,791	90,668	73,584	61,993
Acquisitions (shown at cost)	47,199	46,306	45,983	44,310	42,122
	149,338	138,097	136,651	117,894	104,115

* Donations are shown net of disposals. In 2021-22 disposals of £1,850 were made, with the items disposed of ranging in value from £5 to £400. In 2020-21 disposals of £13,000 were made, with items ranging in value from £5 to £950.

Further information on the museum's heritage assets

The V&A holds 1,683,056 museum objects and works of art within its collections, as well as 1,130,244 library items and 1,210 archival collections. Of these approximately 13% have been included in the balance sheet of the museum.

At 31 March 2022, 60,591 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:

Art, Architecture, Photography and Design Collections – 1,162,082 objects:

The Department of Art, Architecture, Photography and Design (AAPD) cares for and develops the museum's collections of prints, drawings, paintings, designs, architectural drawings and models, photographs, digital art, digital design and product design (a responsibility shared with PFTF).

The Department makes these collections publicly accessible online and through the Prints and Drawings Study Room in order to share knowledge, facilitate research, and encourage inspiration.

Asian Collections – 141,460 objects and one archival collection:

The Asian Department has a collection of about 150,000 objects, spanning the wealth and diversity of artistic creation across the continent from 3500BC to the present day, in a vast range of materials and techniques, including paintings, prints, sculptures, carvings, jewellery, metalwork, arms and armour, ceramics, glass, furniture, lacquer, plastics, and dress, textiles and carpets. It holds collections from East Asia, South and Southeast Asia, and the Middle East.

Performance, Furniture, Textiles & Fashion Collections – 170,333 objects:

The collections are made up of the Furniture and Woodwork, Textiles and Fashion and Theatre and Performance collections.

Decorative Art and Sculpture Collections – 177,991 objects and 57 archival collections:

This department holds the collections of Ceramics and Glass, Metalwork and Sculpture. It also includes approximately 65,000 objects which form part of the Wedgwood Museum Collection and were gifted to the V&A during 2014–15 by Art Fund and are on long loan to the World of Wedgwood in Barlaston along with the Wedgwood archives.

Young V&A Collections – 31,190 objects and 64 archival collections:

The museum holds the UK's national collection of childhood, which represents the material culture of childhood from 1600 to the present day, including representations of children.

The archive collections include 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.

Research, National Art Library and Archives Collections – 1,088 archival collections and 1,130,244 library items:

The archival collections contain the archives of over 1,000 individuals and organisations relating to art, design, performance and the history of the museum.

Library items include the National Art Library, departmental libraries, Royal Photographic Society library and the Asian special collections. It holds the UK's most comprehensive public reference collection of literature on the fine and decorative arts, including books, journals, exhibition catalogues, auction house sales catalogues, comics, e-resources and much more.

Preservation & Management

All objects are recorded and managed by one of the museum's six 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 the 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 the 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
	2022	2022	2022	2022
	£'000	£'000	£'000	£'000
Market value at 1 April 2021	8,552	8,552	25,303	25,505
Additions to portfolio	5,000	5,000	30,300	30,301
Withdrawals from portfolio	(8,526)	(8,526)	(271)	(271)
Net gain on revaluation	-	-	123	123
	<hr/>	<hr/>	<hr/>	<hr/>
Market value at 31 March 2022	5,026	5,026	55,455	55,658
of which				
Historical cost at 31 March 2022	5,026	5,026	51,748	51,951
Unrealised investment loss at 31 March 2022	-	-	3,707	3,707
	<hr/>	<hr/>	<hr/>	<hr/>
Analysis of loss by asset class				
Gain on assets Available for Sale	-	-	3,753	3,753
Loss on assets Held for Trading	-	-	(46)	(46)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	3,707	3,707
	<hr/>	<hr/>	<hr/>	<hr/>
Investment assets in the UK at 31 March 2022				
Multi asset funds	-	-	973	973
Equities	-	-	1,576	1,576
Unlisted Equities (trading subsidiary)	-	-	-	203
Cash at brokers	5,026	5,026	2,857	2,857
	<hr/>	<hr/>	<hr/>	<hr/>
Investment assets outside the UK at 31 March 2022				
Multi asset funds	-	-	42,793	42,793
Equities	-	-	7,289	7,289
Property funds	-	-	13	13
Currency Hedges	-	-	(46)	(46)
	<hr/>	<hr/>	<hr/>	<hr/>
	5,026	5,026	55,455	55,658

Investments 2021

	Short-Term Investments		Fixed Asset Investments	
	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 at 31 March 2021 (re-presented)				-
Credit funds	-	-	204	204
Multi asset funds	-	-	10,886	10,886
Equities	-	-	1,539	1,539
Unlisted Equities (trading subsidiary)	-	-	-	202
Property funds	-	-	7	7
Cash at brokers	-	8,501	2,560	2,560
Investment assets outside the UK at 31 March 2021 (re-presented)				
Multi asset funds	-	-	5,516	5,516
Equities	-	-	4,163	4,163
Property funds	-	-	4	4
Currency Hedges	-	-	11	11
Cash at brokers	52	52	413	413
	8,552	8,552	25,303	25,505

Investments have been re-presented in the above categories to increase the clarity of this note

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 (64%) 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

The Multi Asset Investment Funds include investments in equities and so are exposed to market 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 pounds 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 2022, 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:

	V&A Enterprises Ltd		V&A Ltd	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Profit and loss account				
Turnover	12,100	5,632	221	309
Cost of sales	(6,162)	(2,104)	(6)	(34)
Gross Profit	5,938	3,528	215	275
Administrative expenses	(5,950)	(5,540)	(62)	(3)
Trading (loss) / profit	(12)	(2,012)	153	272
Furlough income	155	4,296	-	-
Recharged staff costs: income	17,811	17,494	-	-
Recharged staff costs: expense	(17,811)	(17,494)	-	-
Interest receivable and similar income	-	-	-	-
Profit on Ordinary Activities before Taxation & Distributions	143	2,284	153	272
Tax on profit	-	(16)	-	-
Profit after tax	143	2,268	153	272
Balance sheet				
Tangible fixed assets	-	-	-	-
Intangible fixed assets in development	202	-	-	-
Current assets	7,998	6,359	203	537
Creditors due within one year	(5,035)	(3,194)	(203)	(537)
Creditors due after one year	-	-	-	-
Net assets	3,165	3,165	-	-
Share capital and reserves	202	202	-	-
Profit and loss account	2,963	2,963	-	-
Shareholders' Funds	3,165	3,165	-	-

8) Trading subsidiaries (cont'd)

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

	V&A Enterprises Ltd		V&A Ltd	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Turnover	12,100	5,632	221	309
Intercompany transactions	-	-	-	-
Trading income included within SOFA	12,100	5,632	221	309
Cost of sales	6,161	2,104	6	34
Administrative expenses	5,951	5,540	62	3
Interest payable	-	-	-	-
Taxation	-	16	-	-
<i>Intercompany transactions</i>	(3,214)	-	-	-
Trading costs included within SOFA	8,898	7,660	68	37
Interest receivable and similar income	-	-	-	-
<i>Intercompany transactions</i>	-	-	-	-
Included in Investment Income per SOFA	-	-	-	-

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 2022, this was £19,721k (2020-21: £21,766k) representing 36% (2020-21: 40%) of the net assets of the Gilbert Trust. The V&A's hypothetical share of the results of the Gilbert Trust are shown in the table below. The actual value of the V&A's incoming resources from the Gilbert Trust are shown within note 21. The Gilbert Trust saw a small net reduction in its funds in the year. The change in the proportion attributed to the V&A resulted in a further diminution in the investment value shown on the V&A's balance sheet, and this movement is included within expenditure in the consolidated Statement of Financial Activities.

	2022	2021
	£'000	£'000
Investment income	-	-
Total income	-	-
Expenditure on raising funds	(44)	(55)
Expenditure on charitable activities	(110)	(97)
Total expenditure	(154)	(152)
Net expenditure before gains and losses on investments	(154)	(152)
Gains on investments	295	1,272
Net income	141	1,120
Gain on revaluation of Heritage Assets	11	-
Loss on disposal of Heritage Assets	(182)	-
Net movement in funds	(30)	1,120

10) Stock and Work in Progress

	Group 2022 £'000	Museum 2022 £'000	Group 2021 £'000	Museum 2021 £'000
Stock	1,682	-	1,752	-
Exhibition costs	1,953	1,953	1,211	1,211
	<u>3,635</u>	<u>1,953</u>	<u>2,963</u>	<u>1,211</u>

11) Debtors

	Group 2022 £'000	Museum 2022 £'000	Group 2021 £'000	Museum 2021 £'000
Trade debtors	1,689	597	1,293	697
Less provision for doubtful debts	(4)	(4)	(45)	(35)
Other debtors	109	33	37	12
Prepayments and accrued income	13,549	13,016	9,532	9,166
Recoverable taxation	4,049	4,024	2,921	2,896
Amounts due from subsidiary undertaking	-	2,316	-	1,265
	<u>19,392</u>	<u>19,982</u>	<u>13,738</u>	<u>14,001</u>

12) Creditors

	Group 2022 £'000	Museum 2022 £'000	Group 2021 £'000	Museum 2021 £'000
Amounts falling due within one year				
Trade creditors	3,928	3,615	1,790	1,715
Other creditors	-	-	70	70
Accruals	10,409	8,542	11,697	10,076
Deferred income	13 470	470	800	579
Deferred exhibition income	13 2,028	2,028	1,309	1,309
Taxation and social security costs	1,151	455	1,077	595
Finance lease liability	14 2,670	2,670	2,251	2,251
	<u>20,656</u>	<u>17,780</u>	<u>18,994</u>	<u>16,595</u>
Amounts falling due after one year				
Deferred income – after one year	13 1,853	1,853	1,860	1,860
Finance lease liability	14 46,851	46,851	46,764	46,764
	<u>48,704</u>	<u>48,704</u>	<u>48,624</u>	<u>48,624</u>

13) Deferred Income

	2022 £'000	2021 £'000
As at 1 April	3,969	3,940
Deferred in current year	2,424	1,704
Released from previous year	(2,041)	(1,675)
As at 31 March	<u>4,352</u>	<u>3,969</u>

Of this balance £1.532m (2021: £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	2022	2021
- V&A East Storehouse	£'000	£'000
As at 1 April	49,015	48,257
Lease payments	(2,670)	(2,251)
Finance interest	3,175	3,009
As at 31 March	<u>49,520</u>	<u>49,015</u>

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 each year the lease asset is revalued and at the 31 March 2022 is recognised within tangible fixed assets in the V&A's balance sheet at £67.6m (2020-21: £57.8m). A revaluation gain of £11.0m (2020-21: loss of £6.8m) and a depreciation cost of £1.3m (2020-21: £1.3m) 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 £49.5m 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 2021-22 interest of £3.2m (2020-21: £3.0m) has been recognised as a finance cost within the V&A's Statement of Financial Activities.

15) Provisions

	Group 2022	Museum 2022	Group 2021	Museum 2021
	£'000	£'000	£'000	£'000
As at 1 April	1,401	1,334	657	534
Provision in year	805	788	1,387	1,335
Paid in year	(1,338)	(1,301)	(643)	(535)
As at 31 March	868	821	1,401	1,334
Provisions - within one year	868	821	1,401	1,334
Provisions - after one year	-	-	-	-
	868	821	1,401	1,334

16) Financial commitments

As at 31 March the group had annual commitments under non-cancellable leases as follows:

	2022	2022	2021	2021
	Land & Buildings	Other	Land & Buildings	Other
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within one year	281	15	287	15
In the second to fifth year	679	59	872	59
After five years	-	-	103	15
	960	74	1,262	89
Finance leases which expire:			2022	2021
			Land & Buildings	Land & Buildings
			£'000	£'000
Within one year			2,670	2,670
In the second to fifth year			11,104	10,862
After five years			176,309	179,221
			190,083	192,753

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 2021	Incoming Resources	Resources Expended	Transfers	Fixed Assets - Gains/losses on Revaluation	Investments - Gains/losses under Fair Values	As at 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted Funds							
General Income funds	2,830	77,149	(56,416)	(18,563)	-	-	5,000
Designated Income funds	31,766	9,007	(5,285)	6,139	-	(308)	41,319
Total Unrestricted Funds	34,596	86,156	(61,701)	(12,424)	-	(308)	46,319
Restricted Funds							
<i>Restricted Income Funds</i>							
– Acquisitions for the Collection ¹	741	520	(21)	(521)	-	-	719
– Restricted Income funds	11,181	9,462	(7,069)	(897)	-	-	12,677
– Museum Development funds ¹	15,484	22,195	619	(15,501)	-	-	22,797
– Endowment funds income	1,132	121	(65)	(27)	-	195	1,356
	28,538	32,298	(6,536)	(16,946)	-	195	37,549
<i>Restricted Asset Funds</i>							
Restricted Capital funds ²	273,564	1,900	(15,108)	28,478	(3,517)	-	285,317
Revaluation Reserve	200,921	-	-	-	8,936	-	209,857
Heritage Assets ¹	138,097	10,348	-	892	-	-	149,337
Associate	21,766	-	(2,045)	-	-	-	19,721
	634,348	12,248	(17,153)	29,370	5,419	-	664,232
Total Restricted Funds	662,886	44,546	(23,689)	12,424	5,419	195	701,781
Endowment Funds							
Endowments ³	7,858	1,000	(84)	-	-	236	9,010
Total Endowment Funds	7,858	1,000	(84)	-	-	236	9,010
Total Funds	705,340	131,702	(85,474)	-	5,419	123	757,110

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.

17) Statement of funds <i>continued</i>	As at 1 April 2020	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

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:

	2022 £'000	2021 £'000
Unrestricted	2,776	3,262
Restricted	-	444
Endowment	931	1,102
	<u>3,707</u>	<u>4,808</u>

18) Statement of fund commitments as at 31 March

	2022 £'000	2021 £'000
Funds available for spending at Trustees' discretion:		
General income funds	5,000	2,830
Designated income funds (excluding investment in V&A Enterprises Ltd)	41,117	31,564
	<u>46,117</u>	<u>34,394</u>
Funds raised for specific purposes:		
Restricted income funds	37,549	28,538
Total funds available for spending	<u>83,666</u>	<u>62,932</u>
Funds not available for Trustees' spending:		
Designated income funds - share capital of V&A Enterprises	202	202
Endowment funds (capital element)	9,010	7,858
Capital funds (fixed assets)	664,232	634,348
Total funds not available for spending	<u>673,444</u>	<u>642,408</u>
Total funds in balance sheet	<u>757,110</u>	<u>705,340</u>

19) Analysis of group net assets between funds

	Unrestricted Funds	Restricted Funds	Endowment Funds	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 March are represented by:					
Tangible and intangible fixed assets and heritage assets	200	692,771	-	692,971	660,839
Investments	45,090	21,074	9,010	75,174	47,069
Current assets	21,735	37,457	-	59,192	66,451
Current liabilities	(18,853)	(2,670)	-	(21,523)	(20,395)
Liabilities due after one year	(1,853)	(46,851)	-	(48,704)	(48,624)
Net assets	<u>46,319</u>	<u>701,781</u>	<u>9,010</u>	<u>757,110</u>	<u>705,340</u>

Analysis of group net assets between funds 2021

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

20) Capital commitments

	2022	2021
	£'000	£'000
Capital expenditure commitments were as follows:		
Contracted for, but not provided in the accounts	<u>14,392</u>	<u>11,673</u>

The majority of the capital commitments relate to construction and professional fees on Young V&A (£6.9m), the V&A East Storehouse, (£4.7m), and the Photography galleries (£2.4m)

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	638	-	-	-	-
	British Library	-	1	2	-	-
	British Museum	-	1,099	453	671	(355)
	British Film Institute	-	-	42	-	(17)
	Imperial War Museum	-	-	1	-	(1)
	The National Gallery	-	1	-	-	-
	The National Portrait Gallery	-	-	1	-	-
	National Museum of Science and Industry	-	1,032	381	693	(355)
	Natural History Museum	-	48	1,347	12	(569)
Tim Reeve is a Trustee	Exhibition Road Cultural Group	-	-	27	-	-
Sir Nicholas Coleridge CBE, Nick Hoffman, Dr Tristram Hunt and Dr Antonia Boström are Trustees; Anthony Misquitta is Co Secretary	Gilbert Trust for the Arts	298	-	-	70	-
Sir Nicholas Coleridge CBE and Dr Genevieve Davies are Trustees; Anthony Misquitta is Co Secretary	V&A Foundation	648	6	-	52	-
Paul Thompson is Vice Chancellor of the RCA; Dr Tristram Hunt is a Trustee	Royal College of Art	-	(1)	30	-	-
Paul Thompson is a Board Member	Ashmolean Museum	-	-	4	-	-
Tristram Hunt and Tim Reeve are Directors	Design Dundee Ltd	-	9	-	-	-
Ben Elliot is a Co-Chairman	Conservative Party	-	21	-	-	-

In addition, four trustees made personal donations worth a total of £306,500 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 31 March 2022 (2020-21: Nil).

23) Post-balance sheet events

There were no post balance sheet events.

