

Victoria and Albert Museum Annual Report and Accounts 2009-2010

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Annual Report

Introduction

The Victoria and Albert Museum (V&A) is Britain's national museum of art and design. It was founded in 1837 as the Museum of the School of Design in Somerset House and it reached a wider public after its move to Marlborough House when it became known as the Museum of Manufactures. It was subsequently renamed the Museum of Ornamental Art in 1853. In South Kensington since 1857, it became the "Victoria and Albert Museum" in 1899. 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 (NHA). The V&A is currently sponsored by the Department for Culture, Media and Sport (DCMS). The Museum's Board of Trustees is answerable to the Secretary of State for Culture, Olympics, 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 Secretary of State for Culture, Olympics, Media and Sport as Accounting Officer.

The V&A comprises the main site at South Kensington, the V&A Museum of Childhood at Bethnal Green and the archive/study collections site at Blythe House, West London. There are collections stores in Battersea, London and Dean Hill Park, Wiltshire.

V&A Mission

To be the world's leading museum of art and design; enriching people's lives by promoting knowledge, understanding and enjoyment of the designed world.

V&A key strategic objectives

- To provide optimum access to collections and services for diverse audiences, now and in the future.
- To be acknowledged and respected as the world's leading museum of art and design.
- To promote, support and develop the UK creative economy by inspiring designers and makers, and by stimulating enjoyment and appreciation of design.
- To operate with financial and organisational efficiency.

Structure, Governance & Management

The V&A is governed by the National Heritage Act 1983. The Act was modified and repealed to some extent by the Museums and Galleries Act 1992, but this did not materially affect the status of the Museum. The V&A is a non-departmental public body (NDPB) sponsored by the DCMS, and is a charity exempt from registration under the Charities Act of 1993. Its investments are governed by the Trustee Act 2000.

Appointments to the V&A Board of Trustees, including that of the Chairman, are made by the Prime Minister following the DCMS process for recruiting 'upper tier' 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, the Rector of the Royal College of Art; currently Dr Paul Thompson. 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 Chairman, the Director and Deputy Director, involving other V&A staff as necessary. DCMS also provide a booklet for Board members of its NDPBs.

The V&A Board is a body corporate with between 12 and 20 members. At 31 March 2010 there were 14 Trustees. Trustees serve an initial term of up to four years and are eligible for reappointment at the end of that time. However, under the rules laid down by the Commissioner for Public Appointments, Trustees are restricted to serving two terms or a maximum period of 10 years. Trustees are not remunerated but are able to claim expenses.

The V&A Board of Trustees has the following general functions under the The Act:

So far as practicable and subject to the provisions of this 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.*

Collections & Visitors

Visit figures

There were 4,102,100 actual visits to V&A collections in 2009-10, comprising 2,746,000 visits at the Museum's London sites and 1,356,100 visits to V&A touring exhibitions at other venues in the UK and internationally.

Visit figures to the V&A South Kensington and the Museum of Childhood were higher than the previous year. The V&A South Kensington had 2,351,300 visits (10% higher compared to 2008-09). With 391,800 visits (9% higher than the previous year), the Museum of Childhood achieved its highest ever visit figure since becoming the Museum of Childhood in 1974.

FuturePlan

This is the V&A's large-scale, long-term capital re-development programme. Its aim is to open up the Museum and its collections, both physically and intellectually, for everyone to use and enjoy. As well as access to collections through display and interpretation, FuturePlan contributes to many other Museum agendas such as engagement with the creative industries, increasing audience diversity and inclusion and improving carbon-efficiency. FuturePlan is primarily funded from sources other than core Grant in Aid (GIA).

2009 saw the end of FuturePlan Phase 1, with the completion of over 40 capital projects costing £120 million and transforming 26,000 m² of Museum space. 2009-10 was record-breaking, with four major gallery projects opening to critical acclaim:

- Buddhist Sculpture, the Robert H N Ho Family Foundation Gallery, opened in April 2009: This day-lit space represents the V&A's collection of Buddhist masterworks.
- Gold, Silver and Mosaics, the Rosalinde and Arthur Gilbert Galleries, opened in June 2009: These galleries display this important private collection which was previously on display at Somerset House.
- Ceramics Phase 1, opened in September 2009: These galleries plot the production and design of ceramics through time and across the globe, from a Japanese earthenware jar from about 3000BC to a contemporary site-specific installation 'Signs and Wonders' by Edmund de Waal.
- Medieval and Renaissance Galleries, opened in December 2009: Spanning the east wing of the Museum the ten new galleries present more than 1,800 objects telling the story of European art and culture from the decline of the Roman Empire to the end of the Renaissance period.

FuturePlan will continue with a second phase planned from 2010-2019. During the year much progress has been made on a number of FuturePlan Phase 2 projects including Ceramics Phase 2 (opened in June 2010), European Sculpture and Stained Glass, 1300-1600 (due to open November 2010) and planning for other ambitious refurbishments.

In addition the V&A has continued to be involved in the Exhibition Road scheme to transform the local area working with other institutions including the Royal Borough of Kensington and Chelsea, Westminster City Council and the Mayor of London.

Online Museum and electronic access: <http://www.vam.ac.uk>

In 2010 The Times declared the V&A website the best museum website in the UK and third best in the world. During 2009-10 the V&A's website received over 20 million web visits from around the world. Throughout the year significant amounts of new content was added to the already rich content on the V&A's website and much work was undertaken on the redesign of the V&A's website.

Over one million objects were made available through the new version of the Museum's collections database 'Search the Collections', launched in 2009. This increased the percentage of the V&A's collection accessible via the internet from 28% in 2008-09 to 64% in 2009-10. Visits to this section of the website have tripled since the launch. A new mobile application was also developed, enabling visitors to search the V&A's collections database from their phones.

A new on-line film magazine relating to all aspects of the V&A, V&A Channel was launched in March 2010. It features films on V&A collections and exhibitions, profiles of leading designers and artists, and Museum news.

The V&A leads the museum field in encouraging user-generated content. The World Beach Project is the only international museum project to have had contributions from every continent including Antarctica. Devised by former V&A artist in residence Sue Lawty, it invites people to upload their images of drawings made with stones on beaches. A number of new blogs were added to the website including curator Sue Pritchard writing a weekly blog prior to the opening of the *Quilts 1700 – 2010* exhibition.

The redevelopment of a large number of galleries led to the development of a number of new multimedia devices in the galleries e.g. the installation of new interactive multimedia points in the Rosalinde and Arthur Gilbert Galleries, the Medieval and Renaissance Galleries and the Ceramics Phase 1 Galleries.

Audience Profile

The V&A has a comprehensive strategy for Access, Inclusion & Diversity (AID). Staff from across the Museum consider how the V&A's programme of exhibitions and events, new gallery developments, web developments etc can be made accessible to the widest possible audience. Events and programmes are run at V&A sites that allow the Museum to engage with local communities, special interest groups, disabled visitors and audiences that don't normally visit museums. Some events involve outreach work whereby V&A staff run events offsite. Examples of AID work include:

- *Refugee Week*: This programme of events included refugee-led tours of the V&A, digital storytelling sessions with young people new to London, a day of films by and about refugees and performances by Latin American, Zimbabwean and Iraqi musicians from refugee backgrounds, Pre-Columbian mask making and Islamic glass painting workshops.
- *Making Space: Sensing Place*: This three month international artist residency project saw three artists from Bangladesh and India produce new work and participate in public engagement programmes with local schools and community organisations.
- The Museum of Childhood has an ongoing Hospital Schools Outreach Teaching Programme.

The V&A considers that workforce diversity is a factor in other strands of diversity, by influencing the Museum's activity and operations, and perceptions of the organisation by ourselves and others. The V&A aims to reflect the cultural diversity profile of either the whole UK or that of London and the South East, depending on the designated recruitment catchment area for different jobs. The national and regional profiles were 8% BAME and 16% BAME respectively (2001 census), and in 2009-10 V&A BAME staffing was 5% for nationally-recruited posts and 15% for regionally-recruited posts.

In 2009-10 V&A sites received the same amount of visitors from lower socio-economic groups – NS-SEC groups 5-8 (196,400 in 2008-09; 195,700 in 2009-10). At the V&A South Kensington the number of visitors from lower socio-economic backgrounds increased by 23% (109,000 in 2008-09; 134,300 in 2009-10). The proportion also increased from 8% to 12%. This change brings the proportion of visits from lower socio economic visits back in line with previous trends (11% of the V&A's UK audience was from a lower socio economic background in 2006-07 and 2007-08).

The number of visits by people from a UK Black, Asian and minority ethnic (BAME) background remained largely the same as the previous year (246,200 in 2008-09; 246,500 in 2009-10). However, the overall proportion of UK BAME visits rose from 15% in 2008-09 to 16% in 2009-10. This was because the V&A at South Kensington increased the number of UK BAME visits by 18% (150,500 in 2008-09; 177,400 in 2009-10). This rise in numbers also increased the proportion of the UK BAME audience from 11% in 2008-09 to 14% in 2009-10 (the highest proportion of UK BAME visits that this site has had to date). This audience has more than doubled since 2001-02 when the UK BAME proportion was 6%. 16% of the audience for the V&A's major autumn exhibition, *Maharaja: The Splendour of India's Royal Courts*, was from an ethnic minority background.

In 2009-10 at V&A South Kensington 3% of the adult audience identified themselves as having a disability or long-term health problems; at Museum of Childhood the figure was 5%.

Acquisitions

The V&A has 2.7 million objects in its collections. Continually increasing the V&A's collections is essential to maintaining the Museum's status as the world's pre-eminent museum of art and design. It is important that the collections represent the best of historical and contemporary design and reflect changing societies.

During 2009-10, the V&A acquired over 7,000 objects. Nearly 6,000 of these objects were donated, a significant amount of which were to the Word and Image Department and the Archives.

Acquisition highlights for 2009-10 demonstrate the breadth of recent V&A collecting:

- *The Mahasiddha Virupa, bronze statue, early 15th century, China:* A rare depiction of the Indian yogic adept Virupa.
- *Sunday Christ, 1475-1500, England:* This alabaster carving is the only known sculptural representation of The Sunday Christ in the world.
- *Biscuit group 'La Nature' designed by Louis-Simon Boizot (1743-1809) Hard-paste porcelain, France, 1794:* This group was one of Sèvres' most important and accomplished productions of the period.
- *Design for wallpaper, 1862, William Morris:* Loose pencil sketching visible under the gouache demonstrates Morris's working method in the early stages of developing a new design.
- *Evening Dress, 1931, Madeleine Vionnet:* This dress, one of four acquired by the V&A, was designed by French couturier Madeleine Vionnet for a wealthy British socialite.
- *The George Speaight Punch and Judy Archive:* George Speaight (1914-2005) was one of the most distinguished historians of popular entertainment in Great Britain. His Punch and Judy Archive is probably the world's best paper archive on the subject.
- *1001 Pages, 2008, Afruz Amighi:* Created from a thin, porous sheet of plastic this object bears a complex pattern created with a stencil burner. The sheet is suspended in front of a blank wall, and light is shone through it, creating a very beautiful series of patterns.
- *Mirror Mirror, 2009, Jason Bruges:* A joint commission by the V&A and SAP for the *Decode: Digital Design Sensations* exhibition.
- At COLLECT 2009, the V&A acquired 5 pieces of contemporary art and design for the Metalwork, Ceramics and Glass, and Asia departments.
- *Eden 5 (2004) by Susan Derges (b.1955), Unique Ilfochrome print photograph:* This piece was made as part of a residency at the Eden project biosphere. It is a unique photogram, made by submersion in a fast-flowing river.

Research

Research and scholarship underpin everything the Museum does, from redesigning its website, devising new galleries and advising on government export licence stops, to producing influential exhibitions and running international conferences. Research is widely accessible to our audiences, in the galleries, on the website, in our public programme, in books, articles, lectures and conferences, handling sessions and collaborative projects. The V&A offers services such as monthly Opinions afternoons, where the public can have their own objects identified by curators.

The V&A publishes a comprehensive range of academic books intended both to disseminate knowledge and inspire creative practitioners. In 2009-10 V&A Publications published 19 books and *Stephen Jones Hats: An Anthology* was named Best Limited Edition at the British Book Design and Production Awards 2009. In addition V&A staff published 30 peer reviewed publications.

The V&A holds many conferences, lectures and workshops on a diverse range of subjects. March 2010 saw the international Sackler Centre Conference for arts education, *From the Margins to the Core?* It explored the shifting roles and increasing centrality of diversity and equality in museum and heritage policy and practice today. Jointly organised with the University of Leicester, it was informed by the V&A's recent £1 million HLF-funded Capacity Building and Cultural Ownership Programme.

The V&A uses its international networks to develop and spread knowledge, and strengthen its reputation as a centre of academic excellence. In 2009-10 the V&A had 16 research fellowships and exchanges (13 into the V&A and 3 out of the V&A). 2009 marked the 20th anniversary of the University of Sussex/V&A exchange programme. The V&A also has longstanding international annual exchanges with the Metropolitan Museum and the Yale Center for British Art, and is constantly participating in new exchanges.

In 2009-10 the V&A had 15 AHRC Collaborative PhD studentships with various universities. The V&A's Research Department jointly runs the V&A/RCA MA in Design history – a two-year Master's degree programme with the School of Humanities at the Royal College of Art. In 2009-10 56 postgraduate students were on joint programmes with the Royal College of Art.

International Strategy

The V&A considers international work to be a key strategic priority. Links with museums and scholars around the world allow us to learn more about the V&A's collections, many of which have international origins. The V&A's international activities enhance the Museum's reputation and profile and help promote Britain abroad. Some strands of international activity generate income e.g. touring exhibitions, online trading and licensing.

In 2009-10 the V&A continued to develop important international relationships throughout the world. During the year the V&A was successful in gaining funding towards aspects of its international strategy from the World Collections Programme (WCP). WCP is a DCMS funded initiative to establish two-way partnerships with institutions in Asia and Africa, and increase their access to UK collections and expertise.

WCP supported workshops and networking events organised around the V&A's touring exhibition programme in the Middle East and in India. The V&A also continued to host research fellowships for Nehru scholars for up to three months.

A full list of touring exhibitions that were shown overseas in 2009-10 can be seen in the section on Exhibitions and Displays on page 10. Particular highlights include:

- The *Indian Life and Landscape by Western Artists: Paintings and Drawings from the V&A 1790-1927* exhibition, supported by the WCP, was the first ever V&A exhibition to tour India. As part of the project, V&A curators, conservators, co-ordinators and technicians spent over 20 weeks in India sharing expertise with local staff.
- The *Jameel Prize 2009* is a new biennial international art prize for contemporary work. The winning artist's work together with work by the short-listed artists and designers toured to venues in the Middle East. The tour began at the National Museum, Riyadh. It was the first time the V&A had worked in Saudi Arabia.
- *Cold War Modern: Design 1945-1970* was shown at the National Gallery of Art, Vilnius. It was first V&A exhibition to travel to Lithuania and it helped to secure the title of European Capital of Culture 2009 for Vilnius.
- As part of the cultural celebration of Baku's designation as Islamic Capital of Culture 2009, the V&A toured the *Central Asian Ikats from the Rau Collection* exhibition to the Azerbaijan State Museum of Art, Baku. It was the first time the country had hosted a major international exhibition.

A selection of pages on the V&A's website are published in Chinese. These web pages are managed by an external partner who markets V&A activity in China. In 2009-10 over 1.2 million people visited the V&A's Chinese web pages (6% of visitors to the V&A website).

Through V&A Enterprises Ltd. (VAE), the V&A's trading company, the V&A brand reaches a broad audience worldwide. It has 3,800 product lines and 400 suppliers. The European Licensing Awards declared the V&A winner of 'Best International Licensed Property' 2009.

The V&A's international strategy increases the Museum's profile overseas and in 2009-10 the V&A received a higher proportion of visitors from overseas compared to previous years: 48% of total visits in 2009-10 were from overseas compared to 37% in 2008-09. The proportion of the V&A's audience from Europe increased from 16% in 2008-09 to 24% in 2009-10 and its North American audience increased from 10% in 2008-09 to 13% in 2009-10.

UK Strategy

National working continued to be a priority for the V&A to ensure that its collections, scholarship and expertise were as accessible to as many people as possible throughout the UK. The V&A's UK work is achieved via formal and informal networks and partnerships and is truly embedded in the Museum – the V&A's UK Strategy Group includes staff from a wide range of departments across the Museum. V&A staff give talks and lectures throughout the UK, they provide training to other organisations, are members of boards, committees and subject specialist networks and provide advice (in 2009-10 the V&A provided advice to public bodies (e.g. Capital Taxes Office, MLA, HLF) for 35 cases covering 377 objects). Collaboration with external colleagues is an integral way of working in many areas: on acquisition, peer reviews of collections and research projects.

The V&A has had a formal partnership with Museums Sheffield since 1999. Over this time the relationship has proved to be mutually beneficial: a number of high profile V&A exhibitions have successfully toured to Sheffield's museums and staff from both organisations have continued to exchange their knowledge and expertise and to forge strong working relationships. Highlights in 2009-10 include:

- The partnership was renewed for a further five years.
- *Treasures from the V&A 400-1600AD*, 29 Jan – 25 May 2009: Sheffield's Millennium Gallery was the only UK venue of an international tour of a number of star V&A objects which had been made available while the Museum's Medieval and Renaissance Galleries were refurbished. The exhibition was attended by 11,000 people. 87% of visitors described the exhibition as 'good' or 'excellent'. The exhibition was successful in drawing tourists to Sheffield: 36% of the audience visited Sheffield specifically to see the exhibition and 21% of those visitors stayed overnight in the city.
- *Out of the Ordinary: Spectacular Craft*, 25 Jun – 20 Sep 2009: This V&A exhibition showcased the craft of eight contemporary international artists. With 40,100 visitors (against a target of 30,000), this was the most popular contemporary art exhibition that the Millennium Gallery had staged.
- At a press launch in Sheffield the partners announced that the V&A exhibition *The Golden Age of Couture* would be shown in Sheffield in 2011. This event generated much local press coverage.

During 2009-10 discussions continued regarding the V&A at Blackpool project, a partnership between the V&A, Blackpool Council and ReBlackpool (Blackpool's urban regeneration company). The aim of this project is to provide Blackpool with an iconic building which will offer a new cultural offer of national significance as part of the town's ambitious regeneration plans.

The V&A continued to work with Dundee City Council, the universities of Dundee and Abertay and Scottish Enterprise on the V&A at Dundee project. The plans are to create a V&A building as part of Dundee's plans for a comprehensive redevelopment of its waterfront and as part of a strategy to re-brand the city and celebrate the success of Dundee's higher education sector and creative industries. For both the Blackpool and Dundee initiatives the V&A would be responsible for providing content and exhibitions – it would not be involved in either raising money for the capital project or running any new venue.

Design for Life is a Government funded national partnership led by the V&A with five regional museums and galleries (Bolton Museum and Archive Service, Brighton Museum & Art Gallery, Manchester City Galleries, Museums Sheffield, and the Shipley Art Gallery, Tyne and Wear Archives & Museums). All the museums also work with Action for Children to reach informal education groups. The project seeks to develop new ways of engaging young people in design. In 2009-10, using the theme of 'Recycled', participants created a diverse array of products, some of which were put on display in the V&A's prominent Studio Gallery in 2010.

A key element of the V&A UK Strategy continues to be the Purchase Grant Fund (PGF). This is a Government fund, administered by the V&A as part of its nationwide work. The annual grants budget, currently £900,000, is provided through the Museums, Libraries and Archives Council (MLA) directly to the grantees. It provides a means of sharing V&A expertise and building relationships with organisations throughout England and Wales. During 2009-10, 161 grants were awarded which enabled a wide range of purchases to the value of £2.8 million to go ahead (2008-09: 145 grants to the value of £3.5 million).

Loans

Compared to other national museums, the V&A lends objects to the largest number of venues in the UK. Short-term loans are usually for temporary exhibitions organised by another institution e.g. *David Hockney 1960-1968: A Marriage of Styles*, 14 November 2009 to 24 January 2010, at the newly opened venue Nottingham Contemporary. Long-term loans, of which most are within the UK, are usually made when an object has particular significance to a venue or locality. A number of objects from the Gilbert Collection that could not be displayed in the V&A's new Rosalinde and Arthur Gilbert Galleries have been loaned to the houses for which they were originally commissioned, including National Trust properties Dunham Massey, Cheshire, and Belton House, Lincolnshire.

The figures are given below; these do not include the objects, nor venues, for V&A touring exhibitions.

		Total	UK	Overseas
Number of objects	Short-term	881	422	459
	Long-term	1,650	1,601	49
	Total	2,531	2,203	508
Number of venues		313	231	82

Touring Exhibitions

The V&A continued to expand its programme of touring exhibitions as a means of sharing its collections and expertise, of raising revenue, and of promoting the Museum, London and the UK.

	Total	UK	Overseas
Visits	1,356,100	419,400	936,700
Exhibitions*	22	10	13
Venues	43	23	20

* Some exhibitions toured to both UK and overseas venues which explains why the UK and Overseas numbers of exhibitions don't add up to the total

The figures given above include 2 exhibitions comprising reproductions of historic photographs which toured to 3 venues and attracted 7,200 visits.

Development of the UK creative economy

Showcasing the best contemporary art and design and making it accessible to all was one of the founding missions of the V&A, and this aim is still at the heart of the Museum. In 2009-10 a third of the V&A's total audience were either creative industry practitioners (508,200, 22% of total visits) or students studying related subjects (229,000 9% of total visits). Throughout the year V&A exhibitions, displays, installations, events and publications, brought some of the best contemporary art and design to a wide audience. It is central to our mission that the V&A continues to inspire new generations of makers and consumers, contributing to the success and growth of the UK creative economy.

In September 2009 the V&A hosted the annual London Design Festival. It was a successful and exciting collaboration that brought the contemporary design world to the heart of the V&A. As the Festival Hub, the V&A was the first point of call for many visitors. The V&A's Sackler Centre was home to the Design Embassy where international design and business delegates met and networked. Highlights included:

- Seven 'pop-up' displays and installations on the theme of contemporary and sustainable design e.g. *In Praise of Shadows*, an installation which explored how contemporary European designers were responding to the recent EU phase-out of incandescent light bulbs;
- Daily FT Breakfast Talks on the business of design;
- Designer talks and tours;
- Gallery talks by V&A curators;
- Drop-in events in the Sackler Centre studios e.g. 'Anglepoise', a digital animation workshop;
- A Chair Arch made of Ercol stacking chairs in the V&A's Garden.

The Museum's Residency programme, launched in 2008-09, continued to give designers, artists, writers and makers the opportunity to have a studio in the V&A's Sackler Centre for Arts Education. Residents use this opportunity to develop their careers, carry out research, make new work and acquire or increase their skills in working with the public via open studio times and contributions to the V&A's Learning Programme. 2009-10 saw residencies by the following:

- International Print Resident, Mona Choo;
- Artist Basketmaker, Mary Butcher;
- Architecture Residency, Aberrant Architecture;
- Digital Designer, Christian Kerrigan.

The annual V&A Illustration Awards are the premier awards for book and editorial illustration in the UK. The overall winner in 2009 out of 650 entries was Tom Burns for his illustrations to *The New York Trilogy* by Paul Auster.

The Jameel Prize is a new biennial international art prize for contemporary work inspired by Islamic traditions of craft and design. Launched by the V&A, the Prize is supported by Mohammed Abdul Latif Jameel and draws on the successes of the V&A's Jameel Gallery of Islamic Art. The first prize was awarded to Iranian-born New York artist Afruz Amighi on 7 July 2009. The works from Amighi and the other eight short-listed artists and designers were shown at the V&A (8 July-13 September 2009) before touring the Middle East.

The hi-tech facilities in the Sackler Centre have continued to widen the Museum's educational offer. Visitors are able to learn about and practice art and design inspired by the Museum's collections through a varied educational programme. Over 3,000 people participated in the 4th year of Creative Quarter at the V&A. The V&A was the lead organisation for this Exhibition Road Cultural Group event for secondary schools, offering a programme of talks, workshops and drop-in activities about different creative industries related to the V&A collections.

The V&A's Friday night Lecture Theatre Programme of talks featured renowned designers, artists, writers and critics e.g. David Gentleman, Lulu Guinness, Yves Behar, Twiggy and Cath Kidston.

The V&A commissions top architects and designers for its activities and FuturePlan developments e.g.:

- Wilkinson Eyre for the Ceramics Link Bridge;
- Stanton Williams for Ceramics Phase 1;
- MUMA (McInnes Usher McKnight Architects) for the Medieval and Renaissance Galleries.

In 2009-10 the V&A won four RIBA awards. In the Arts and Leisure category, architects MUMA won for the Medieval and Renaissance Galleries and Softroom for the Sackler Centre for Arts Education. The V&A also won the RIBA/Design award for London Client of the Year and the English Heritage award for Sustaining the Historic Environment. The Medieval and Renaissance Galleries have been short listed for the Conde Nast Innovation & Design Award.

VAE is an important contributor to fulfilling the Museum's mission e.g.:

- It works with a number of artists and designers to develop new product ranges for its shop and through licensing.
- V&A Images are highly active in supporting the creative industries.
- V&A Publishing launched 19 new titles.

Efficiency and effectiveness

The V&A aims to deliver good value for investment in activities across all areas of activity. Opportunities for income generation are maximised and operational and capital costs are minimised by constant scrutiny for efficiency and best value. Digital technology is consistently and proactively used to improve efficiency. The V&A actively seeks areas of its business that could be made more efficient by joint working e.g. with other museums.

The fact that visit numbers at V&A London sites increased compared to the previous year meant that GIA per actual visit to all V&A sites was £16.30 for 2009-10 compared to £17.53 in 2008-09. It should be noted that grant in aid per user (actual visits to V&A sites + visits to V&A touring exhibitions + web visits) was £1.81.

Market research surveys showed that, at the V&A South Kensington and the Museum of Childhood, 99% of visitors said that they would recommend a visit. 99% of visitors to V&A South Kensington and 96% of visitors to the Museum of Childhood rated their overall visit as either 'very good' or 'good'.

Sustainability

Saving energy is a priority for the V&A. The Museum is pioneering new low energy methods in its FuturePlan projects to create the right environmental conditions to preserve its collections.

In 2009-10 the V&A completed a large exercise to calculate its carbon footprint for the V&A South Kensington (including utilities for all sites and stores, IT, headline and touring exhibitions and business travel). As far as the V&A is aware it was the first museum to calculate its carbon footprint. The exercise showed that the majority of the V&A's carbon footprint was utilities (75%) and IT (11%). Activities that the Museum community tended to presume had very high carbon usage were actually comparatively low e.g. headline and touring exhibitions (5%) and business travel (2%). Using this information the V&A will be able to better prioritise its work to reduce its carbon footprint.

In June 2009 the V&A won a Gold Green 500 award for its work to reduce its carbon footprint. In September 2009 the V&A was highly commended as a runner up in the Public Sector category of the Greening Government ICT Awards which recognise organisations that are saving valuable resources through the use of technology best practice.

Exhibitions & Contemporary

Exhibitions and Displays

V&A South Kensington

- *Hats: An Anthology* by Stephen Jones, 24 Feb – 31 May 2009, 95,500 visits.
- *Baroque: Style in the Age of Magnificence*, 4 Apr – 19 Jul 2009, 73,100 visits.
- *Telling Tales: Fantasy and Fear in Contemporary Design*, 14 Jul – 18 Oct 2009, 164,600 visits (free admission).
- *Maharaja: The Splendour of India's Royal Courts*, 10 Oct 2009 – 17 Jan 2010, 156,600 visits.
- *Decode: Digital Design Sensations*, 8 Dec 2009 – 11 Apr 2010, 94,500 visits.

In addition, numerous diverse displays were mounted throughout the year.

V&A Museum of Childhood (all exhibitions free – specific visit numbers not collected)

- *Warli & Weave*, 22 Nov 2008 – 31 May 2009.
- *Victorians at the Seaside: Photographs by Paul Martin*, 20 Apr – 24 Jul 2009.
- *Snozzcumbers and Frobscottle*, 2 May – 6 Sep 2009.
- *Bettina von Zwehl: Profiles III*, 7 Aug – 25 Oct 2009.
- *Make Do and Mend*, 11 Jun – 8 Nov 2009.
- *Childhood: From Paul Trevor's Eastender Archive*, 11 Jun – 8 Nov 2009.
- *Wonderland*, 26 Oct 2009 – 10 Jan 2010.
- *Sindy in the Sixties*, 2 Oct 2009 – 18 Jan 2010.
- *Welcome to Our World...Lives For Sale*, 28 Feb 2009 – 8 Feb 2010.
- *Kingsmead Eyes*, 7 Nov 2009 – 7 Feb 2010.
- *Bethnal Green at Christmas*, 15 Dec 2009 – 17 Jan 2010.

International Touring Exhibitions

Title	Venue	Dates	No. of Visits
<i>Central Asian Ikats from the Rau Collection</i>	Azerbaijan State Museum of Art, Baku	5 Nov 09 – 3 Mar 10	16,500
<i>China Design Now</i>	Portland Museum of Art, Oregon	10 Oct 09 – 17 Jan 10	61,000
<i>Cold War Modern: Design 1945-1970</i>	MART, Rovereto	28 Mar – 26 Jul 09	72,000
	National Gallery of Art, Vilnius	2 Oct – 6 Dec 09	23,300
<i>Contemporary Theatrical Performance #</i>	Tbilisi International Festival of Theatre, Tbilisi, Georgia	12 Sep – 20 Oct 09	3,000
<i>Indian Life and Landscape by Western Artists: Paintings and Drawings from the V&A 1790 – 1927</i>	Mehrangarh Fort, Rajasthan	9 Mar 09 – 8 May 09	5,300
	National Gallery of Modern Art, New Delhi	24 Oct – 6 Dec 09	6,300
	Victoria Memorial Hall, Kolkata	22 Dec 09 – 31 Jan 10	290,200
	Salar Jung Museum, Hyderabad	13 Feb – 28 Mar 10	97,700
<i>Jameel Prize for Contemporary Islamic Art</i>	National Museum, Riyadh	16 Jan – 29 Jan 10	1,500
	National Museum, Damascus*	13 Apr – 19 May 10	–
<i>Life and Art: Arts and Crafts from Morris to Mingei</i>	Aichi Prefectural Museum of Art, Nagoya	12 Jun – 16 Aug 09	35,300
<i>Maharaja: The Splendour of India's Royal Courts</i>	Kunsthalle der Hypo-Kulturstiftung, Munich*	12 Dec – 23 May 10	–

Title	Venue	Dates	No. of Visits
<i>Surreal Things: Surrealism and Design</i>	Art Gallery of Ontario	9 May – 13 Sep 09	93,600
<i>The Golden Age of Couture: Paris and London 1947-1957</i>	Hong Kong Heritage Museum	30 May – 28 Sep 09	97,800
	Musee National des Beaux Arts du Quebec	4 Feb – 24 Apr 10	100,000
<i>The Half: Photographs by Simon Annand</i>	Gallery Huit, Arles Photography Festival	7 Jul – 13 Sep 09	18,000
<i>World Ceramics: Masterpieces from the V&A</i>	Pera Museum, Istanbul	15 May – 21 Jul 09	11,000
<i>Daisy, Princess von Pless: Happy Years#</i>	Zamkry – hrady Kraware, Czech Republic	Apr – Jul 09	2,500
	Museum of Tychy, Poland	14 Dec 09 – 28 Feb 10	1,700
Total			936,700

* Visit numbers for these shows will be reported in 2010-11

These shows did not contain Museum objects

UK Touring Exhibitions

Title	Venue	Dates	No. of Visits
<i>A Century of Olympic Posters</i>	Southampton City Art Gallery	27 Mar – 31 May 09	8,400
	Shipleigh Art Gallery, Tyne and Wear	13 Jun – 23 Aug 09	8,300
<i>Fashion V Sport</i>	Walker Art Gallery, Liverpool	13 Feb – 31 May 09	26,700
	The Herbert Museum and Art Gallery, Coventry	13 Feb – 3 May 10	9,100
<i>Treasures from the V&A 400-1600AD</i>	Museums Sheffield: Millennium Gallery	29 Jan – 25 May 09	11,000
<i>Out of the Ordinary: Spectacular Craft</i>	Museums Sheffield: Millennium Gallery	25 Jun – 20 Sep 09	40,100
	Hub: National Centre for Craft and Design, Sleaford	20 Nov 09 – 10 Jan 10	6,500
<i>Record Today for Tomorrow</i>	William De Ferrers Library, Chelmsford	5 Oct – 30 Nov 09	400
<i>Reg Wilson: Capturing the Moment</i>	Playhouse Theatre, London	1 Feb 09 – 1 Apr 10	58,800
<i>Space Age: Exploration, Design and Popular Culture</i>	City Museum and Art Gallery, Plymouth	3 May – 26 Jul 09	14,900
	Bradford One Gallery, Bradford	8 Aug – 1 Nov 09	9,800
	Stockwood Discovery Centre, Luton	14 Nov 09 – 7 Feb 10	17,400
	South Shields Museum, Newcastle*	20 Feb – 16 May 10	–
<i>The Birth of British Rock: Photographs by Harry Hammond</i>	O2, London	21 Sep – 27 Nov 09	18,800
	Wales Millennium Centre, Cardiff	4 Dec 09 – 22 Jan 10	92,000
	Portsmouth City Museum*	1 Feb – 6 Jun 10	–

Title	Venue	Dates	No. of Visits
<i>The Half: Photographs by Simon Annand</i>	Worcester Museum and Art Gallery	14 Mar – 25 Apr 09	2,900
	Northern Stage, Newcastle	5 May – 30 Jun 09	1,900
	The Lowry, Salford	19 Sep 09 – 3 Jan 10	24,000
	Manchester Royal Exchange	4 Nov – 4 Dec 09	3,000
<i>The Story of the Supremes from the Mary Wilson Collection</i>	Birmingham Museum and Art Gallery	21 Feb – 7 Jun 09	30,000
	Fashion Museum, Bath	24 Jul – 31 Aug 09	20,000
	Shipleigh Art Gallery, Newcastle	24 Oct 09 – 24 Jan 10	15,400
Total			419,400

* Visit numbers for these shows will be reported in 2010-11

Contemporary events

Contemporary exhibitions and commissions are mentioned above. In addition the Contemporary team runs the monthly Friday Late programme. Held on the last Friday in every month (except December) when the Museum is open from 10.00 to 22.00, Friday Late includes a mixture of live performances, cutting-edge fashion, debates, one-off displays, special guests, bar and food, guest DJs and late-night exhibition opening. Admission is free to the museum although some events may be ticketed. In 2009-10 Friday Lates attracted an average of 3,000 visits (entering the V&A after 17.30 pm).

- *Captured in Stone*, April 2009. This event celebrated the opening of the Baroque exhibition by exploring the gap between the real and imaginary (1,600 visits).
- *Flash!* May 2009. The event coincided with the new annual display in the V&A Photography Gallery. Visitors attended photographic workshops, artists' portrait studios, and talks by leading contemporary practitioners and curators (3,200 visits).
- *Pen- Paper-Scissors*, June 2009. This Friday Late celebrated the V&A Illustration Awards 2009. Events included making a stop motion movie with the Peepshow Collective, live collaborative animation with artists from jotta.com, talks by illustrator and writer Graham Rawle and practitioner Julie Verhoeven (2,000 visits).
- *Village Fete Jubilee*, July 2009. This was the 10th and final Village Fete. It was a V&A event in collaboration with Scarlet Projects (3,500 visits).
- *Tune In Soul'd Out*, August 2009. An evening of live music and spoken word performance showcasing emerging London-based, Soul inspired poets and musicians (1,800 visits).
- *British Fashion*, September 2009. Celebrating the 25th anniversary of London Fashion Week, events included Savile Row Bespoke workshops and the launch of the 'Brit Chic' screening, in association with BFI Mediateque. Set designer Petra Storrs created a special installation and fashion illustrator Tanya Ling painted live fashion-clad models (2,300 visits).
- *In the Dead of Night*, October 2009. This Halloween event explored figures of folklore. It included a performance created by set designer Simon Costin, film showings and a shadow puppet performance (2,800 visits).
- *Making a Scene*, November 2009. Curated in association with Tim Redfern of Pride Legacy Project, this event tapped the surface of Lesbian, Gay, Bi, Trans & Queer culture. It explored the relationship between sexuality, performance and public space (2,800 visits).
- *Renaissance Ball*, January 2010. Drawing on the masked tradition of the Commedia dell'Arte, the Last Tuesday Society brought the Medieval & Renaissance Galleries to life (5,000 visits).
- *Decode Lab*, February 2010. This was part of the SAP Weekend: Digital Design Festival. It included live events, talks workshops, experiments and onedotzero screenings of some of the best examples of digital design in film and animation (3,200 visits).
- *Playgrounds*, March 2010. The V&A teamed up with Hide&Seek to explore the collision of art, theatre and game design (4,500 visits).

Fashion in Motion, the free full-scale catwalk shows, originated in the Contemporary programme, continue to be extremely popular. In 2009-10 the featured designers were: Stephen Jones, 3 April 2009; Giles Deacon, 17 July 2009; and Erdem Moralioglu, 11 December 2009.

The Museum of Childhood takes part in the 'First Thursdays' initiative in East London, opening late with special events aimed at adult audiences on the first Thursday of every month. This year these included fairytale-themed workshops led by the East London Printmakers and workshops teaching decoupage techniques on recycled household objects.

Education, Learning & Interpretation

Through the V&A's Sackler Centre for Arts Education the V&A continues to offer a diverse range of exciting, innovative new programmes to allow all audiences to learn about and practice art and design. In 2009-10 over 100,000 school pupils took part in facilitated or self directed visits to V&A sites. 254,400 visitors participated in onsite activities at V&A sites (over 90,000 children and 163,500 adults).

The Museum's learning programmes, projects and events are too numerous to list comprehensively; some highlights are given below to illustrate the range of the offer.

V&A South Kensington

- *Free Art Fun!*: Regular programme of creative activities for families:
 - c. 3,000 people attended the *Arabian Knights* family festival in August 2009.
 - c. 3,000 people attended *Majestic Maharajas*, a day long festival linked to the Maharaja exhibition.
 - c. 1,600 people attended *Juggling Geometry*, a hunt for geometric designs in the Museum.
- *Drop-in Design*: A popular new programme for families:
 - *Massive Graphics*. 700 family visitors took part in Baroque themed activities during May half-term.
 - *Heads Up!* An Easter event inspired by the Hats exhibition attracted over 3,400 family visitors.
- The V&A's expanded range of short courses included 'Be Dazzled: A History of Jewellery', 'Table and Chair: 300 Years of English Furniture', 'Art Deco Design' and 'Shakespeare to Spacey'.
- *Creative Quarter*: Over 3,000 13-19 year old students attended this one day event to meet creative industry professionals and take part in workshops, drop-in activities, talks and demonstrations.
- *Ceramica*: This weekend of events celebrated the opening of the Ceramics Phase 1 Galleries e.g. demonstrations, kiln building, digital workshops, dance and a participatory installation.
- *Create!* This programme of workshops, courses, and events for 11-19 year olds included design workshops and activities on digital, creative design, theatre set, costume and graphic design.
- *A Day of Rare Buddhist Dances*: In May 2009 over 2,300 visitors attended a day of performances of sacred dance by international groups, celebrating the opening of the new Buddhist Sculpture gallery.
- Regular programme of workshops for students:
 - *DesignLab*: Workshops for students to respond to briefs set by creative industry practitioners;
 - *ArchiLab*: Workshops for students to explore the V&A and RIBA architectural collections;
 - *TheatreLab*: Workshops for students to understand the creative process of performance.
- *Silver Surfers Day*. To mark Silver Surfers Day in May 2009 the Digital team held introductory internet taster sessions for people aged from mid 50s to early 80s.
- *Fashion Matters: Fashion and Ethics*: Panel discussion about the impact of ethics on matters of style.
- *SAP Digital Design Festival Weekend*: A diverse audience took part in a programme of events showcasing developments in digital design, coding and programming, hacking, gaming, animation and interactive installations.

V&A Museum of Childhood

- Daily drop-in art activities and Spotlight Tours in the galleries for schools and families.
- *Wondertots*: A weekly series of sessions for under 5s and their parents or carers.
- *Wordburst*: a family literacy programme.
- *Glimpse of India*: over 1,400 people attended this weekend event with a day about Parcheesi, the national game of India, and an Indian Bazaar.
- A St George's Day event run with Tower Hamlets Arts and Events with traditional music, Morris and maypole dancing, Punch and Judy shows, and numerous art activities.

DCMS Performance Indicators

DCMS requires the V&A to report the performance indicators in the table below as part of the V&A's Funding Agreement.

Performance indicator	2009-10	2008-9
Number of visits to the Museum	2,746,000	2,490,700
<i>V&A South Kensington</i>	2,351,300	2,128,400
<i>V&A Museum of Childhood</i>	391,800	359,400
<i>V&A Blythe House</i>	2,900	2,900
Number of children aged 16 and under attending Museum sites	402,000	380,900
<i>V&A South Kensington</i>	211,100	206,100
<i>V&A Museum of Childhood</i>	190,900	174,800
Number of facilitated and self-directed visits to the museum/gallery by children under 16 in formal education	101,300	112,100
<i>V&A South Kensington</i>	53,100	52,200
<i>V&A Museum of Childhood</i>	48,200	59,900
Number of instances of children under 16 participating in onsite organised activities	90,900	87,100
<i>V&A South Kensington</i>	35,800	26,000
<i>V&A Museum of Childhood</i>	55,100	61,100
Number of instances of children under 16 participating in outreach activities outside the museum	900	900
Number of instances of adults aged 16 and over participating in organised activities at the museum/gallery	163,500	134,900
<i>V&A South Kensington</i>	141,400	112,100
<i>V&A Museum of Childhood</i>	22,100	25,700
Number of instances of adults aged 16 and over participating in outreach activities outside the museum	1,000	100
Number and % of visits by UK adult visitors aged 16 and over from NS-SEC groups 5-8	129,900 11% of UK adults	108,200 8% of UK adults
<i>V&A South Kensington</i>	102,300 9% of UK adults	79,300 7% of UK adults
<i>V&A Museum of Childhood</i>	27,600 16% of UK adults	28,900 17% of UK adults

Performance indicator	2009-10	2008-9
Number and % of visits by UK adult visitors aged 16 and over from an ethnic minority background	165,400 13% of UK adults	144,400 11% of UK adults
<i>V&A South Kensington</i>	141,900 13% of UK adults	109,400 9% of UK adults
<i>V&A Museum of Childhood</i>	23,500 14% of UK adults	35,000 20% of UK adults
Number and % of visits by UK adult visitors aged 16 and over who consider themselves to have a limiting long-term illness, disability or infirmity	37,200 3% of UK adults	75,100 6% of UK adults
<i>V&A South Kensington</i>	26,900	127,700
<i>V&A Museum of Childhood</i>	10,300	10,800
Number of unique web visits	20,582,800	20,250,100
% of visitors who would recommend a visit	99%	98%
<i>V&A South Kensington</i>	99%	98%
<i>V&A Museum of Childhood</i>	99%	100%
Number of UK loan venues	254	228
Number of loan venues (UK and Overseas)	354	341
Self generated income	£33,392k	£33,110k

Forward Plan

In March 2010 the V&A's Board of Trustees and Management Board approved a new Strategic Plan for 2010-11 which covers a five year time frame.

The majority of the Museum's activity in 2010-11 will be largely similar to that detailed in the previous pages for 2009-10. However, there will undoubtedly be an impact on what the Museum is able to do given funding constraints.

The following list details some of the key plans for 2010-11 (it is not a comprehensive list):

Visit Figures

The V&A aims to attract 3,780,000 visits to its collections (2,400,000 to V&A South Kensington, 380,000 to the Museum of Childhood and 1,000,000 visits to touring exhibitions).

Exhibitions

The V&A will deliver a wide ranging programme of exhibitions and displays e.g.:

- V&A South Kensington: *Quilts 1700-2010*, Mar – Jul 2010; *Horace Walpole and Strawberry Hill*, Mar – Jul 2010; *Grace Kelly: Style Icon*, Apr – Sep 2010; *1:1 Architects Build Small Spaces*, Jun – Aug 2010; *Raphael: Cartoons and Tapestries for the Sistine Chapel*, Sep – Oct 2010; *Diaghilev and the Golden Age of the Ballets Russes, 1909 – 1929*, Sep 2010 – Jan 2011; *Shadowcatchers: Contemporary Camera-less Photography*, Oct 2010 – Feb 2011; *Imperial Robes from China*, Dec 2010 – Feb 2011.
- V&A Museum of Childhood: *Sit Down: Seating for Kids*, Feb – Sep 2010; *Building with Paper*, Oct 2010 – Jan 2011; *Food Glorious Food*, Jan – May 2011.

V&A staff will continue to develop the Museum's future Public Programme.

Education, Learning & Interpretation:

At all sites the V&A will continue to develop a range of dynamic learning programmes relating to creative design, art history and cultures represented in V&A collections.

FuturePlan Phase 2

In November 2010 the European Sculpture and Stained Glass 1300-1600 Galleries will open. The V&A will continue to progress its plans for other FuturePlan Phase 2 projects including: the Fashion Gallery; the Furniture Galleries; the refurbishment of the Cast Courts; the Textiles and Fashion Study and Conservation Centre at Blythe House; the Europe 1600-1800 Galleries; the Exhibition Road Building; the development of the NE Corner; the 20th and 21st Century Galleries; and Phase 3 of the redevelopment of the Museum of Childhood.

UK and International Activity

The V&A will sustain and develop new international relationships with key partners in the UK and overseas including continuing to tour a wide range of exhibitions, international co-operative exhibitions and major loans e.g. *The Golden Age of Couture* to Nashville, Jun – Sep 2010; Toronto, Nov 2010 – Mar 2011; *Jameel Prize 2009* to Lebanon, Jun – Aug 2010; Sharjah, Sep – Oct 2010; Istanbul, Nov – Dec 2010; Casablanca, Feb – Mar 2011; *Contemporary Photography* to Mumbai, Nov 2010 – Jan 2011; *Beatrix Potter: – Affection for Nature and Art, Picture Book of Peter Rabbit* to four venues in Japan, Mar – Sep 2010; *Shanghai Expo* to Shanghai, May – Nov 2010; *Space Age: Exploration, Design and Popular Culture* to Leicester, May – Aug 2010; *Halfway to Paradise: The Birth of British Rock (Photographs by Harry Hammond)* to Leamington, Jul – Sep 2010; Pocklington, Oct – Nov 2010 and Salford, Jan – Apr 2011; *Sit Down: Seating for Kids* to Gateshead, Jan – Apr 2011.

Digital Initiatives:

In autumn 2010 the Museum will complete the redesign of its website. The new site will be at the forefront of web design and users will be able to access its rich content with ease.

Financial Review

The accounts have been prepared in a form directed by the Secretary of State for Culture, Olympics, Media and Sport with the consent of the Treasury in accordance with the Museum and Galleries Act 1992. The format is in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" and the Government Financial Reporting Manual.

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 March 2010 VAE will contribute £1.6m (2009 £0.7m) to the Museum as a payment 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 Ltd. during the year.

The accounts consolidate the results of the Museum with those of its trading subsidiaries.

The Gilbert Trust for the Arts (formerly the Heather Trust for the Arts)

During the year the Heather Trust for the Arts changed its name to The Gilbert Trust for the Arts (The Gilbert Trust). The Gilbert Trust is an independent charity (charity no. 272056).

The Gilbert Trust acts as custodian of The Rosalinde and Arthur Gilbert Collection, a collection of silver, gold, micromosaics and gold boxes. This substantial collection has been placed by the Gilbert Trust on loan with the V&A.

By virtue of the composition of the Board of Trustees of the Gilbert Trust, the V&A is viewed, for financial reporting purposes, to have effective control and accordingly the results for The Gilbert Trust have been consolidated into the Museum's results.

Related Charities

The V&A has a close relationship with the Friends of the V&A (charity no. 272056), but does not have any control over its Board. Accordingly the results for the Friends of the V&A are not consolidated into the Museum's results.

Results for the year

After a very busy year of public programmes and new gallery openings, the operational result for the year show a small surplus of £63,000. This outcome is reconciled to the Statement of Financial Activity below.

Ambitious visitor targets were set at the beginning of the year and have been exceeded at both Museum sites. The Museum of Childhood had its best year ever and at the V&A South Kensington the anticipated draw of the new Medieval and Renaissance galleries was augmented by the success of the *Maharaja: The Splendour of India's Royal Courts* and *Decode: Digital Design Sensations* exhibitions.

The success of the exhibition programme is reflected in the outturn for admissions income and in particular in the profit generated from retail trading for the year. Income from courses and workshops has increased reflecting the ongoing success of the Sackler Centre.

Tight cost control across the Museum contained running costs at much the same level as last year. In particular controls over recruitment and an overall review of staffing levels have enabled the Museum to re-open a number of major refurbished galleries without a marked increase in costs.

Reconciliation of Operational Result to SOFA

	<i>Operational Activity £m</i>	<i>Designated Activity £m</i>	<i>Restricted Activity £m</i>	<i>Endow- ments £m</i>	<i>Fixed Assets £m</i>	<i>Heritage Assets £m</i>	<i>Total Activity £m</i>
Opening Reserves	0.53	6.60	6.93	12.02	351.95	37.67	415.70
Grant in Aid	44.76	–	–	–	–	–	44.76
Donated Assets	–	–	–	–	–	3.20	3.20
Self Generated Income	17.38	0.16	12.45	0.20	–	–	30.19
Running Cost	(57.03)	(0.03)	(1.61)	(0.06)	–	–	(58.73)
Depreciation	–	–	–	–	(11.19)	–	(11.19)
Increase in Assets	(4.26)	–	(14.41)	–	15.72	2.95	–
Gains on investments	–	0.65	0.46	1.22	–	–	2.33
Loss on revaluation of fixed assets	–	–	–	–	(12.86)	–	(12.86)
Transfers	(0.79)	0.72	0.11	(0.04)	–	–	–
Closing Reserves	0.59	8.10	3.93	13.34	343.62	43.82	413.40
Movement for the year	0.06	1.50	(3.00)	1.32	(8.33)	6.15	(2.30)

Fixed Assets

Additions to fixed assets during the year of £15.8m (2008-9 £27.5m) reflect mainly the progress of FuturePlan. As well as the completion of the Medieval and Renaissance, Ceramics Phase 1, the Robert H N Ho Family Foundation Gallery and Rosalinde and Arthur Gilbert Galleries, a project has also commenced to clean the Museum facades on Exhibition Road. The refurbishment of galleries was mostly funded by private donors; the Heritage Lottery Fund has contributed £9.75m in total to the Medieval and Renaissance Galleries.

The depreciation charge for the year was £11.1m (2008-9 £8.6m). The increase arises as a result of the transfer of Assets in the Course of Construction to Land & Buildings reflecting completed galleries coming into use during the year.

A full valuation of the V&A Estate was performed by Gerald Eve, Chartered Surveyors at March 2009. At March 2010 this valuation has been updated by Gerald Eve on a desk top basis. V&A South Kensington was re-valued at £319.0m, the Museum of Childhood at Bethnal Green at £12.2m and a third of the site at Blythe House at £6.8m. The valuation is based on the depreciated replacement cost of the whole estate. The downward movement in construction cost indices in the year has resulted in a decrease in the estimated replacement cost of the buildings therefore the accounts show a loss on revaluation of £12.9m.

Heritage Assets

Spend on objects for the collection amounted to £2.95m (2008-9 £1.3m) with a significant portion being funded from private donations. In addition objects with a value of £3.2m (2008-9 £1.6m) were donated to the Museum in the year.

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 GIA received from DCMS represents 65% of the Museum's operating income (after trading costs). 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.

The Trustees also consider that reserves are required to provide a sound underpinning, in terms of cash flow planning and budgetary risk, to ongoing investments in the capital infrastructure of the Museum.

Taking an overall view of the annual operational activities, the level of self generated income, GIA and planned capital investment, the Trustees believe that the minimum level of reserves should be £6.0m. This target level of reserves represents an assessment of the level of funds required to meet current capital commitments plus 3 to 6 months of the Museum's non GIA funded operating expenditure.

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.

The Trustees have access to only the combined total of certain General and Designated funds whose value at 31 March 2010 is £8.5m (2009 £6.9m) see note 15, of this amount £6m is held to meet the requirement for general reserves set out above. The remaining £2.5m comprises funds designated by the Trustees for particular purposes:

- £0.3m to fund future acquisition of Heritage Assets;
- £1.7m to fund feasibility and initial works for the next phase of FuturePlan over the next two to three years;
- £0.5m to fund costs required to release efficiency savings over the next two years.

Investment Policy

The Trustees' Investment Policy is governed by the Trustees Act 2000. Following the decision to form a joint investment committee to provide advice to both the V&A Trustees and the Gilbert Trust, and in view of the increased scale of investment activity, the Trustees undertook a re-tender of investment management services. This was completed in May 2009, and Partners Capital LLP were appointed as managers of the funds. Investments were transferred to their management in August 2009.

The Museum The V&A's investment policy is 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 £21.3m at 31 March 2010 (2009 18.7m).

The Gilbert Trust for the Arts The Gilbert Trust's investment policy is guided by the terms of the original endowment gift. The endowment is expendable (i.e both capital and income can be applied to the Trust's charitable activities). The investment portfolio is managed by Partners Capital LLP. The market value of investments was £7.9m at 31 March 2010 (2009 £7.2m)

As a result of the change in policy, we now receive less Investment Income (2009-10: £683k, 2008-9: £1,846k) but this is offset by a higher gain in the value of the investments (2009-10: £2,329k, 2008-9 loss of -£4,980k). Investment levels and reserves are reviewed frequently and when necessary investments are sold to realise gains and make cash available.

The overall and performance objectives for the funds overseen by the V&A Investment Committee is as follows:

Fund	Overall objective	Performance objective
Short Term Fund	To fund specific, restricted and designated spending, whilst preserving capital in real terms and achieving modest real returns over the holding period. Preservation of capital the highest priority. Investment timeframe of 12-18 months.	The chosen investment portfolio is designed by Partners Capital to provide 1.8% per annum real returns.
Reserve Fund	To maintain the reserves of the V&A and to meet specific expenditure purposes, whilst preserving capital in real terms with the potential for moderate real growth. Investment timeframe of 5 years.	The chosen investment portfolio is designed by Partners Capital to provide 5.3% per annum real returns.
Permanent Endowments	To fund either the purchase of new collection items or to maintain existing collections for the V&A, whilst preserving capital in real terms with the potential for moderate real growth (consistent with the purposes of each underlying trust). Investment timeframe of 10 years.	The chosen investment portfolio is designed by Partners Capital to provide 5.3% per annum real returns.
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.	The chosen investment portfolio is designed by Partners Capital to provide 1.6% per annum real returns.
Gilbert Trust for the Arts	The Gilbert Trust is managed to preserve and display the Gilbert Collection for the benefit of the public, whilst maximising returns over the holding period subject to risk tolerance. Investment timeframe of 10 years.	The chosen investment portfolio for the Gilbert Trust is designed by Partners Capital to provide 5.3% per annum real returns.

Fund performance is measured against agreed benchmarks, and an asset allocation profile is agreed for each fund and reviewed at least annually. There is no leverage (borrowing to invest) within the portfolios. Funds may not invest in illiquid assets (defined as assets that cannot be liquidated for cash within 18 months). The portfolio is partially protected from foreign exchange rate fluctuations through the deployment of appropriate hedging strategies. Only currencies with potential exposure of greater than 5% of the portfolio value are subject to currency management. These currencies will be US Dollars, Euros and Japanese Yen. Currency overlays are deployed to target a 100% Sterling allocation in respect of these hedged currencies.

Payment Policy

The Museum settles all bills within 30 days or in accordance with the suppliers' terms of business. From a sample, we can estimate the average time for payment of invoices not subject to query was 30 days (2009 23 days).

Political Gifts/ Donations

The V&A makes no political gifts and as a charity does not normally make donations to other charities.

Personal Data

There have been no losses of personal data held by the Museum during the year.

Auditors' Disclosure and Remuneration

The Comptroller and Auditor General is the auditor of the Museum's consolidated accounts. As far as the Accounting Officer and Board of Trustees are aware there is no relevant audit information of which the entity's

auditors are unaware. The Accounting Officer and Board of Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The audit fee paid to the National Audit Office was £45,000 (2009 £39,000). Additionally, a sum of £24,000 (2009 £31,024) was paid to auditors of other entities in the group including £900 (2009 nil) for non audit services.

ORGANISATIONAL STRUCTURE, DECISION-MAKING AND EMPLOYEES

Board of Trustees at April 2010

Name	Term expires
Paul Ruddock (Chair)	01/11/11
David Adjaye OBE	14/09/12
Edwin Davies OBE	01/02/14
Tom Dixon OBE	01/11/10
Betty Jackson CBE	06/12/12
Professor Lisa Jardine CBE	17/12/11
Steve McGuckin	14/09/12
Erin O'Connor	14/09/11
Michelle Ogundehin	14/09/11
The Rt Hon Sir Timothy Sainsbury	17/12/11
Dame Marjorie Scardino DBE	07/02/11
Samir Shah OBE	06/12/12
Robert Stefanowski	14/09/11
Dr Paul Thompson	(ex officio as Rector of the RCA)

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 for the Trustees and for the general exercise of their functions. In general, the Board focuses on policy and strategy, leaving operational matters to the Director. Much of the Board's business is conducted through its seven committees. Key decisions/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);
- The approval of major purchases by the Museum of objects valued at £100,000, or more, on the recommendation of the Trustees' Collections Committee;
- The approval of major loans by the Museum of objects valued at £1,000,000, or more, on the recommendation of the Trustees' Collections Committee;
- Considering the remuneration of senior staff.

Committees of the Board of Trustees

Committee	Chair
Audit	Dame Marjorie Scardino DBE
Buildings Strategy	Steve McGuckin
Collections	Professor Lisa Jardine CBE
Development	The Rt Hon Sir Timothy Sainsbury
Finance	Robert Stefanowski
Investment	Robert Stefanowski
Museum of Childhood	Samir Shah OBE
Remuneration	Paul Ruddock

Although it is not a formal committee of the Board of Trustees, updates from VAE Board meetings are reported to Trustees at Board meetings

Audit Committee at April 2010

Dame Marjorie Scardino DBE	(Chair)
Joao Baptista	Co-opted member
Robert Berg	Co-opted member
Paul Ruddock	
Samir Shah OBE	

The primary decision-making body of the V&A is the Management Board, comprising 18 senior staff members and chaired by the Director.

V&A Management Board at April 2010

Sir Mark Jones, Director of the V&A (Chair)
 David Anderson, Director of Learning & Interpretation
 Ian Blatchford, Deputy Director
 Julius Bryant, Keeper, Word & Image
 Gail Durbin, Head of Online Museum
 Moira Gemmill, Director of Projects, Design & Estate
 Rhian Harris, Director, Museum of Childhood
 Allan Hill, Head of Human Resources
 Jane Lawson, Director of Development
 Geoffrey Marsh, Director, Theatre and Performance Collections
 Beth McKillop, Director of Collections and Keeper, Asia
 Jo Prosser, Managing Director, VAE
 Sue Ridley, Head of Security & Visitor Services
 Nick Umney, Director of Collections Services
 Damien Whitmore, Director of Public Affairs
 Christopher Wilk, Keeper, Furniture, Textiles & Fashion
 Sian Williams, Director of Finance
 Paul Williamson, Keeper, Sculpture, Metalwork, Ceramics & Glass

Committees of the Management Board

Committee	Chair
Collections Group	Director of Collections
Digital FuturePlan Group	Director
Access, Inclusion & Diversity Strategy Group	Director of Learning & Interpretation
Education Programmes Group	Director
FuturePlan Steering Group	Director
International Steering Group	Director of Collections
Publications Advisory Group	Managing Director, VAE
Public Programme Group	Director
Safety and Security Committee	Deputy Director
Sustainability Group	Deputy Director
Staffing Committee	Director
Training and Development Advisory Group	Head of Human Resources
UK Steering Group	Director of Collections

Other senior staff group

Resource Group	Director
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Employee Engagement

The V&A communicates and consults with staff in many ways:

Staff Engagement Programme

A co-ordinated group of ongoing projects and new initiatives designed to keep staff up-to-date on developments and museum plans, improve communication between departments, enable staff to understand what the V&A does and the role they play in its success, facilitate communication between staff and management and troubleshoot problem areas. The programme is also designed specifically to solicit staff ideas and feedback.

Activities include:

- Staff forum – representatives from every department meeting every two months;
- Internal communications projects, including development of internal communication channels and management/staff meetings;
- HR and Training projects;
- Staff surveys including wellbeing survey and internal communications surveys;
- Addressing matters arising in the staff forums or generally.

Strategic planning meetings

V&A Director meets with c. 80 middle managers to discuss V&A priorities in the lead-up to budget meetings and development of the strategic plan.

Internal communication channels

A variety of channels are used to communicate with staff including:

- Staff Update – sent to all staff once a month;
- Intranet – including daily news, work and departmental information, staff contact details;
- Management Board Bulletin – key outcomes emailed out immediately after regular senior management meetings;
- All staff meetings – run quarterly with Director’s update and presentations from different museum departments;
- V&A Strategic Plan made available to all staff electronically and in hard copy. Summaries circulated via Staff Update;
- Team meetings;
- Management Board minutes posted on the Intranet;
- Trustee Board minutes posted on the Intranet;
- Management Board observers scheme.

Consultation with trade unions

Staff representatives from the Museum’s three recognised trade unions meet with V&A Management every two months. They also undertake formal pay negotiations.

Policy in Relation to Disabled Employees

The V&A policy in relation to disabled employees forms part of the Museum’s Diversity Policy and the V&A’s Senior Management Team continues to make a significant commitment to disability, taking an integrated approach to both audiences and staff.

- The V&A remains an employer that is Positive about Disabled People (“Two Ticks Symbol”). 6% of staff have declared themselves as having a disability.
- The Staff Disability Forum (SDF) meets regularly to consult with and involve staff interested in disability issues e.g. contributing to the development of the V&A’s Stress and Psychological Wellbeing Policy. A mental health awareness-raising session for managers was piloted with the SDF and has now been rolled-out as part of the V&A’s Line Manager programme.
- The V&A has strengthened its partnership with STATUS Employment – a charitable organisation that supports mental health service users who have been long-term unemployed, back into employment. A case management team comprising HR, Line Management and an employment support advisor from STATUS has resulted in the successful appointment and induction of a Gallery Assistant.
- The V&A commissioned a report from its Occupational Health Service provider regarding ergonomic issues specific to certain galleries raised by Visitor Services staff with disabilities and long term health conditions.

Employee absence due to sickness

The average number of sick-day absence is 7.48 days (2009 8.25 days) which compares favourably with the public sector where, according to the Chartered Institute of Personnel and Development's 2009 Absence Management Survey, the average is 9.7 days. If long-term sickness (any absence over 3 weeks in duration) is excluded, the figure falls to 4.95 days (2009 4.91 days).

Legal and Administrative Information

Principal Address

Victoria and Albert Museum
Cromwell Road
London SW7 2RL

Bankers

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

Auditors-Internal

Moore Stephens LLP
150 Aldersgate Street
London EC1A 4AB

Investment Advisors

Partners Capital LLP
5 Young Street
London W8 5EH

Auditors-External

V&A Museum and Group

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

Trading Companies

Haysmacintyre
Fairfax House,
15 Fulwood Place,
London WC1V 6AY

Gilbert Trust for the Arts

Saffery Champness
Lion House
Red Lion Street
London WC1R 4GB

Solicitors

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

REMUNERATION REPORT

Membership

The membership of the Remuneration Committee comprised the following Trustees:

- Paul Ruddock – Trustee (Chair)
- Michelle Ogundehin – Trustee
- Samir Shah OBE – Trustee

The Director, Mark Jones, Deputy Director, Ian Blatchford, and Head of Human Resources, Allan Hill were in attendance except when matters relating to their own pay and performance were discussed.

Remuneration policy for senior managers

The Remuneration Committee reviews salaries of all senior managers employed by the Museum on Senior Manager Contracts. The Contracts provide for standard Museum terms and conditions of employment except where they apply to pay determination which is subject to review by the Remuneration Committee.

The Committee also considers the pay of two staff employed by V&A Enterprises Ltd.(VAE): the Development Director and the Managing Director of VAE.

In 2009-10 the Committee considered the pay of 29 people in total, including the Director.

At the beginning of the year, senior managers are set objectives based on the Museum's Strategic Plan. At the end of the year, their performance is assessed against objectives by the Director (or other senior manager). The methodology enables an assessment of performance to be made against objectives; where it can be demonstrated that performance has exceeded expectations, an individual can be nominated 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.

Performance assessment and payment

When determining salary levels and performance bonuses, a number of factors are taken into account:

- the projected budget for the annual staff settlement and the overall increase for Staff in Post (ISP) percentage that has been proposed or agreed as part of the Museum's pay remit.
- salary levels internally and in the market place (through independently commissioned salary surveys).
- job size and whether this has changed over the period (through formal evaluation, where applicable).
- the performance and contribution of the individual over the period (through performance appraisal).
- gender peer equality.

As with bonus payments for staff subject to collective bargaining arrangements, senior staff bonuses are discretionary and are awarded where performance against objectives is rated as exceptional. They account for a proportion of total remuneration, up to a maximum bonus percentage of 5.0% in the 2009 performance year, 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 staff (including the Director) are permanent employees of either the V&A or of VAE.

The notice period for senior employees is three months and for the Director, six months. Termination payments are in accordance with Museum or VAE contractual terms.

All permanent Museum employees (unless choosing to opt-out) are members of the Civil Service pension scheme, PCSPS, with associated redundancy and early retirement conditions. All VAE staff are entitled to payments as defined under 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 to the Annual Report and Accounts.

The Director's and senior managers' emoluments and pension details for 2009-10 are below.

The following staff have been included as they are members of the Museum's Resource Group and hence, the key decision makers in the organisation.

	Salary, Including any bonus or Benefit in kind £	Real increase in pension – Related lump sum at age 60 £	Total accrued pension at age 60 at 31 March 2010 – Related lump sum £	Cash equivalent transfer value at 31 March 2009 £	Cash equivalent transfer value at 31 March 2010 £	Real increase in CETV after adjustment for inflation and changes in market investment factors £
Sir Mark Jones, Director	148,410 (152,894)	2,501-5,000 Nil	75,000-80,000 Nil	1,396,000	1,548,000	76,000
Ian Blatchford, Deputy Director	117,038 (113,295)	2,501-5,000 Nil	20,000 – 25,000 Nil	242,000	291,000	25,000
David Anderson, Director of Learning and Interpretation	86,748 (80,471)	0-2,500 Nil	40,000- 45,000 Nil	694,000	776,000	42,000
Moira Gemmill, Director of Projects, Design & Estate	88,929 (89,385)	0-2,500 2,500-5,000	5,000-10,000 20,000-30,000	127,000	157,000	21,000
Beth McKillop, Director of Collections and Keeper of Asia	82,322 (80,471)	0-2,500 5,001-7,500	30,000-35,000 90,000-95,000	581,000	663,000	35,000
Damien Whitmore, Director of Public Affairs	93,841 (94,621)	0-2,500 2,500-5,000	20,000-25,000 65,000-70,000	345,000	396,000	28,000

Prior year figures are shown in brackets.

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 above.

There have been no payments in respect of provision for compensation for early termination for senior managers serving in year, and no significant awards in respect of early termination have been made to former managers.

In addition, no compensation was payable to former senior managers and no amounts were payable to third parties for services of a senior manager.

Cash Equivalent Transfer Values

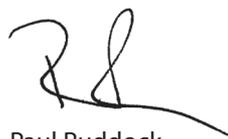
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits value is the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment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

Real increase in CETV

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



Sir Mark Jones
Director and Accounting Officer
8 July 2010



Paul Ruddock
Chair of Trustee Remuneration Committee
8 July 2010

STATEMENT ON INTERNAL CONTROL

Scope of responsibility

As Accounting Officer and Chair of the Audit Committee (as representative of the Board of Trustees), we have joint responsibility for maintaining a sound system of internal control that supports the achievement of the Museum's objectives whilst safeguarding public funds and the Museum's assets, for which the Accounting Officer is personally responsible in accordance with the responsibilities assigned to him under *Managing Public Money*.

The Museum has a three-year funding agreement with its Government sponsor body, the DCMS, which sets out objectives for the Museum to assist the Department in meeting its Public Service Agreement obligations and identifying the most significant risks to achieving those objectives. Progress against those funding agreement objectives is monitored at least annually.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level consistent with the Museum's purpose and objectives. It is not designed to eliminate risk. It can, therefore, provide only reasonable and not absolute assurance of effectiveness. The system's approach is an ongoing process designed to identify and prioritise the risks to the achievement of the Museum's policies, aims and objectives; to evaluate the likelihood of those risks' being realised and the impact should they be realised; and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the V&A for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to handle risk

The Trustees maintain an overview of internal control issues through the Audit Committee, which plays a pivotal role in ensuring a sound control environment. Its members ensure that a wide range of experience and expertise is available to the Museum by reviewing analyses, attending meetings and offering advice when required.

Membership of the Committee comprises three Trustees (one of whom chairs the Committee) and two external members especially qualified because of their professional experience. The Director, Deputy Director and Director of Finance attend all meetings, as do representatives of the National Audit Office, and Internal Audit. The Committee may hold sessions with auditors alone or without management, at any time, and it does so periodically.

The risk and control framework

Identification and assessment of risk

The Museum has two risk registers: **Strategic** and **Operational**

The **Strategic Risk Register** deals with issues mostly within the control of Trustees and likely to benefit from their scrutiny. Such risks include: governance, reputation and policy matters. This strategic section includes key physical threats, relating to issues such as health and safety and the security of the collections, where the Trustees have statutory or quasi-statutory obligations or where realisation of a risk would have exceptionally serious consequences.

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

The **Operational Risk Register** deals with matters more within the control and personal responsibility of senior management. This embraces a wide range of issues such as collections management; staff recruitment, development and appraisal; financial management and fraud prevention; information systems security; audience development and procurement. Operational risk registers are maintained by line management at a local level. Managers are expected to review regularly and update their view of risk and highlight major new risks arising to Management Board during the year. A formal review and update is performed as part of the annual planning round.

Monitoring of risk

The Museum has a well-worked out process for identifying and continually assessing risks to its ongoing operations and service to the public. Many of those risks change with circumstances and time, but for 2009-10, the major risks for the Museum were:

- the funding environment with difficult economic circumstances and political circumstances likely to dictate a reduction in spending and government support;
- the impact of the economy on visitors to the Museum, and thus the Museum's revenue (though in major sites visitor numbers were strong); and
- the security of the collections (in previous years this has been a major risk, but the Museum's work to improve security has in some part mitigated the threat, and there were no thefts in the year).

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

- the Management Board meets fortnightly to review all operational issues;
- the Trustees and senior management have agreed a Strategic Plan which outlines key short- and medium-term objectives and appropriate indicators. This ensures that scarce resources are applied to key corporate priorities;
- the Audit Committee receives regular reports from the Internal Auditor on the steps taken to manage risks in all areas of activity;
- the Audit Committee also receives reports from the External Auditors (National Audit Office) arising from their annual audit and their value-for-money work;
- the Finance Committee reviews the financial management of the Museum through quarterly management reports and three-year outline budgets;
- the Buildings Strategy Committee monitors the progress of large capital projects and the performance of management on Health and Safety issues;
- the Development Committee assesses the feasibility of fundraising targets (both revenue and capital) and donor relations;
- the Collections Committee monitors key aspects of collections management and major acquisition and loan proposals; and
- the Investment Committee provides oversight of Investment Policy and management of investment advisors.
- the Remuneration Committee reviews salaries of all senior managers including staff employed by VAE.
- there is a general risk for institutions that information about the public is inadvertently made public to unauthorised people or organisations (this is a risk outlined under the government's Security Policy Framework, and the Museum has assessed and changed relevant processes to ensure we comply with best practice). The Deputy Director is the Senior Information Risk Owner (SIRO) for the Museum.

All committees report their findings to the Board of Trustees.

Review of effectiveness

As Accounting Officer and Chair of the Audit Committee (on behalf of the Board of Trustees), we have joint responsibility for reviewing the effectiveness of the controls. Our review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors and the executive managers within the Museum who have responsibility for the development and maintenance of the internal control framework, and by audits and comments made by external auditors in their management letter and other reports.

Internal Audit

Internal Audit during 2009-10 was provided by Moore Stephens, a firm of accountants, working to standards defined in the Government Internal Audit Standards.

The annual internal audit plan is approved by the Audit Committee and the Risk Registers are used to identify appropriate areas for investigation.

At regular intervals throughout the year, the Internal Auditors provide the Accounting Officer with reports generated from the internal audit plan; these are then presented to the Audit Committee. Such reports include the Internal Auditor's independent opinion on the adequacy and effectiveness of the Museum's system of internal control during the report period, together with his recommendations for improvements, if any. The Internal Auditors also report on progress against recommendations made in previous financial years and provide an annual statement of assurance to the Accounting Officer and the Trustees based on the work performed during the year.

In 2009-10 the internal audit plan included reports on key financial controls, finance systems, investment management, collections management, exhibition planning and risk management as well as following up on previous audit reports. The annual statement on assurance confirmed that the Internal Auditors can provide reasonable assurance on the effectiveness of the Museum's risk management, control and governance processes reviewed as part of the 2009-10 internal audit plan.

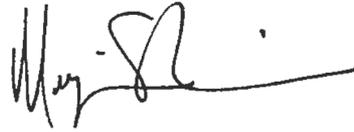
We have been advised on the implications of these reviews and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Executive management

Each member of the Executive Management Board provides an annual assurance statement confirming that all financial transactions and liabilities have been recorded and notified; and also confirming that they will operate within the budget resources allocated for the forthcoming financial year.



Sir Mark Jones
Director and Accounting Officer
8 July 2010



Dame Marjorie Scardino DBE
Chair of Audit Committee
8 July 2010

STATEMENT OF TRUSTEES' AND DIRECTOR'S RESPONSIBILITIES

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

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

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

In preparing the accounts the Trustees are required to:

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

The Accounting Officer for the 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, are set out in the Non-Departmental Public Bodies Accounting Officer Memorandum issued by HM Treasury.



Sir Mark Jones
Director and Accounting Officer
8 July 2010



Paul Ruddock
Chairman of Trustees
8 July 2010

* a copy of which is available from the Director of Finance, Victoria and Albert Museum, Cromwell Road, London SW7 2RL

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

I certify that I have audited the financial statements of the Victoria and Albert Museum for the year ended 31 March 2010 under the Museums and Galleries Act 1992. These comprise the Consolidated Statement of Financial Activities, the Consolidated and Museum Balance Sheets, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board of Trustees, the Director and auditor

The Board of Trustees and Director, as Accounting Officer, are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Museums and Galleries Act 1992 and directions made thereunder by the Secretary of State for Culture, Olympics, Media and Sport with the consent of HM Treasury and for ensuring the regularity of financial transactions funded by Parliamentary grant and grant-in-aid. These responsibilities are set out in the Statement of Trustees' and Director's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Museums and Galleries Act 1992 and directions made thereunder by the Secretary of State for Culture, Olympics, Media and Sport with the consent of HM Treasury. I report to you whether, in my opinion, the information, which comprises the Annual Report, included in the Annual Report and Accounts, is consistent with the financial statements. I also report whether in all material respects the incoming and outgoing resources funded by Parliamentary grant and grant-in-aid have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Victoria and Albert Museum has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects Victoria and Albert Museum's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of Victoria and Albert Museum's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This information comprises the unaudited part of the remuneration report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Board of Trustees and the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Victoria and Albert Museum's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the incoming and outgoing resources funded by Parliamentary grant and grant in aid have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Museums and Galleries Act 1992 and directions made thereunder by the Secretary of State for Culture, Olympics, Media and Sport with the consent of HM Treasury, of the state of the Victoria and Albert Museum's and the Group's affairs as at 31 March 2010 and of the incoming resources and application of resources of the Group for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Museums and Galleries Act 1992 and directions made thereunder by the Secretary of State for Culture, Olympics, Media and Sport with the consent of HM Treasury; and
- information, which comprises the Annual Report, included within the Annual Report and Accounts, is consistent with the financial statements.

Opinion on Regularity

In my opinion, in all material respects, the incoming and outgoing resources funded by Parliamentary grant and grant-in-aid have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General

15 July 2010

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

Consolidated Statement of Financial Activities for the year ended 31 March 2010

	Notes	Unrestricted funds £'000	Restricted funds £'000	Permanent Endowment funds £'000	2010 Total funds £'000	2009 Total funds £'000
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income						
- Grant in Aid	2a	41,361	3,400	-	44,761	44,860
- Donations, legacies and similar income	2b	1,110	8,493	-	9,603	13,028
- Lottery income	2b	-	3,313	-	3,313	4,298
- Donated objects	6	-	3,205	-	3,205	1,648
Activities for generating funds						
- Trading income	8	10,539	-	-	10,539	8,894
- Sponsorship		973	81	-	1,054	1,153
Investment income	3	167	319	197	683	1,846
		<u>54,150</u>	<u>18,811</u>	<u>197</u>	<u>73,158</u>	<u>75,727</u>
<i>Incoming resources from charitable activities</i>						
Admissions & exhibition fees (incl loans & touring)		3,118	-	-	3,118	2,737
		<u>3,118</u>	<u>-</u>	<u>-</u>	<u>3,118</u>	<u>2,737</u>
<i>Other Incoming resources</i>						
Other income		1,629	249	-	1,878	1,238
		<u>1,629</u>	<u>249</u>	<u>-</u>	<u>1,878</u>	<u>1,238</u>
Total incoming resources		<u>58,897</u>	<u>19,060</u>	<u>197</u>	<u>78,154</u>	<u>79,702</u>
Resources expended						
5(a)						
<i>Cost of generating funds</i>						
Costs of generating voluntary income		3,135	389	-	3,524	3,260
Trading costs	8	8,852	-	-	8,852	8,183
Investment management costs		11	18	38	67	144
		<u>11,998</u>	<u>407</u>	<u>38</u>	<u>12,443</u>	<u>11,587</u>
<i>Charitable Activities</i>						
Collections & Visitors		30,844	9,898	-	40,742	38,567
Exhibitions & Contemporary		8,416	667	-	9,083	7,823
Education, Learning & Interpretation		5,548	1,477	-	7,025	7,767
		<u>44,808</u>	<u>12,042</u>	<u>-</u>	<u>56,850</u>	<u>54,157</u>
<i>Governance costs</i>						
		603	-	18	621	766
		<u>603</u>	<u>-</u>	<u>18</u>	<u>621</u>	<u>766</u>
Total resources expended		<u>57,409</u>	<u>12,449</u>	<u>56</u>	<u>69,914</u>	<u>66,510</u>
Net incoming resources before notional costs		1,488	6,611	141	8,240	13,192

Consolidated Statement of Financial Activities for the year ended 31 March 2010 (cont'd)

	Notes	Unrestricted funds	Restricted funds	Permanent Endowment funds	2010 Total funds £'000	2009 Total funds £'000
Notional Costs		£'000 (94)	£'000 (8,995)	£'000 –	(9,089)	(9,464)
Net resources expended including notional costs		1,394	(2,384)	141	(849)	3,728
Reversal of notional costs		94	8,995	–	9,089	9,464
Net incoming resources before transfers		1,488	6,611	141	8,240	13,192
Gross transfers between funds		(880)	927	(47)	–	–
Net incoming resources before other recognised gains and losses		608	7,538	94	8,240	13,192
Gains/(losses) on investment assets	7	652	457	1,220	2,329	(4,980)
Loss on revaluation of fixed assets for the charity's own use	6	–	(12,864)	–	(12,864)	(12,626)
Net movement in funds		1,260	(4,869)	1,314	(2,295)	(4,414)
Fund balances b fwd at 1 April 2009		7,788	395,891	12,022	415,701	420,115
Fund balances c fwd at 31 March 2010	14	9,048	391,022	13,336	413,406	415,701

All operations of the Museum continued throughout both periods and no operations were acquired or discontinued in either period.

The notes on pages 36 to 52 form part of these financial statements.

Consolidated and Museum Balance Sheets for the year ended 31 March 2010

	Notes	Group 2010 £'000	Museum 2010 £'000	Group 2009 £'000	Museum 2009 £'000
Fixed assets					
Tangible assets	6	343,836	343,614	352,193	351,949
Heritage assets	6	43,825	43,825	37,671	37,671
Investments	7	21,698	13,965	19,944	12,908
		409,359	401,404	409,808	402,528
Debtors due after one year	9	-	1,025	-	1,025
Current assets					
Stock		1,535	-	1,200	-
Debtors due within one year	9	5,716	6,436	6,596	7,411
Short term investments	7	7,576	7,576	5,947	5,947
Cash	7	2,472	640	6,215	4,466
		17,299	14,652	19,958	17,824
Creditors due within one year	10	(9,894)	(8,356)	(10,777)	(9,746)
Provisions due within one year	12	(213)	(213)	(74)	(74)
Net current assets		7,192	6,083	9,107	8,004
Total assets less current liabilities		416,551	408,512	418,915	411,557
Creditors due after one year	10	(2,987)	(2,987)	(3,109)	(3,109)
Provisions due after one year	12	(158)	(158)	(105)	(105)
Net assets		413,406	405,367	415,701	408,343
Income funds					
Designated funds		8,451	8,474	7,255	7,278
General funds		597	597	533	533
<i>Total unrestricted funds</i>	14	9,048	9,071	7,788	7,811
Restricted funds	14	313,855	313,855	305,860	305,860
Revaluation reserve	14	77,167	77,167	90,031	90,031
<i>Total restricted funds</i>		391,022	391,022	395,891	395,891
Total income funds		400,070	400,093	403,679	403,702
Permanent endowment funds	14	13,336	5,274	12,022	4,641
Total funds		413,406	405,367	415,701	408,343

The financial statements on pages 32 to 52 were approved by the Director and the Chairman.



Sir Mark Jones
Director and Accounting Officer
8 July 2010



Paul Ruddock
Chairman of Trustees
8 July 2010

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

Consolidated Cashflow Statement for the year ended 31 March 2010

	Notes	2010 £'000	2009 £'000
Net cash inflow from operating activities	a	15,355	20,588
Returns on investments	b	683	1,846
Capital expenditure and financial investment	b	(19,875)	(28,402)
Financing	b	94	137
(Decrease) in cash and cash equivalents	d	(3,743)	(5,831)

a) Reconciliation of net incoming resources to net cash inflow from operating activities

Net incoming resources (excluding Endowment funds)		8,146	13,055
Investment income		(683)	(1,846)
Net incoming resources before transfer and revaluations		7,463	11,209
Donated assets		(3,205)	(1,648)
Depreciation		11,133	8,611
Loss on fixed assets		232	43
(Increase) in stocks		(335)	(156)
Decrease in debtors		880	245
(Decrease)/ Increase in creditors due within one year		(883)	2,461
Increase / (Decrease) in provisions due within one year		139	(22)
(Decrease) in creditors due after one year		(122)	(121)
Increase / (Decrease) in provisions due after one year		53	(34)
Net cash inflow from operating activities		15,355	20,588

b) Analysis of cash flows*Return on investments:*

Investment income		683	1,846
-------------------	--	-----	-------

Capital expenditure and financial investment:

Payments to acquire tangible fixed assets (inc. Heritage Assets)		(18,821)	(28,719)
Purchase of investments		(2,458)	(4,690)
Proceeds from sale of investments		1,404	5,145
Changes in market values and exchange rate effects		-	(138)
		(19,875)	(28,402)

Financing:

Increase in Permanent Endowments		94	137
----------------------------------	--	----	-----

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

(Decrease) in cash in the period		(3,743)	(5,831)
Cashflow from change in Current Asset Investments		1,629	-
Movement in net funds in the period		(2,114)	(5,831)
Net funds at 1 April 2009		12,162	17,993
Net funds at 31 March 2010		10,048	12,162

d) Analysis of net funds

	At 1 April 2009 £'000	Cashflow £'000	At 31 March 2010 £'000
Cash at bank and in hand	6,215	(3,743)	2,472
Current Asset Investments	5,947	1,629	7,576
Net funds	12,162	(2,114)	10,048

The notes on pages 36 to 52 form part of these financial statements.

Notes to the Consolidated Financial Statements for the year ended 31 March 2010

1 Accounting policies

a) Basis of Accounting

The financial statements 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. They comply with the Statement of Recommended Practice "Accounting and Reporting by Charities"; applicable accounting standards, the requirements of the Companies Acts and the Government Financial Reporting Manual 2009-10 as well as the Accounts Direction issued by the Department for Culture, Media & Sport in 2005. They are in a form directed by the Secretary of State with the consent of Treasury in accordance with the Museums and Galleries Act 1992.

The Museum is exempt from corporation tax under section 505 of the Income and Corporation Taxes Act 1998 on its charitable activities. The Museum's trading subsidiaries gift aid their profits to the Museum.

Consolidated accounts have been prepared which include the Museum accounts, the Museum's trading subsidiaries V&A Enterprises Ltd., and V&A Limited, consolidated on a line-by-line basis. In addition the consolidated accounts also include those of the Gilbert Trust for the Arts as the V&A has a controlling influence over the board of the Trust. 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 exercises further control through its overall majority voting powers by virtue of the fact that two of the Museum's Trustees as well as the Museum Director are directors of the company. The Friends of the V&A is a separate charitable company, run by its own board of Trustees and is 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.

The South Kensington, Bethnal Green and Blythe House 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.

Income received on permanent endowment funds is allocated to Restricted funds until it is spent

c) Incoming resources

Grant-in-Aid income from the Department for 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 or other restricted purposes.

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

Legacies are recognised as receivable when confirmation is received from the estate's executor.

Grants and other income that is awarded subject to specific performance conditions, including scientific 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.

The museum recognises the costs and income of an exhibition in the year in which the exhibition takes place. Income received for an exhibition taking place in a future period is entered in the first instance on the balance sheet and disclosed under the heading 'Deferred exhibition income'. This deferred income relating to the exhibition, together with any deferred expenses are recognised in the SoFA in the year in which the majority of the exhibition takes place.

Other Incoming Resources comprises rechargeable expenditure and income for provision of services to external bodies.

All other income is accounted for on a receivable basis.

d) Expenditure

Expenditure is classified under the principal categories of Charitable Activities and Costs of Generating Funds rather than by type of expense, in order to provide more useful information to the users of the financial statements. These categories comprise direct expenditure including direct staff costs attributable to the activity.

Costs are allocated directly to the activities to which they relate. Finance, Human Resources, Information Services & Support, Estate and Museum of Childhood costs are allocated between the activities on the basis of staff numbers within these areas.

Governance costs comprise the costs associated with the strategic management of the Museum. Governance staff costs represent the staff involved in the strategic management of the Museum. Also included within Governance costs are the costs of supporting these staff together with other strategic costs such as external audit costs, internal audit costs, legal fees and consultancy fees.

The museum recognises the costs and income of an exhibition in the year in which the exhibition takes place. The costs of an exhibition taking place in a future period are charged in the first instance to the balance sheet and disclosed under the heading 'Prepaid exhibitions expenditure'. These costs, together with any deferred income relating to the exhibition, are recognised in the SoFA in the year in which the majority of the exhibition takes place.

Depreciation has been allocated to activities on a basis consistent with the use of assets and is charged based upon opening asset values.

All other liabilities are recognised as they fall due.

e) Notional cost of capital

Notional cost of capital calculation is a requirement of Treasury and is calculated as 3.5% (2009: 3.5%) of the average non-donated capital employed by the Museum in the year.

f) Heritage assets

In accordance with the Financial Reporting Manual (FRm) as issued by the Treasury, additions to the collection acquired since 1st April 2001 are capitalised and recognised in 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 or revalued as a matter of routine.

g) 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. Additions to the Collection acquired since 1 April 2001 are capitalised at the cost or value of the acquisition, and are not depreciated.

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. The last full revaluation was undertaken on 31st March 2009. A desktop revaluation is carried out every year between full revaluations.

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 which the Trustees currently intend to be spent within a 12-18 month period are treated as Current Asset investments. All other investments, which are intended to produce a long term return, and are not intended to be spent within the next 12 months, are treated as Fixed Asset investments.

Simple forward currency contracts are used within the investment portfolios to minimise the effect of currency fluctuations.

Under FRS26 these are classified as Held for Trading assets, and are valued according to market prices for matching contracts at the balance sheet date.

i) Financial Instruments

Financial Instruments play a limited role in the Museum as the cash requirements are met through Grant-in-Aid funding.

Debtors and creditors are recorded at their carrying values, in recognition that these assets fall due within 1 year. All debts over six months old are provided for as doubtful debts.

Investments and fixed assets are stated at Fair Value and treated for accounting purposes as outlined in the policies above.

j) Stock and work in progress

Stock is valued at the lower of cost and net realisable value and comprises goods for resale.

k) Pension cost

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which are described at Note 5c. The defined benefit elements of the schemes are unfunded and are non-contributory except in respect of dependents' benefits. 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 Friends Provident.

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.

2a Grant in Aid income

Grant in Aid of £44.76m was received from the Department for Culture, Media and Sport during the year (2009: £44.86m). This represents 65% of the total income for the Museum (net of trading costs). The balance of funding, including the majority of capital improvements, comes from self-generated income. Included within the total Grant in Aid received is an amount restricted to capital works which for 2009-10 totalled £3.4m (2009: £3.4m).

2b Voluntary income

	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Total 2010	Total 2009
	£'000	£'000	£'000	£'000	£'000
Donations and Legacies	671	8,493	–	9,164	12,520
Corporate Members	149	–	–	149	260
Director's Circle	290	–	–	290	248
Lottery income	–	3,313	–	3,313	4,298
	<u>1,110</u>	<u>11,806</u>	<u>–</u>	<u>12,916</u>	<u>17,326</u>

3 Investment Income

Interest receivable	117	187	51	355	264
British Government stocks	–	–	11	11	435
UK equities	50	132	51	233	787
Overseas equities	–	–	43	43	216
Multi asset funds	–	–	41	41	–
Add back: Embedded Management Fees	–	–	–	–	144
	<u>167</u>	<u>319</u>	<u>197</u>	<u>683</u>	<u>1,846</u>

4 Net incoming resources: is stated after charging:

	2010	2009
	£'000	£'000
External Auditors' remuneration	68	70
Operating lease payments – Land and Buildings	646	668
– Other	349	428
Movement on provision for doubtful debts	24	–

5a Total resources expended

	Direct Costs £'000	Allocated Support Costs £'000	Depreciation & loss on disposal £'000	Total 2010 £'000	Total 2009 £'000
<i>Cost of generating funds</i>					
Costs of generating voluntary income	2,925	237	362	3,524	3,260
Trading costs	8,781	–	71	8,852	8,183
Investment management costs	67	–	–	67	144
	<u>11,773</u>	<u>237</u>	<u>433</u>	<u>12,443</u>	<u>11,587</u>
<i>Charitable Activities</i>					
Collections & Visitors	23,605	7,669	9,468	40,742	38,567
Exhibitions & Contemporary	7,864	810	409	9,083	7,823
Education, Learning & Interpretation	3,825	2,150	1,050	7,025	7,767
	<u>35,294</u>	<u>10,629</u>	<u>10,927</u>	<u>56,850</u>	<u>54,157</u>
<i>Governance costs</i> ¹	531	90	–	621	766
Total resources expended	<u>47,598</u>	<u>10,956</u>	<u>11,360</u>	<u>69,914</u>	<u>66,510</u>

¹Governance costs

Museum

External audit fees	45	39
Internal audit fees	45	45
Legal fees	2	5
Staff costs	350	345
Consultancy fees	48	20
Other executive costs	113	152
Depreciation	–	143
Gilbert Trust		
External audit fees	8	6
Legal fees	10	11
	<u>621</u>	<u>766</u>

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

	Information Services & Support £'000	Projects & Estates £'000	Finance & Admini- stration £'000	Human Resources £'000	Other Central Costs £'000	Museum of Childhood – Admini- stration £'000	Total 2010 £'000
<i>Cost of generating funds</i>							
Costs of generating voluntary income	36	123	22	21	19	16	237
<i>Charitable activities</i>							
Collections & Visitors	1,152	3,976	705	697	629	511	7,669
Exhibitions & Contemporary	122	420	74	74	66	54	810
Education, Learning & Interpretation	323	1,115	197	195	176	143	2,150
	<u>1,597</u>	<u>5,511</u>	<u>976</u>	<u>966</u>	<u>871</u>	<u>708</u>	<u>10,629</u>
<i>Governance</i>	–	–	90	–	–	–	90
	<u>1,633</u>	<u>5,634</u>	<u>1,088</u>	<u>987</u>	<u>890</u>	<u>724</u>	<u>10,956</u>

5b Wages and salaries

	2010	2009
	£'000	£'000
Wages and salaries	24,039	23,608
Social security costs	1,837	1,761
Pension costs	3,909	4,171
Agency and temporary staff (inc. pension costs)	1,651	1,208
	31,436	30,748
Early retirement and severance costs	502	141
	31,938	30,889

During the year funding for restricted posts was received totalling £861k (2009: £1.352m).

V&A Enterprises Limited's staff costs were £4,300k (2009: £3,974k) of which £3,234k (2009: £2,893k) was for trading activities and £1,066k (2009: £1,082k) was for services provided to the museum.

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:

	2010	2009
£60,001 – £70,000	13	10
£70,001 – £80,000	4	7
£80,001 – £90,000	5	5
£90,001 – £100,000	2	1
£110,001 – £120,000	1	1
£150,000 – £160,000	1	1
	26	25

Of the employees listed above, 20 (2009: 19) are members of the Principal Civil Service Pension Scheme, and the total pension contributions payable in the year for these employees was £383,345 (2009: £348,154). The other 6 (2009: 6) 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 £44,218 (2009: £43,715).

Senior staff salaries are disclosed in further detail in the remuneration report.

5c Pension disclosure

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but The Victoria and Albert Museum is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk). The Victoria and Albert Museum is only liable for the contribution they have made directly.

For 2009-10, employers' contributions of £3.656m were payable to the PCSPS (2009: £3.899m) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands (the rates in 2008/09 were between 17.1% and 25.5%). The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. From 2010-11, the rates will be in the range 16.7% to 24.3%. The contribution rates are set to meet the cost of the benefits accruing during 2009-10 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

From 1 October 2002, museum staff may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index.

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

In July 2007, the Cabinet Office launched a new pension scheme called nuvos and closed all other occupational pension schemes to new entrants. As with previous PCSPS pensions, nuvos is a high quality, defined benefit scheme, but has a later pension age of 65.

Its benefits reflect pay throughout an individual's career allowing members to work longer and more flexibly. Each scheme year (1st April to 31st March) pension will be built up at the rate of 2.3% of staff's pensionable earnings. The balance of nuvos pension is increased in line with the Retail Prices Index each year.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution, rather than join a PCSPS scheme. Employer's contributions of £42,409 (2009: £40,591) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer's contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

Contributions due to the partnership pension providers at the balance sheet date were £nil. Contributions prepaid at the date were £nil.

The Museum's trading company, V&A Enterprises Limited, 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 Friends Provident. Employer's contributions are made at an average of 10% and the total amount paid during the year was £249,878 (2009: £253,716).

5d Trustees

The Trustees neither received nor waived any emoluments during the year (2009: £nil).

The Trustees were not reimbursed for any travel costs in 2010 (2009: £nil)

5e Average number of employees (*)

	2010	2009
Generating voluntary income	45	47
Trading	109	109
Collections & Visitors	587	607
Exhibitions & Contemporary	62	42
Education, Learning & Interpretation	165	173
Governance	10	10
	978	988

(*) based on full-time equivalents.

Of the above employees – 710 are full time permanent employees of the Museum and its subsidiaries (2009:779), 84 are externally funded posts (2009:46), and the remaining employees are temporary staff.

6 Tangible fixed assets

Group	Assets				Total £'000
	Land & Buildings £'000	Furniture & Fittings £'000	Equipment £'000	in course of construction £'000	
Cost or valuation					
At 1 April 2009	320,985	2,217	4,614	31,114	358,930
Re-classification	30,120	–	–	(30,120)	–
Additions	11,598	310	654	3,310	15,872
Disposals	(726)	(18)	(918)	–	(1,662)
Revaluation	(23,717)	–	–	–	(23,717)
At 31 March 2010	338,260	2,509	4,350	4,304	349,423
Depreciation					
At 1 April 2009	1,471	1,538	3,728	–	6,737
Charged for the year	10,398	220	515	–	11,133
Disposals	(507)	(18)	(905)	–	(1,430)
Revaluation	(10,397)	(63)	(393)	–	(10,853)
At 31 March 2010	965	1,677	2,945	–	5,587
Net book value					
At 31 March 2010	337,295	832	1,405	4,304	343,836
At 31 March 2009	319,514	679	886	31,114	352,193

The net book value at 31 March 2010 represents fixed assets of the Group for:

	Land & Buildings £'000	Furniture & Fittings £'000	Equipment £'000	Assets in course of construction £'000	Total £'000
Direct charitable activities	337,295	700	1,315	4,303	343,613
Other activities	–	132	90	1	223
Total	337,295	832	1,405	4,304	343,836

	Land & Buildings £'000	Furniture & fittings £'000	Equipment £'000	Assets in course of construction £'000	Total £'000
Museum					
Cost or valuation					
At 1 April 2009	320,985	2,041	4,491	31,114	358,631
Re-classification	30,120	–	–	(30,120)	–
Additions	11,598	281	634	3,309	15,822
Disposals	(726)	(18)	(910)	–	(1,654)
Revaluation	(23,717)	–	–	–	(23,717)
At 31 March 2010	338,260	2,304	4,215	4,303	349,082
Depreciation					
At 1 April 2009	1,471	1,506	3,705	–	6,682
Charged for the year	10,398	178	485	–	11,061
Disposals	(507)	(18)	(897)	–	(1,422)
Revaluation	(10,397)	(63)	(393)	–	(10,853)
At 31 March 2010	965	1,603	2,900	–	5,468
Net book value					
At 31 March 2010	337,295	701	1,315	4,303	343,614
At 31 March 2009	319,514	535	786	31,114	351,949

Land & Buildings

On the 31st March 2010 a desktop valuation was carried out by Gerald Eve (Chartered Surveyors) in accordance with the RICS appraisal and valuations manual, and included the completed Medieval & Renaissance Galleries which came into use during the year. The site at South Kensington was valued at £319.0m, the site at Bethnal Green at £12.2m and the V&A's share of Blythe House at £6.8m. 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. However, the Museum at South Kensington and the Museum of Childhood in Bethnal Green are of such a construction and specialised use that an Existing Use basis of valuation is inappropriate. The lack of demand or market value for the property in isolation from its current use is such that the land and buildings are most appropriately valued according to their Depreciated Replacement Cost.

All land and buildings are freehold.

Heritage Assets

Additions of £6.154m (2009: £2.906m) were made to the Collection. There were no disposals during the year.

	2010	2009
	£'000	£'000
Opening balance b/fwd	37,671	34,765
Donations of objects by gift or bequest	2,295	623
Donations of objects under the acceptance in lieu scheme	910	1,025
	3,205	1,648
Acquisitions funded from GIA	777	761
Acquisitions funded by specific grants, donations and self generated income	2,172	497
Total Additions	6,154	2,906
Closing balance c/fwd	43,825	37,671

7 Investments

		Group	Museum
		2010	2010
		£'000	£'000
Market value at 1 April 2009	Fixed Asset Investments	19,944	12,908
	Short Term Investments	5,947	5,947
Add: Acquisitions at cost		2,458	2,266
Less: Disposal proceeds		(1,404)	(1,112)
Net gain/(loss) on revaluation		2,329	1,532
Market value at 31 March 2010		29,274	21,541
Historical cost at 31 March 2010		27,560	20,572
Unrealised investment gain at 31 March 2010		1,714	968
Analysis of gain by asset class		2010	2010
		£'000	£'000
	Gain on assets Available for Sale	3,065	1,987
	(Loss) on assets Held for Trading	(736)	(455)
		2,329	1,532
		2010	2010
		£'000	£'000
Investment assets in the UK	Government stocks & corporate bonds	4,536	4,138
	Investment funds	9,112	6,878
	Cash & currency hedges	1,940	1,740
	Unlisted equities (trading subsidiary)	-	203
Investment assets outside the UK	Multi Asset Investment Funds	13,686	8,582
		29,274	21,541

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 is Grant in Aid 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, projects are only progressed when income is certain.

Two bad debts, totalling £48k were written off during the year, and a further general provision of £24k was made.

Market Risk

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.

As the Museum's investments include overseas assets, it uses simple forward currency contracts within the portfolios to offset the effect of currency fluctuations in major currencies (Euros, US Dollars & Japanese Yen) within the portfolios. If the value of the investment increases because of currency movements, the corresponding contract will decrease in value, and vice versa. If the currency contract is in a negative position on maturity, the Museum would meet the cash requirement by selling some of the corresponding assets (which would have increased in value).

The amount of the currency contracts are determined by the allocation of assets within the portfolios, and adjusted at least quarterly to match any changes in asset allocations. Therefore the net effect of any currency fluctuation in one of the hedged currencies should be nil.

However even if they were to be only 95% effective, a 10% appreciation of the US dollar would have given rise to a nil increase in income, an increase in unrestricted funds of £18k, an increase in restricted funds of £4k and an increase in endowment funds of £29k. A 10% appreciation of the Euro would have given rise to a nil increase in income, an increase in unrestricted funds of £4k, an increase in unrestricted funds of £1k and an increase in endowment funds of £6k. A 10% appreciation of the Japanese Yen would have given rise to a nil increase in income, an increase in unrestricted funds of £1k, an increase in unrestricted funds of £0.2k and an increase in endowment funds of £1k. A 10% depreciation of the stated currencies would have an equal and opposite effect. These are the major currencies in which the Group's financial instruments are denominated.

Interest Rate Risk

The Museum has no exposure to interest rate risk on its financial liabilities. The interest risk on its financial assets are as follows:

	Total £'000	Floating Rate Financial Assets £'000	Fixed Rate Financial Assets £'000	Non-interest Bearing Financial Assets £'000	Assets Earning Equity Return £'000	Weighted Average Fixed Interest Rate %	Weighted Average Period for which rate is fixed Yrs
At 31 March 2010							
Sterling	17,168	11,970	4,536	28	634	5.73%	2.99
Other	14,578	579	-	4	13,995	0.00%	-
Total	31,746	12,549	4,536	32	14,629		
As at 31 March 2009							
Sterling	25,947	11,427	6,556	272	7,692	5.87%	7.55
Other	6,159	222	1,421	241	4,275	1.13%	4.76
Total	32,106	11,649	7,977	513	11,967		
Reconciliation to Accounts						2010	2009
						£'000	£'000
Investments (Current Assets)						7,576	5,947
Investments (Fixed Assets)						21,698	19,944
						29,274	25,891
Cash						2,472	6,215
						31,746	32,106

8 Trading subsidiaries

The Museum owns the whole of the issued share capital of V&A Enterprises Limited, a company registered in England and Wales. The company's principal activities are the sale of books and other materials relating to art, craft and design, and the granting of licences of goods inspired by, or reproduced from, artefacts displayed in the Museum. The company runs V&A Publications and V&A Picture Library and operates both a corporate entertainment business and the educational services facility based at the Museum.

The Board of Trustees of the Victoria and Albert Museum hold a Mortgage Debenture dated 25th June 2008 over the company's assets. In addition there is a loan facility of £2m extended to V&A Enterprises Limited by the Museum.

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

	V&A Enterprises Limited	
	2010	2009
	£'000	£'000
<i>Profit and loss account</i>		
Turnover	10,539	8,907
Cost of sales	(3,735)	(3,144)
Gross Profit	6,804	5,763
Administrative expenses	(5,194)	(5,081)
Trading profit	1,610	682
Interest receivable and similar income	4	65
Loan interest payable	(15)	(46)
Payment under gift aid to Museum	(1,599)	(700)
Profit on Ordinary Activities before Taxation	-	1
Taxation	-	(1)
Retained in subsidiary	-	-
	2010	2009
	£'000	£'000
<i>Balance sheet</i>		
Tangible fixed assets	222	243
Current assets	4,341	3,938
Creditors due within one year	(3,360)	(2,978)
Creditors due after one year	(1,000)	(1,000)
Net assets	203	203
Share capital and reserves	203	203
	2010	2009
	£'000	£'000
Reconciliation of results of trading companies to the consolidated Statement of Financial Activities:		
Turnover (VAE)	10,539	8,907
Turnover (V&A Ltd)	-	(13)
Trading income included within SOFA	10,539	8,894
Cost of sales (VAE)	3,735	3,144
Administrative expenses (VAE)	5,194	5,081
Interest payable (VAE)	15	46
Taxation (VAE)	-	1
Administrative expenses (V&A Ltd)	-	7
<i>Intercompany transactions</i>	(92)	(96)
Trading costs included within SOFA	8,852	8,183
Interest receivable and similar income	4	65
Included in Investment Income per SOFA	4	65

Gilbert Trust for the Arts

The V&A has effective control of the Board of the Gilbert Trust for the Arts with the appointment of related individuals onto the Board of the Gilbert Trust for the Arts and accordingly its results have been consolidated into the museum's results as follows:

	2010 £'000	2009 £'000
Statement of Financial Activities		
Donations	52	–
Investment income	145	600
Governance costs	(18)	(17)
Investment management costs	(31)	(33)
Charitable activities	(266)	(500)
Gains/(losses) on investment assets	797	(2,316)
Fund balances bfwd at 1 April 2009	7,381	9,647
Fund balances cfwd at 31 March 2010	<u>8,060</u>	<u>7,381</u>
Balance sheet		
Investments	7,937	7,240
Cash	139	159
Creditors	(16)	(18)
Total Funds	<u>8,060</u>	<u>7,381</u>

As the above Investments held in the Gilbert Trust for the Arts balance are a permanent endowment these are shown as such in note 14 to the accounts.

The expenditure on charitable activity consisted of a donation to the Museum of £266k which has been eliminated on consolidation.

The Museum also owns 100% of the issued share capital of V&A Holdings Limited which in turn owns 100% of the issued share capital of V&A Limited; there has been no significant activity in the period.

9 Debtors

	Group 2010 £'000	Museum 2010 £'000	Group 2009 £'000	Museum 2009 £'000
Trade debtors	1,158	602	1,431	991
Less provision for Doubtful debts	(24)	(24)	–	–
Other debtors	222	152	200	131
Prepayments and accrued income	1,609	1,232	2,135	1,634
Prepaid exhibition expenditure	1,400	1,400	1,409	1,409
Recoverable taxation (VAT)	1,351	1,351	1,421	1,421
Amounts due from subsidiary undertakings	–	1,723	–	1,825
	<u>5,716</u>	<u>6,436</u>	<u>6,596</u>	<u>7,411</u>

Amounts falling due after one year

Debtors – after one year				
Due from subsidiary undertakings	–	1,025	–	1,025
	<u>–</u>	<u>1,025</u>	<u>–</u>	<u>1,025</u>

Ageing of Trade Debtors

	Group 2010 £'000	Museum 2010 £'000
0–30 days	747	388
31–60 days	257	139
61–90 days	62	17
90–180 days	68	34
180 days +	24	24
	<u>1,158</u>	<u>602</u>

9.1 Intra-Government Balances

	Amounts falling due within one year		Amounts falling due after more than one year	
	2010 £	2009 £	2010 £	2009 £
Debit balances with other central government bodies	1,360	1,421	–	–
Subtotal: intra-government balances	1,360	1,421	–	–
Balances with bodies external to government	4,356	5,175	1,025	1,025
Total debtors at 31 March	5,716	6,596	1,025	1,025

The Museum has agreed an intercompany loan facility for £2,000,000, of which £1,000,000 has been drawn down to date. The loan is repayable on demand and is secured by a floating charge on all of the subsidiary's assets. The Fair Value of the loan is £1m.

The Museum has confirmed that it will not call the loan for repayment until, at the earliest 30 June 2013, and then subject to the ability of the subsidiary to make repayments. Interest on the loan is charged at 1% above the Bank of England base rate.

The Museum also made a loan of £25,000 to V&A Limited which is repayable by 31st March 2012.

10 Creditors

		Group	Museum	Group	Museum
		2010 £'000	2010 £'000	2009 £'000	2009 £'000
Amounts falling due within one year					
Trade creditors		3,399	2,445	2,490	1,773
Other creditors		12	12	–	–
Accruals		4,903	4,300	6,523	6,163
Deferred income	11	109	109	114	114
Deferred exhibition income		485	485	629	629
Taxation and social security costs		986	887	1,021	923
Amounts owed to subsidiary undertaking		–	118	–	144
		9,894	8,356	10,777	9,746
Amounts falling due after one year					
Deferred income – after one year	11	2,987	2,987	3,109	3,109
		2,987	2,987	3,109	3,109

10.1 Intra-Government Balances

	Amounts falling due within one year		Amounts falling due after more than one year	
	2010 £	2009 £	2010 £	2009 £
Credit balances with other central government bodies	1,270	542	–	–
Subtotal: intra-government balances	1,270	542	–	–
Credit balances with bodies external to government	8,624	10,235	2,987	3,109
Total creditors at 31 March	9,894	10,777	2,987	3,109

11 Deferred Income

	2010	2009
	£'000	£'000
As at 1 April 2009	3,223	3,305
Deferred in current year	109	114
Released from previous year	(236)	(196)
As at 31 March 2010	3,096	3,223

Of this balance £2.99m represents funds given to the Museum by Royal Institute of British Architects in relation to its occupation of certain office and gallery spaces in the Museum. An amount representing an annual rental payment is released each year.

12 Provisions

	2010	2009
	£'000	£'000
As at 1 April 2009	179	235
Provision in year	378	141
Paid in year	(186)	(197)
As at 31 March 2010	371	179
Provisions – within one year	213	74
Provisions – after one year	158	105
	371	179

The provisions relate to those early retiring employees for whom the Museum will continue to pay PCSPS contributions until they reach 60.

13 Financial commitments

At 31 March 2009 the Museum had annual commitments under non-cancellable leases as follows:

	2010	2010	2009	2009
	Land & Buildings	Other	Land & Buildings	Other
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within one year	–	83	–	8
Between two to five years	530	153	530	462
After five years	112	–	112	–
	642	236	642	470

V&A Enterprises Limited have annual commitments under non-cancellable operating leases, which expire between two and five years, of £114k. The other subsidiaries of the Museum do not have any financial commitments.

14 Statement of funds

	As at 1 April 2009 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Fixed Assets – Gains/ losses on Revaluation £'000	Invest- ments – Gains/ losses under Fair Values £'000	As at 31 March 2010 £'000
Unrestricted Funds							
General Income funds	533	58,741	(57,033)	(1,644)	–	–	597
Designated Income funds	6,598	156	(27)	724	–	652	8,103
Designated Capital funds	657	–	(349)	40	–	–	348
Total Unrestricted Funds	7,788	58,897	(57,409)	(880)	–	652	9,048
Restricted Funds							
<i>Restricted Income Funds</i>							
– Acquisitions for the Collection	1,091	2,656	(1,777)	(1,047)	–	172	1,095
– Museum Develop- ment funds	4,758	9,920	173	(13,206)	–	119	1,764
– Permanent endow- ment income	1,079	145	(4)	(312)	–	166	1,074
	6,928	12,721	(1,608)	(14,565)	–	457	3,933
<i>Restricted Asset Funds</i>							
Restricted Capital funds ²	261,261	2,357	(10,841)	13,320	–	–	266,097
Revaluation Reserve	90,031	–	–	–	(12,864)	–	77,167
Heritage Assets ¹	37,671	3,982	–	2,172	–	–	43,825
	388,963	6,339	(10,841)	15,492	(12,864)	–	387,089
Total Restricted Funds	395,891	19,060	(12,449)	927	(12,864)	457	391,022
Permanent Endowment							
Permanent endowment ³	4,641	–	(7)	219	–	423	5,276
Gilbert Trust for the Arts ⁴	7,381	197	(49)	(266)	–	797	8,060
Total Endowment Funds	12,022	197	(56)	(47)	–	1,220	13,336
Total Funds	415,701	78,154	(69,914)	–	(12,864)	2,329	413,406

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 Restricted to Unrestricted 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 The transfer to Permanent Endowments of £219k is the unspent balance of restricted project funding that the donor requested be added to their Endowment Fund.

⁴ The transfer from the Gilbert Fund is a donation to the Museum which was shown as income in the Museum's accounts, then eliminated on consolidation.

Unrestricted funds general

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 15.

Unrestricted funds designated

These funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. They consist mainly of:

Designated Income funds – a collection of funds which have been set aside at the discretion of the Trustees for specific purposes.

Designated Capital funds – expenditure funded from non restricted sources on assets which have been capitalised. These funds represent the movements of the fixed assets and agree to the balance sheet values.

Restricted funds

These funds are subject to specific restriction 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.

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

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

Heritage – These funds represent the movements in the capital value of the assets donated to or acquired for the collection and agree to the balance sheet values.

Revaluation reserve – this represents the accumulated difference between the cost of land, buildings and associated plant and their current valuation.

Endowment funds

These comprise funds donated on condition that the capital value of the donation is held in perpetuity.

The Gilbert Trust for the Arts is a separate expendable endowment held for the ongoing upkeep of the Gilbert Collection.

Fair Value

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

	2010	2009
	£'000	£'000
Unrestricted	526	1,863
Restricted	124	–
Permanent Endowment V&A	318	1,308
Endowment Gilbert Trust	746	1,458
	<u>1,714</u>	<u>4,629</u>

15 Statement of fund commitments as at 31 March 2010

	As at 31 March 2010 £'000	As at 31 March 2009 £'000
<i>Funds available for spending at Trustees' Discretion:</i>		
General income funds (excluding investment in VAE)	394	330
Designated income funds	8,103	6,598
	8,497	6,928
<i>Funds raised for specific purposes:</i>		
Restricted income funds	3,933	6,928
Total funds available for spending	12,430	13,856
<i>Funds not available for Trustees' spending:</i>		
General income funds – share capital of V&A Enterprises	203	203
Permanent endowment funds (Capital element)	13,336	12,022
Capital funds (Fixed Assets)	387,437	389,620
Total funds not available for spending	400,976	401,845
Total funds in balance sheet	413,406	415,701

16 Analysis of group net assets between funds

	Unrestricted Funds £'000	Restricted Funds £'000	Permanent Endowment Funds £'000	Total 2010 £'000	Total 2009 £'000
Fund balances at 31 March 2010 are represented by:					
Tangible fixed assets	571	387,090	–	387,661	389,864
Investments	6,708	1,654	13,336	21,698	19,944
Current assets	15,021	2,278	–	17,299	19,958
Current liabilities	(10,107)	–	–	(10,107)	(10,851)
Liabilities due after one year	(3,145)	–	–	(3,145)	(3,214)
Net assets at 31 March 2010	9,048	391,022	13,336	413,406	415,701

17 Capital commitments

	2010 £'000	2009 £'000
Capital expenditure commitments were as follows:		
Contracted for, but not provided in the accounts	519	6,911
Authorised, but not contracted for	6,966	6,569

The majority of the capital commitments relate to the Medieval and Renaissance Gallery and the Ceramics Gallery which opened late 2009, plus the Furniture Gallery (due to open Nov 2012) and the Fashion Gallery (due to open December 2011).

18 Related Party Transactions

The Victoria and Albert Museum is a Non-Departmental Public Body (NDPB) sponsored by the Department for 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.

Related Party	Amount Purchased £'000	Amount Sold £'000	Year end balance Debtors £'000	Year end balance (Creditors) £'000	Donations/ Grants Received £'000
British Museum	9	2	1	–	50
National Heritage Memorial Fund	–	1	–	–	3,817
National Museum of Science & Industry	390	55	–	(111)	–
Natural History Museum	1,708	7	1	(164)	–
Pearson Group	–	12	–	–	–
Royal College of Art	41	231	7	(9)	–
TATE	–	1	–	–	–
The National Trust	–	4	–	–	–

One trustee donated a total of £215,000 during the year.

The balances with the Natural History Museum relate to supplies of electricity and heating.

The balances with the Science Museum relate to Blythe House maintenance costs.

No other Trustees or staff member 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 and Deputy Director of the Victoria and Albert Museum serve unremunerated on the Board of V&A Enterprises Limited.

19 Contingent Liabilities

Included in accruals is the value of works certified for projects at March 2010. Should any further costs arise from the settlement of the final accounts, these will be reflected in the 2010-11 financial statements.

20 Post Balance Sheet Events

There were no post balance sheet events except for the authorised for issue date as disclosed on the balance sheet.



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