

Victoria and Albert Museum  
Annual Report and Accounts 2019-2020



# Victoria and Albert Museum Annual Report and Accounts 2019-2020

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# Contents

	<b>Page</b>
Annual Report including Trustees' Report	2
Financial Review	17
Remuneration and Staff Report	24
Statement of Trustees' and Director's Responsibilities	27
Governance Statement	28
The Certificate and Report of the Comptroller and Auditor General	35
Financial Statements	
Consolidated Statement of Financial Activities	38
Consolidated and Museum Balance Sheets	42
Consolidated Cash Flow Statement	43
Notes to the Consolidated Financial Statements	44

# The Annual Report including Trustees' Report

## Introduction

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

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

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

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

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

The V&A comprises the main site at South Kensington, the V&A Museum of Childhood in Bethnal Green and the archive / study collections site at Blythe House, Kensington Olympia. The museum also has a collections store in Dean Hill Park, Wiltshire.

## V&A mission

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

## V&A strategic objectives

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

To achieve this we aim to:

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

## Highlights of 2019-20

The V&A had another markedly popular year, attracting over four million visitors, with a total of 4,080,696 people visiting our museums in South Kensington and Bethnal Green.

The year started in spectacular style as visitors queued around the block to gain entrance to blockbuster exhibition *Christian Dior: Designer of Dreams*, which became the most visited exhibition ever at the V&A with 594,994 visitors. This was the beginning of a celebratory exploration of fashion icons at the V&A as *Mary Quant* became the most successful exhibition to have been held in the Fashion Galleries. *Cars: Accelerating the Modern World* and *Tim Walker: Wonderful Things* continued the trend, introducing new audiences to design and contemporary photography, while the national obsession with the way we eat was examined from the perspective of designers and artists with *FOOD: Bigger than the Plate*.

Gus Casely-Hayford was announced as the inaugural director of V&A East. Previously director of the Smithsonian's National Museum of African Art in Washington, D.C., he will be responsible for the creative strategy and

programming across V&A East's two new venues in east London, both now under construction in the Queen Elizabeth Olympic Park.

The V&A Museum of Childhood's transformation reached an exciting new stage as architects AOC revealed their plans to create a museum filled with natural light, vibrant colour, and playful, multi-sensory environments – to create a world-class, free day out for families. From objects displayed at a toddlers' height, to dressing up boxes next to couture fashion, and variety of new spaces for hands-on making, the reimagined museum will be shaped entirely around the way in which children aged 0-14 explore, play and learn.

Further highlights of the year included:

- The launch of the landmark BBC2 series *Secrets of the Museum*. One of the V&A's most significant broadcast projects in recent years, it was watched by an audience of millions across the UK and celebrated the expertise of staff across the V&A, from conservation to curatorial and technical services
- Construction began on both sites for V&A East
- The V&A entered a new partnership with the Wedgwood Museum to preserve and promote this important national collection in Barlaston, near Stoke-on-Trent
- A new partnership with The Sir Elton John Photography Collection was announced. It will enable the museum to show highlights from the V&A's world-leading photography collection of over 800,000 photographs – one of the greatest private photography collections in the world
- The William and Judith Bollinger Gallery re-opened to critical acclaim after a significant refurbishment, with the newly acquired Queen Victoria's coronet at the heart of the jewellery displays
- Ten exhibitions toured to 13 different museums around the world and were seen by almost 779,442 people

The decision was taken to close the museum to the public on 17 March 2020 due to the ongoing Covid-19 pandemic. The acclaimed exhibitions *Cars: Accelerating the Modern World*, *Tim Walker: Wonderful Things* and *Kimono: Kyoto to Catwalk* closed early, while the highly anticipated *Alice: Curiouser and Curiouser* and *Bags: Inside Out* were postponed. The Executive Board has been putting together a strategy to continue to maintain the museum in the most efficient way while responding to the ever-changing situation throughout the spring of 2020.

### V&A South Kensington exhibitions 2019-20

Exhibition attendance during the financial year was as follows:

Title	Dates	Visitors
Christian Dior: Designer of Dreams	2/2/19 - 1/9/19	413,150**
Mary Quant	6/4/19 - 16/02/20	408,295
FOOD: Bigger than the Plate	18/5/19 - 20/10/19	116,939
Prix Pictet 2019	14/11/19 - 8/12/19	24,076
Tim Walker: Wonderful Things*	21/9/19 - 22/3/20	196,849
Cars: Accelerating the Modern*	23/11/19 - 19/4/20	124,221
Kimono: Kyoto to Catwalk*	29/2/20 - 21/6/20	31,314
Filthy Lucre: Whistler's Peacock Room Reimagined*	25/1/20 - 3/5/20	70,067

\*These show the planned dates for these exhibitions, that closed due to the Coronavirus pandemic. Visitor figures are correct up to the closure of the museum on 17 March.

\*\*Visitor numbers shown are for the period 1 April 2019 to 31 March 2020. Total visitors for the full run of *Christian Dior: Designer of Dreams* were 594,994

### V&A Museum of Childhood exhibitions 2019-20

Title	Dates
A Pirate's Life For Me	20/10/18 - 22/04/19
Open Studio	1/6/19 - 12/3/20
Extinction Rebellion Families display	9/8/19 - 12/3/20

## Performance against strategic objectives

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

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

#### Overview

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

#### High-profile exhibitions and events

The V&A has continued to improve its visitor experience in 2019-20, staging a critically-acclaimed programme of immersive exhibitions, including two record-breaking exhibitions: *Christian Dior: Designer of Dreams* and *Mary Quant*.

High-profile and well-attended events continue to build on the V&A's reputation for innovative programming. Among these were our Friday Late and Fashion in Motion programmes and a wide range of displays, including presentations of recent acquisitions to our collection. Particular highlights included a Friday Late presented across arts venues in Hackney Wick as part of V&A East's preopening programme; a Fashion in Motion show featuring works by Central Saint Martins students inspired by Dior; and a Fashion in Motion devoted to Guo Pei – the first Chinese designer to participate in the series.

The V&A presented *Concealed Histories*, the first display of its kind, as part of the museum's commitment to proactive research into the history of ownership, using objects from the Gilbert Collection. The display told the story of eight different Jewish collectors and their families under the Nazis. It examined the gaps in provenance of objects in the Gilbert Collection to establish what happened to these pieces and also appealed to the public for further information.

#### Realising and sustaining FuturePlan

##### Museum of Childhood Transformation

This year the Learning team led the co-design process for the V&A Museum of Childhood. Emphasis shifted from architectural development to fit-out design, with the process facilitated by architects AoC. Through various forums, the museum has worked with children, families, teachers and specialist designers to co-design three new galleries and co-curate the collection experiences.

The Open Studio, a dedicated space to engage our audiences with the redevelopment and provide a place for our audiences to share direct feedback with the project team, opened in June 2019. From font design with Graphic Thought Facility, to creating a 3D colour palette with agency Franklin Tills and exploring child-friendly display techniques for objects, the participants have been working creatively to impact the design of the new museum.

Gina Koutsika became the new Creative and Skills Director of the Museum of Childhood to help steer this project to completion. She is assisted by a new Senior Management Team which has, together with Gina, brought fresh thinking and new ways of working to this transformation.

##### V&A East

The Collection and Research Centre (CRC) project started the year with architect's Diller Scofidio +Renfro finalising their RIBA Stage 3 design. The first stage of procurement was tendered in July and McLaughlin & Harvey was appointed as the main contractor in October, on time and to budget. Work started on site in November 2019. A second round of procurement, which included detail of the front of house spaces, concluded in March 2020. At this point the museum undertook a successful value engineering exercise to keep the overall project on budget. Construction continued on the CRC until 27 March when the site unfortunately needed to close due to Covid-19. However, design work continued with our contractor and the site reopened on 12 May.

This year the V&A East curatorial team undertook a huge piece of consultation with young people, teachers, creatives, arts organisations, Further Education colleges and community interest groups from across the four



Olympic Boroughs. This ongoing work has and will continue to provide invaluable insight into future audience interests and needs and help V&A East build a strong and engaged community in advance opening.

### **The V&A Photography Centre – Phase Two**

Architects Gibson Thornley were appointed to design phase two of the new Photography Centre to allow even wider public access to the collection. Phase two will establish a reading room for the V&A's collection of rare and unique photobooks; two galleries which will show contemporary commissions and our permanent collection through thematic displays; and a curiosity studio showing some of the more unexpected objects from our Photography collections.

### **Raphael Court**

In South Kensington, the V&A is undertaking a landmark project to enhance our visitors' understanding and enjoyment of the Raphael Cartoons and the gallery in which they hang – one of the museum's best-loved and iconic spaces. This was scheduled to coincide with the 500th anniversary of Raphael's death in 2020. The museum is working hard to ensure these beloved Cartoons return to public display as quickly as possible.

Part of the plans for this refurbishment includes an extensive 3D photography project with Factum Arte and Momart that will provide high-definition images and infra-red and 3D scans of the Cartoons, which will be available in the gallery and online to allow visitors to explore the Cartoons in unprecedented detail.

### **20th Century Galleries**

These rooms are some of the most popular in the museum, but they are in need of refreshing. Work began on improving lighting, signage and access, and new thematic displays allowing the curators to celebrate the 20th century collection through stories that connect visitors with the objects more clearly.

### **Expanding our flagship learning programme**

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

There were 327,143 instances of engagement with V&A South Kensington Learning department programmes during the past year, against a target of 289,850. Working across all audiences, the V&A presented a varied public programme spanning art, design, technology and performance that aimed to spark curiosity and imagination and provide new skills, knowledge and engaging social experiences.

### **V&A Innovate launch**

2019-20 saw the launch of V&A Innovate, a new national design challenge for Key Stage Three students championing Design and Technology as an essential subject and pathway for the next generation of makers, innovators, designers, architects, engineers and coders.

Inspired by the V&A's world-class collections and world-leading exhibitions programme, V&A Innovate has been designed to equip young people with the creative skills needed for today's fast-changing world. The programme challenges young people to devise a solution to a global challenge and nurtures their ability to think critically, problem-solve and inspire ingenuity with a social purpose.

Designed with curators, teachers, leading educational and industry experts, it aims to foster teacher-to-teacher networks and empower teachers through free, continued professional development (CPD) training and an annual conference delivered by the V&A and designers to teachers across England. It is complemented by a new online teaching hub with expert interviews, toolkits and case studies.

V&A Innovate's themes and resources for this first year were designed to complement the V&A's world-leading exhibitions programme: Go, Eat, Wear. Students discovered their own real and relevant problem to solve – at home, in school, or locally – leading to a new design solution.

Throughout the year the V&A has run learning programmes for adults, students, schools, families, young people and community groups across both the V&A South Kensington and the Museum of Childhood. Notable highlights include:

### **Digital Design Weekend, 21-22 September 2019**

A V&A flagship digital festival, examining the impact and influence of new technologies in society and culture and placing an emphasis on collaboration, participation and critical response. Artists, designers,

engineers and technologists took over the museum with a series of pop-up installations, immersive experiences, workshops and interactive performances exploring how technology and creativity offer new ways to perceive heritage and identity in the digital age. The 2019 edition saw over 28,000 acts of engagement across 30 exhibits, seven workshops, 15 talks and two guided tours, with over 40 artists, designers and experts travelling from the UK, Europe and the US to discuss or showcase their work.

#### **Digital Discovery: Museum in Your Room (Great Ormond Street Hospital)**

A collaboration between the V&A's Learning team and Great Ormond Street Hospital (GOSH), this project took object-based learning beyond the museum walls using the latest in 3D scanning and printing technology and digital applications.

A highly successful In-Service Training (INSET) day at The Children's Hospital School at GOSH highlighted new ways to incorporate object-based learning, creativity and STEAM education into their curriculum. As part of it, V&A Artist in Residence Gayle Chong Kwan designed multi-sensory activities that are easily replicated, flexible and adaptable for children with a range of complex needs.

This project's findings informed the development of a bespoke digital resource including object narratives, practical activities and digital applications supporting the use of the 3D printed replicas in the hospital classroom and at bedsides. The V&A hopes to expand this project to other hospital schools across the nation.

#### **Creating equality and diversity**

Alongside the established LGBTQ and African Heritage tours, the Learning department ensured a diverse approach across its activities. Particularly noteworthy highlights from the Digital Design Weekend include:

- *Queerskins*, an interactive virtual reality drama honoured with a Peabody Award, which made its UK debut at the V&A. It explored a love story between a Catholic mother and her gay son dying of HIV/AIDS
- *Windrush Arrival 1948*: an immersive experience that powerfully engaged the public with the history of the arrival of the MV Empire Windrush, the post-war settlement of Caribbean people in the UK and the unfolding Windrush Scandal.

#### **Future activity**

While we plan to continue the expansion of the V&A National Schools Programme across the country, through two flagship pillars – DesignLab Nation and V&A Innovate – this will depend upon the reopening of schools after the lockdown caused by Covid-19, which might affect the schedule for rollout. However, V&A Innovate is a digital-first programme and as such is well placed to extend the reach of V&A Learning into schools nationally through online resources. The programmes will expand access to national collections outside London and work with teachers to bring creativity into the classroom. Targeted regions of the National Schools Programme include the East of England, the Southwest, Northeast and Northwest, and areas with high rates of pupil premium.

The impact of the Coronavirus pandemic will also see the museum develop and test a pilot phase for V&A Academy online, drawing on the rich resources of applied art and design history to ensure that our learning offer is accessible to Academy students despite the restrictions due to social distancing.

Across the Learning programmes as a whole, throughout the lockdown and subsequent months, the portfolio has transitioned to online content for families and schools with a new initiative on social media, #LetsMakeWednesdays, which draws inspiration for creative activities from the collection and invites children to share their designs.

The construction and development of V&A East is currently delayed by Covid-19 but is set to continue once lockdown eases.

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

#### **The V&A Research Institute**

Launched in 2016, the V&A Research Institute, supported by the Andrew W. Mellon Foundation, hosts a programme of collaborative and interdisciplinary research projects focused on the V&A's collections and practices. Through these projects, we aim to generate new insights into the objects we hold and to develop new approaches to research, training, display and interpretation in order to enhance both access to our collections and knowledge about them.

A 'research in progress' display of The Leman Album project was held at the V&A from September-October 2019, showing a selection of the conserved designs and some of the research findings, together with a pilot version of the digital facsimile, developed using IIF (the International Image Interoperability Framework). Conservation on the designs and the development of the digital facsimile continues, with the aim of making all 97 designs available digitally by the end of the project.

A very different area of research has been explored through the Encounters on the Shop Floor project. Led by Dr Marta Ajmar of the V&A Research Institute with Professor Roger Kneebone of Imperial College London, this project investigates the knowledge of the maker – sometimes called embodied or tacit knowledge. The project has fostered interdisciplinary collaboration between practitioners from a range of disciplines, including artists and makers, surgeons and scientists and musicians and magicians, among others, to challenge the perceived divide between mind and hand and the marginalisation of manual, as opposed to intellectual, knowledge. A major conference took place at the V&A in June 2019, bringing together project participants, pedagogists, neurologists and policy-makers to discuss the findings and to explore strategies for recognising, showcasing and championing the value of embodied knowledge within learning at all levels.

Research has also brought new light to specific parts of the collection. Areas of focus this year (some of which are ongoing) have included the literary manuscripts of Charles Dickens (most of which are held within the National Art Library); the works of designer E McKnight Kauffer; the history, provenance and collections of the former India Museum; and KAC Creswell's photographs of the Middle East. Of particular note this year was the highly successful international conference The Institutional Lives of Photographs, which took place at the V&A in December 2019. This conference, organised by VARI Visiting Professor Elizabeth Edwards as a major output of her professorship, shone a light on the formative role of photographs and photographic practices in museums and galleries, not only through formal collections but through broader photographic cultures and ecosystems operating across museums like the V&A.

Collaborations with practitioners remain a vital and enriching aspect of the V&A Research Institute's work, bringing new perspectives to our collections and practices. In the past year we were delighted to host Ella Britton as an Embedded Design Thinker in Residence, supported by the Andrew W. Mellon Foundation. Through her residency, Britton worked with teams in VARI, the Learning department and the V&A Museum of Childhood to bring human-centred design thinking to bear on different aspects of our practices and projects. As part of London Design Festival in September 2019, Ella also organised a Collective Design School at the V&A: an experimental approach to developing a new type of collaborative curriculum that might equip us for the many known and unknown challenges of the future.

Through our research projects and research affiliations, we have welcomed many international scholars to the V&A, including from the Metropolitan Museum, LACMA, Yale Center for British Art and the Cooper Hewitt Smithsonian Museum of Design, and we continue to foster postgraduate research as a vital part of the V&A's research culture, involving collaborations with a number of higher education institutions across the UK. This year we welcomed three new PhD students to begin their doctoral research through the Collaborative Doctoral Partnership scheme funded by the Arts and Humanities Research Council (AHRC). These students will undertake research respectively into the collecting and display of Korean craft and design at the V&A since 1918 (with Brighton University); the museum of construction and building materials and its legacies (with Oxford University); and the effects of detergent use on the historic interpretation, understanding and conservation of museum textiles (with the Open University). Through AHRC-funded doctoral training placements, we have also welcomed students to undertake research on the V&A's loan collections of church plate, the relationship between menswear and war, and on the construction and design of the Albert Hall. At MA level, the MA in the History of Design and Material Culture, co-taught by the V&A and Royal College of Art, continues to train the next generation of collections-based researchers in the history of design and material culture, performance and photography.

### **Fashion in Motion**

Fashion in Motion is a series of live events presented against the unique backdrop of the V&A's galleries. Featuring established and emerging designers, the event makes the exclusive spectacle of catwalk shows and fashion presentations available to a wider audience, and hopes to inspire the next generation of designers. This year we celebrated the programme's 20th anniversary.

#### **Preen by Thornton Bregazzi**

Preen by Thornton Bregazzi are inspired by prints and motifs found in the V&A. This display presented past and current works in a new collection inspired by the summer solstice, showing a sensibility that has fused the contemporary and the historic.

### **Guo Pei**

This was the first time Guo Pei has shown her work in the UK. The internationally renowned Chinese couturier presented her Alternate Universe collection with a visually arresting display of her signature three-dimensional embroidery technique.

### **Fredrik Tjærandsen**

One of the youngest designers to show at Fashion in Motion, Tjærandsen graduated from Central St Martins in 2019. Made entirely from biodegradable natural rubber latex sourced sustainably and responsibly from growers in Sri Lanka, his garments support a small-scale industry which prevents deforestation by enabling local communities to make a living from the forests. His work is a masterclass in technical prowess.

### **Fashion Question Time**

Fashion Revolution hosted its fifth annual Fashion Question Time at the V&A. This is a powerful platform to debate the future of the fashion industry during Fashion Revolution Week. It was the first time the event was open to the public. The theme was Tomorrowland: how innovation and sustainability will change the fashion panorama. Panellists included: Mary Creagh, MP and Chair of the Environmental Audit Committee; Laura Balmond, Project Manager, Ellen MacArthur Foundation; Mark Sumner, Lecturer in Sustainability, Fashion & Retail, University of Leeds; and Hendrik Alpen, Sustainability Engagement Manager, H&M Group.

### **Food Waste Symposium**

The V&A hosted the 2019 Food Waste Symposium: Step up to the plate. The symposium ran ahead of the exhibition *FOOD: Bigger than the Plate*. Then-Environment Minister Rt Hon Michael Gove MP and Food Surplus and Waste champion Ben Elliot urged nearly 300 organisations to pledge to cut waste.

### **The V&A East Collection and Research Centre**

Preparation for the opening of the Collection and Research Centre, part of the V&A East continued throughout the year. This centre will revolutionise public access to the collection of 250,000 objects and over 900 archives. One of the highlights will be Frank Lloyd Wright's Kaufmann office – the only Wright interior that will be on view outside America. This year has seen the undertaking of a conservation project, in partnership with Plowden and Smith, to clean and restore each of its 240 panels to ensure that it will be seen at its best when V&A East opens.

### **Expanding national engagement**

The V&A is committed to providing the best possible physical and intellectual access to its collections. V&A staff provide training and advice to government bodies, museum colleagues and the public as well as many other organisations across the world. They are actively involved in Subject Specialist Networks and serve on boards and committees. The V&A works collaboratively with UK museums and universities, local authorities, charities, schools and community groups in a variety of ways, through both formal and flexible agreements.

### **DesignLab Nation**

The V&A's three-year flagship national secondary schools programme aims to inspire the next generation of designers, makers and innovators across the country, and to help young people develop the essential skills for the workplace of the future: critical thinking, creativity and collaboration.

Now in the final year of the first phase of this highly successful programme, we have been working with our five partners: Blackburn Museum, Culture Coventry, Sheffield Galleries and Museums Trust, The Potteries Museum & Art Gallery, Stoke-on-Trent and the National Glass Centre, Sunderland. Together with a professional designer commissioned by each regional partner, we have delivered in-depth design projects to local secondary school groups and continuing professional development sessions for regional networks of teachers. These activities are supported by the loan of relevant objects from the V&A's collections for public display in the regional museums. All participating students have visited both their local museum and the V&A during their project, as well as having additional engagement with other local design industries, colleges and universities.

The success of this programme has encouraged us to continue the project for another three years, which will see new regional partners join the programme from September 2020, building a network of colleagues embedding design teaching into their learning programmes and supporting the local teaching of Design and Technology GCSE.

### Supporting acquisitions

The Arts Council England/V&A Purchase Grant Fund continues to be a cornerstone of the museum's support for the cultural sector. In 2019-20 it awarded 97 grants to 68 different organisations across England and Wales totalling £727,992 (including grants not claimed). Organisations from York to Plymouth and Aberystwyth to Norwich developed the range and depth of their collections with support from the Fund.

As well as administering the Purchase Grant Fund, staff at the museum support regional acquisitions by advising external funding bodies on the importance of objects and formally objecting to the export of nationally significant objects. In 2019-20 we have advised on export licences for 5,370 objects and advised other funding bodies and government on a further 195 objects which were to be acquired or displayed at regional museums.

### National touring exhibitions

In 2019-20, three exhibitions toured to five different UK venues, attracting over 110,000 visitors.

Title	Venue	Dates	Visitors	V&A objects	Loans
Chance and Control: Art in the Age of Computers	Chester Visual Arts	07/06/2019 - 08/09/2019	4,755	68	0
	Firstsite, Colchester	25/10/2019 - 19/01/2020	39,411	68	0
The Art of Selling Songs: Music Graphics from the V&A	The Wilson, Cheltenham	16/03/2019 - 02/06/2019	1,323	71	7
	Ulster Museum, Belfast	15/06/2019 - 15/09/2019	18,675	71	7
Videogames: Design/Play/Disrupt	V&A Dundee	20/04/2019 - 08/09/2019	46,538	16	91

### National loans

In 2019-20 the V&A lent 1,441 objects to temporary exhibitions at 90 UK venues and 81 venues overseas. Additionally, 1,514 long-term loaned objects supported permanent displays at 119 venues in the UK and 8 venues overseas.

Highlights this year included 12 works loaned to the Wellcome Collection for *Play Well* (October 2019-April 2020), including Pumpie the Elephant, break out star of V&A's landmark BBC 2 TV series *Secrets of the Museum*. Ninety-one objects toured to The Collection, Lincoln for the Victoria and Albert Bicentenary Exhibition (October 2019-January 2020). Twenty-three objects were loaned to Touchstones, Rochdale, for its exhibition *Nowruz/ Newday* (July-September 2019) and two items, including the painting of the Wedgwood family by George Stubbs from the V&A Collection at World of Wedgwood, were exhibited in the opening exhibition at the MK Gallery, Milton Keynes (October 2019-January 2020).

	Short term	Long term
Number of objects	1,441	1,514*
Number of UK venues	90	119
Number of overseas venues	81	8

\*Figures Excluding the Wedgwood Collection

### Curatorial collaborations

The V&A has been working with a project team at Blackpool Council since 2006 to support the development of a new museum, Showtown, which will house the first permanent displays in a UK public museum on circus, magic, variety and ballroom dance. The V&A's Theatre & Performance curators worked with the Showtown team to develop the narrative for the museum's permanent galleries, and to select 27 exceptional objects from the V&A's Collection which demonstrate a strong connection to their theme and illustrate the stories told in each gallery.

## V&A Collection at World of Wedgwood

On long-term loan since 2014, the V&A and World of Wedgwood unveiled a new future for the historic Wedgwood Collection in July 2019. Saved for the nation and gifted to the V&A five years ago following a major public appeal organised by the Art Fund, the Wedgwood Collection is one of the most important industrial collections in the world and a unique record of over 260 years of British ceramic production.

The partnership between the two institutions cements this important national collection's future in Barlaston, near Stoke-on-Trent, supported by unparalleled expertise and resource from the V&A. To signal this exciting shift, the Wedgwood Museum has been renamed V&A Collection at the World of Wedgwood, and a new Chief Curator, Catrin Jones, has been appointed to lead a reimagined public programme that will celebrate the diversity, creativity and depth of the collection within its local context of North Staffordshire and the Potteries – the world's capital of ceramics.

In addition to the loans highlighted above, 38,000 objects are on long-term loan to the museum, with 8,000 of those objects on display.

## Acquisition highlights

Developing the V&A's collections is essential to ensuring the ongoing evolution of the world's leading museum of art, design and performance. The museum's new acquisitions represent the best of historic and contemporary design and reflect fast-changing and diverse societies, from all over the world.

The V&A looks after 2.7 million objects, library items and archives in its collections. In 2019-20, the collection grew by 32,686 items, with a total value of £10.5 million. Of this, the cost of objects purchased was £1.7 million, made possible by funding largely from external sources, including generous support from the Art Fund, V&A Members and many private donors. The value of objects donated, either directly or via the Acceptance in Lieu scheme, was £8.8 million.

The V&A continues to play a significant role in the fight to save key heritage objects for the nation, safeguarding their futures in national public collections.

The continued acquisition of historical and contemporary objects adds to the overall understanding of the collections and challenges established interpretations of particular periods, styles or movements.

Highlights include:

- The series of objects documenting the Extinction Rebellion movement
- *Head of a Laughing Child* (about 1746-49) by Louis-François Roubiliac
- A selection of instruments and costumes charting the 40-year history of the band Madness
- The Easton Triptych, *In Praise of Womenhood*, by Alexander Fisher
- A wool broadcloth and organza dress by Yohji Yamamoto
- Design for an umbrella, hat and coat stand for Miss Cranston's Argyle Tea Rooms by Charles Rennie Mackintosh
- Do Ho Suh's film, *Robin Hood Gardens, Woolmore Street, London, E14 oHG*
- A pair of Champagne Standard Lamps designed by Salvador Dalí and Edward James

## Future activity

The Covid-19 pandemic has brought a temporary halt to our research-led conferences, and has paused much of our collections-based research while the museum remains closed. While there is uncertainty around research for the year 2020-21 plans are in place for activities to continue both in lockdown and in preparation for reopening afterwards. Our ongoing focus on digital scholarship continues, particularly on the opportunities offered by digital technologies to make collections and research about them accessible. Over the next year a new AHRC-funded programme, Towards a National Collection, will enable the V&A to build on our work in this area by exploring, together with colleagues from the academic and cultural sector, opportunities and technologies for digitally connecting collections distributed across the UK and across different cultural organisations.

The V&A is continuing its work on the full decant of Blythe House, the storage and education space shared with the Science Museum Group and the British Museum. The decant will see 250,000 objects and more than 900 archives move into new, purpose-built storage and display spaces in V&A East.

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

#### Partnership with South Korea

Since 1918, the V&A has presented displays on Korean culture, opening the first gallery in London dedicated to Korean art in 1992, showcasing the museum's Korean collection. In 2019, the V&A agreed a landmark five-year partnership with the Ministry of Culture, Sports and Tourism in Korea. A major grant will enable the redevelopment of the museum's Korea Gallery and will support an expansion in future programming dedicated to contemporary Korean culture. V&A Curator Rosalie Kim will now lead the research and development plans to improve the current Korea gallery with a new curatorial narrative, never-before-seen objects, recent acquisitions and new display cases.

#### Developments in China

In January 2020, *Values of Design: China in the Making* opened at the V&A Gallery at Design Society in Shenzhen. This was the first exhibition in China to explore the growing field of Chinese design and the first to attempt to understand how changing and evolving values are helping to shape what we design, produce and consume. Initiated and curated by Design Society in collaboration with the V&A, the exhibition continues the success of a long-term partnership with Design Society and China Merchants Shekou Holdings.

We continue to develop new projects with Modern Media Group, a wide-ranging cross-media communication group based in Shanghai covering culture, art, fashion, lifestyle and business. Having opened the Modern Media Gallery as part of the V&A's new Photography Centre, preparations are now underway for Modern Media to host its first V&A touring exhibition in China.

In 2019, the V&A also completed the first stage of a major research project bringing together sinology, art history and information studies to create the first thesaurus of Chinese iconography. A valuable research tool to enhance the accessibility and understanding of Chinese art, it was initially funded by the Department of Digital, Culture, Media and Sport. In October 2019, outcomes were made available through a dedicated website hosted by Brill Academic Publishers and accompanied by an international conference organised in collaboration with the OCAT Institute in Beijing.

#### Partnership with La Biennale di Venezia

Since 2015, the V&A has staged an annual special project at the Pavilion of Applied Arts in the Arsenale in partnership with La Biennale di Venezia. The 2019 edition featured an installation by Polish-born, London-based artist, Marysia Lewandowska, whose work explores the public function of archives, museums and exhibitions. Delving into themes of representation and gender, her new work, *It's About Time*, drew on the holdings of the V&A's archive at Blythe House, and the Historical Archives of Contemporary Arts in Venice, to question the political and social mechanisms responsible for shaping the cultural spaces of the exhibition and the museum.

#### Commercial opportunities

The V&A's brand licensing and publishing programmes operate international businesses headquartered in South Kensington. Licensed merchandise featuring objects and designs from the V&A archive are produced by authorised manufacturers, publishers and distributors across the globe. The categories are wide ranging, from homeware to apparel, stationery to crafting, and objects are tailor-made to suit each market and produced and marketed under stringent approvals and guidelines. V&A books are distributed through commissioned warehousing in the UK, USA and Australasia, and many are licensed co-editions in multiple languages.

All these goods carry the V&A brand endorsement and are promoted through international trade shows and sold through high street retailers, department stores, chains, independent boutiques and specialist stores around the world. While Japan is a long-established territory for our licensing programme, the V&A launched new initiatives in China, including pop-up stores in Shanghai and strategic collaborations with online giants TMall and JD.com, and focused on building brand awareness through the V&A's expanding presence on Chinese social media platforms Weibo and WeChat.

#### International training

The V&A runs a series of week-long intensive courses that offer unique training opportunities for museum professionals from overseas to work with V&A colleagues and peers on specific aspects of museum practice. The courses are led by V&A experts and include talks, behind-the-scenes access and hands-on workshops. Participants are invited to share examples of projects from their institutions that they could develop during and after the

course. This year a new course was added to the portfolio: *Managing and Caring for Your Collection*. It received a strong cohort of professionals from around the world, who gave excellent feedback on the programme.

### V&A international touring exhibitions 2019-20

The V&A maintained its presence in international touring, sending 10 exhibitions overseas between 1 April 2019-31 March 2020, matching its 2018-19 results. However, the outbreak of Covid-19 impacted the number of venues able to present our exhibitions, and public safety guidance overseas led to three postponements.

The V&A toured 10 exhibitions to 13 different museums around the world, between 1 April 2019-31 March 2020, reaching an audience of 779,442 people. A total of 1,204 V&A objects travelled to these venues, alongside 551 loaned objects.

*Winnie the Pooh* attracted an audience of 330,321 in Asia, on display at the Bunkamura Museum of Art, Tokyo, and the Abeno Harukas Museum, Osaka, in Japan and the SOMA in Seoul, South Korea. *Opera: Passion, Power & Politics* reached a combined audience of 200,791 in Madrid and Barcelona, showcasing 136 V&A objects at both venues.

Title	Venue	Dates	Visitors	V&A Objects	Loans
Balenciaga: Shaping Fashion	Bendigo Art Gallery, Bendigo, Australia	17/08/2019 - 17/11/2019	30,950	94	70
	China National Silk Museum, Hangzhou, China	Postponed due to Covid-19 outbreak			
Fashioned from Nature	Natural History Museum, Copenhagen, Denmark	13/04/2019 - 01/09/2019	31,820	218	45
Game Plan: Board Games Rediscovered	The Ark, Dublin, Republic of Ireland	13/04/2019 - 23/06/2019	2,175	43	5
The Future Starts Here	ArkDes, Stockholm, Sweden	21/03/2019 - 04/08/2019	13,179	34	96
The Fabric of India	The John and Mable Ringling Museum of Art, Florida, USA	07/07/2019 - 13/10/2019	92,912	125	18
Jameel Prize (5)	Jameel Arts Center, Dubai, UAE	24/04/2019 - 15/09/2019	10,659	0	26
Master Strokes: Dutch & Flemish Drawings from the V&A	Barrié Foundation, La Coruña, Spain	28/02/2019 - 23/06/2019	11,660	91	0
Opera: Passion, Power & Politics	La Caixa, Madrid, Spain	26/04/2019 - 11/08/2019	107,514	136	61
	La Caixa, Barcelona, Spain	18/09/2019 - 26/01/2020	93,277	136	61
	Palazzo Ducale, Venice, Italy	Postponed due to Covid-19 outbreak			
Revolutions: Records & Rebels 1966 - 1970	Melbourne Museum, Museums Victoria, Australia	27/04/2019 - 06/10/2019	54,975	334	144
Winnie the Pooh: Exploring a Classic	Bunkamura Museum of Art, Tokyo, Japan	09/02/2019 - 14/04/2019	182,968	129	86
	Abeno Harukas Museum, Osaka, Japan	27/04/2019 - 30/06/2019	105,881	129	86
	SOMA, Seoul, Korea	21/08/2019 - 02/02/2020	41,472	129	79

### Future activity

While we continue to look to build upon the success of our national and international touring exhibitions, we recognise that the first half of the 2020-21 financial year will be significantly impacted by the Covid-19 outbreak. This will see a number of postponements to our international programming and, additionally, means



we will unfortunately not be able to participate in the 2020 Venice Architecture Biennale, which has been postponed until 2021.

That said, new partnerships in both the non-profit and commercial sectors will see our programming regain a solid footing in the second half of the year, with significant new opportunities in Australia, Canada, China, the Netherlands, South Korea and the United States of America.

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

2019-20 continued to be a successful year for the V&A's digital engagement. For the second year running there were over 15 million impressions on the V&A website. It was down very slightly (3%) compared to last year, which was the V&A's best ever year.

##### **Explore the Collections**

The Digital team has focussed on redesigning and redeveloping Search the Collections, uniting it with editorial content on the main website to create a new online destination for our collections. Explore the Collections will bring together V&A objects and stories to inspire people to develop their own creativity, understand and research over one million objects from the collection. With launch due in autumn 2020, the team has already released a number of new features as part of this large-scale project, including one that connects objects on the main website with their object data in Search the Collections.

##### **YouTube**

A continued concerted focus on our YouTube channel reaped rewards, with our films being watched over five million times between April and March, and a subscriber base of over 130,000. Particular successes include the *How was it Made* and the *Fashion Unpicked* series.

##### **E-commerce replatform**

This year has seen huge progress on our move to a new ecommerce platform. As well as an improved user experience, we are working towards a single basket of merchandise, ticketing, donations and membership sales. Due to launch in late 2020, the new online shop will enable our customers to buy everything in one place for the first time.

##### **Social Media**

In 2019, the reach of the V&A's social activity across core channels has increased by 20% to 123 million impressions, and driven 762,487 sessions on the website. The channels have served as a tool to diversify and expand the core V&A audience, growing by 13% overall and by 35% on Instagram alone from the previous year. The channels strive to connect audiences with their key interests through the museum's collections and activities, as well as position the museum as an international brand as 70% of our audience are located outside of the UK (in previous years this was only 30%). We are also connecting with younger audiences as we have seen our main audience demographic shift from 35-44 to 25-34 years of age. Furthermore, we continue to connect with international audiences through our expansion of social channels to Weibo and WeChat, engaging directly with audiences in Mainland China.

##### **Future activity**

The V&A will continue to accelerate its digitisation programmes, enabling our online and museum audiences to access, understand, study and enjoy the collection, and obtain greater benefit from curation, conservation and research.

The V&A will continue to extend its reach, and to give the variety and depth of the museum's rich intellect a voice in the global digital discourse about art and design through social media channels. The V&A will aim to enhance the museum experience by making the collection more relevant and accessible, according to visitors' individual interests, and then matching this to the available technology.

As a result of Covid-19, there has been a drive to engage as large an audience as possible through digital communications and connecting the public with the V&A's online resources. Covid-19 has not slowed our progression with the redevelopment of the online shop or Explore the Collections, and both are set to launch later in 2020.

## 5. DIVERSIFY AND INCREASE PRIVATE AND COMMERCIAL FUNDING SOURCES

### Private fundraising

During a successful period of fundraising, a total of £20 million was raised directly for the museum, of which £7.1 million was generated by V&A Membership and a further £5.1 million of restricted income was raised towards the V&A's ongoing capital projects, acquisitions and learning programmes.

The Raphael Court closed in January 2019 for refurbishment following the successful funding of £2.2 million supported by Lydia and Manfred Gorvy, Julia and Hans Rausing, American Express, the Royal Commission for the Exhibition of 1851, The Hintze Family Charitable Foundation, the Robert H. Smith Family Foundation, the American Friends of the V&A and many other generous donors.

Following the opening of the Photography Centre in October 2018, the naming of the third and final new gallery in phase one of the project was announced in April 2019 as The Sir Elton John and David Furnish Gallery in recognition of their generous support of the project. Progress continues to be made towards the fundraising target for phase two of the project.

The first major funder of the Photography Centre, The Bern Schwartz Family Foundation, announced a new curatorial fellowship in photography which will run for the next four years as much-needed support for the growing remit of the Photography department. The first Curatorial Fellow supported by The Bern Schwartz Family Foundation took up their post in September 2019.

Fundraising continues towards the visionary reimagining of the V&A's Museum of Childhood with further pledges totalling £1.1 million secured in 2019-20 from generous individuals, trusts and legacy gifts.

The V&A also secured a major grant from the Ministry of Culture, Sports and Tourism in Korea for a five-year partnership that will enable the redevelopment of the museum's Korea Gallery as well as support an expansion in future programming dedicated to contemporary Korean culture.

Following generous support of the national schools' programme DesignLab Nation, including lead contributions from the Art Fund and The Foyle Foundation alongside many other generous donors, we are now fundraising for a three-year extension of the programme beginning in September 2020. This year, additional grants were secured towards learning programmes including accessible projects with deaf children and in hospitals, as well as the regular programme at V&A South Kensington for children and young people with special educational needs and disabilities.

We are enormously grateful to the trusts, foundations, legacy donors and individuals who have helped us continue to secure important acquisitions for the V&A collection. Acquisition highlights included a rare and early significant piece of English porcelain, Roubiliac's *Head of a Laughing Child*, supported by the Art Fund and V&A Members. Further important acquisitions were also made possible thanks to the generosity of the Photographs Acquisition Group, which continues to offer valuable support and encouragement to the curatorial team and Photography collection. We were delighted to receive a grant from The European Fine Art Fair (TEFAF) towards the conservation of Frank Lloyd Wright's Kaufmann Office, which will be displayed to the public in the V&A's new Collection and Research Centre, due to open in Queen Elizabeth Olympic Park in 2023.

We are delighted to have attracted funding for the exhibition programme from several first-time supporters including Bosch, MUFG, King's Road, Shiseido and Yoshikimono. We are particularly grateful to GRoW @ Annenberg who continue to regularly support our exhibitions. Driven by the popular exhibition programme, Corporate Membership continued to grow, retaining Members and attracting several first-time supporters.

Corporate Events (venue hire) enjoyed another record year, exceeding targets to generate £1.7 million in unrestricted income. Aside from *Christian Dior: Designer of Dreams* being a great draw for clients, the museum also held 10 wedding receptions, three of which included ceremonies. The first official, licensed V&A wedding was held on 21 July 2019.

The past 12 months at the V&A have seen exceptional growth of the V&A Membership, highlighting its importance as one of the largest streams of self-generated unrestricted funds. Membership levels climbed steadily throughout the year and peaked in January 2020 with 113,825 active memberships, representing 214,476 members. We closed the year with 98,542 membership of which, on average, 78% of memberships include a guest facility.

Our communities of Director's Circle and Young Patrons' Circle members saw unprecedented growth with both programmes significantly surpassing their initial income targets for the year. Additionally, the inaugural Young Patrons' Circle appeal successfully supported a photographer as part of the museum's residency programme.

## How we fundraise

The V&A's Development team has an exceptional reputation in the sector for fundraising professionally, responsibly and sensitively. Partnerships and donations are considered in line with our statutory obligations and charitable aims and our Due Diligence and Gift Acceptance Policy is reviewed annually by the Board of Trustees. Many of the museum's fundraising team are members of the Institute of Fundraising, our Legacies team are members of the Institute of Legacy Management and the museum is registered with the Fundraising Regulator, the Code of Fundraising Practice and Fundraising Promise of which sets the standard of fundraising activity in the UK.

The V&A's approach to fundraising is highly personalised. The V&A operates almost exclusively on a one-to-one basis with supporters and partners, ensuring our communications are not excessive or intrusive and that the individuals we contact do not feel under any undue pressure to donate.

Our Members are all individuals who have actively agreed to engage with the V&A and we regularly engage with our Members as a group. When we receive feedback from our supporters on how we could improve we take it seriously, and we are pleased that we have had no complaints in the last year related directly to how we fundraise. Furthermore, advisory boards made up of volunteers representing a diverse range of our supporters help us to understand what these groups expect of the V&A and how we can best deliver the world-leading programmes we have become known for. When fundraising is carried out on behalf of the museum it is with a small group of trusted partners who help us secure sponsorship from organisations, or individuals who promote the V&A through their personal and professional connections. We work closely with these partners to ensure their approach consistently meets the high standards of the museum's own fundraising.

## Commercial activity

The V&A shops enjoyed their most successful year ever, with a turnover of £17 million (up from £15 million last year). This is largely due to a highly popular public programme driving sales both in the exhibition shops and online, and our retail ranges in V&A museum shops delivering exceptional results. Items that were particularly successful include the V&A's popular tote bags (210,000 sold), as well as exhibition V&A catalogues and books (207,000 sold).

Sales in the exhibition shop for *Christian Dior: Designer of Dreams* proved exceptional (£4.5 million) but this should not eclipse the commercial success of *Mary Quant*, by some margin the most commercially successful show we ever mounted in our Fashion Gallery.

Our catering operations have also benefited from the public programme, with the Members' Room proving very popular during *Christian Dior: Designer of Dreams* and exceptional sales in every outlet. We will earn more than £1 million in commission for the first time in the V&A's history, with satisfaction ratings at record highs. We are delighted to have signed a five-year extension of our agreement with Benugo, our partner of nearly 17 years' standing.

## Future activity

Since March 2020, the fundraising landscape has changed dramatically due to Covid-19. Having successfully increased the V&A's self-generated income from 43% of total income ten years ago to 55% in 2019-20, the V&A is now far more exposed to a reduction in visitors or a more challenging fundraising environment. The subsequent temporary closure of the museum and the economic downturn will likely have a significant impact on our ability to fundraise and generate income to previous levels.

However, we are confident that our suppliers are robust and flexible and that our customers, especially our Members, are loyal and keen to return to the V&A once it is considered safe for us to reopen. Longer term, we are looking at ways in which the V&A can meet the global demand for our exhibitions in a way that is both profitable and complementary to our work in the UK.

## Additional information

### Performance indicators

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

	2019-20	2018-19
<b>Number of visits to the museum</b>	4,082,067	4,293,188
V&A South Kensington	3,724,704	3,870,024
V&A Museum of Childhood	352,167	417,260
Blythe House	5,196	5,904
<b>Number of overseas visits</b>	2,076,174	1,662,931
V&A South Kensington	1,999,890	1,604,731
V&A Museum of Childhood	76,284	58,200
<b>No. of children aged 16 and under attending museum sites</b>	396,988	565,535
V&A South Kensington	241,900	393,400
V&A Museum of Childhood	155,088	172,135
<b>No. of facilitated and self-directed visits to the museum by children under 18 in formal education</b>	123,061	121,666
V&A South Kensington	62,212	61,720
V&A Museum of Childhood	60,849	59,946
<b>No. of instances of children under 18 participating in onsite organised activities</b>	138,376	160,585
V&A South Kensington	61,509	74,243
V&A Museum of Childhood	76,867	86,342
<b>Number of instances of adults aged 18 and over participating in onsite activities at the museum</b>	200,508	219,303
V&A South Kensington	173,501	182,712
V&A Museum of Childhood	27,007	36,591
<b>Number and % of visits by UK adult visitors aged 18 and over from National Statistics–Socio Economic Classification (NS-SEC) groups 5-8</b>	176,900 11% of UK adult visits	144,037 6% of UK adult visits
<b>V&amp;A South Kensington</b>	152,115 10% of UK adult visits	111,653 6% of UK adult visits
<b>V&amp;A Museum of Childhood</b>	24,784 19% of UK adults	32,384 13% of UK adults
<b>Number and % of visits by UK visitors from an ethnic minority background</b>	310,833 16% of UK visits	540,121 21% of UK visits
<b>V&amp;A South Kensington</b>	242,500 15% of UK visits	443,600 20% of UK visits
<b>V&amp;A Museum of Childhood</b>	68,333 26% of UK visits	96,521 28% of UK visits
<b>Number of unique web visits</b>	15,162,589	15,684,609
<b>% of visitors who would recommend a visit</b>		
V&A South Kensington	100%	99%
V&A Museum of Childhood	97%	98%
<b>Number of UK loan venues</b>	209	231
<b>Number of loan venues (UK &amp; Overseas)</b>	298	349

Self-generated income	£64,304,000	£68,636,000
Admission income	£9,260,000	£9,470,000
Trading profit	£8,380,000	£7,659,000
Charitable Giving	£21,778,000	£27,751,000
Of which donated objects	£8,819,000	£11,591,000
Charitable Giving as % of baseline GiA	41%	68%

## Financial Review

### Trading companies

The museum owns 100 per cent of the issued share capital of V&A Enterprises Ltd (VAE), which carries out trading operations on behalf of the museum. For the year ended 31 March 2020, VAE made profits of £7.9 million (2019: £7.6 million); while in previous years the full amount of profits earned have been paid up to the museum as a distribution under Gift Aid, it is anticipated that £3m of this amount will be retained by VAE rather than distributed to the museum to ensure VAE can continue as a going concern. The museum also owns 100 per cent of the issued share capital of V&A Holdings Ltd which in turn owns 100 per cent of the issued share capital of V&A Ltd. There was no trading activity undertaken by V&A Holdings Ltd during the year. V&A Ltd undertakes consultancy work on behalf of the museum and contributed £0.4 million to the group (2019: £0.1 million) in the year, all of which will be paid up to the museum in the coming months. A further wholly-owned subsidiary of V&A Holdings Ltd, V&A Museum Events Ltd, which undertakes certain fundraising activities in support of the museum's charitable objectives is also part of the group. There was no trading activity undertaken by V&A Museum Events Ltd during the year (2019: no activity). Further details are given in note 8 to the accounts. The accounts consolidate the results of the museum with those of its trading subsidiaries.

### Related charities

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

- The Gilbert Trust for the Arts (charity no. 1055853). The V&A manages the Trust's collections under a long-term agreement; the Trust has a minority of its Trustees appointed solely by the museum.
- The V&A Foundation (charity no. 1144508). It has the same charitable objectives as the V&A, and a minority of its Trustees are appointed by the V&A. In the year ended March 2019, the Foundation made grants to the museum of £0.8 million (2019: £1.9 million).
- Design Dundee Limited (charity no. SCO41219). The V&A is a founding partner of Design Dundee Limited. The Deputy Director of the V&A is a member of the Design Dundee Limited board and the V&A provides ongoing support in relation to the opening and operating of the V&A Dundee.

None of these charities are controlled by the V&A. However, as the V&A appoints more than 20% of the trustees of the Gilbert Trust for the Arts, a portion of its net assets have been included in the V&A's financial accounts, as required under FRS102. None of the activities or financial results of the V&A Foundation or Design Dundee Limited have been consolidated within the museum's results in this report.

### Results for the year

The year to 31 March 2020 saw a varied public programme that drew in over four million visitors for the third year in a row. Total unrestricted income including government funding was £82.4 million (2019: £78.8 million), thanks in no small part to two record-breaking temporary exhibitions in *Christian Dior: Designer of Dreams* and *Mary Quant*, which helped drive income from tickets, retail and memberships. Combined with good cost control, an operating surplus was generated, which will be vital in managing the expected financial impact of the Covid-19 pandemic.

Total government funding was £53.1 million (2019: £40.7 million), the increase reflecting the drawdown of funds for our planned move from Blythe House and an additional Museums Infrastructure Funding allocation, on top of the £37.2m core Grant in Aid figure set in the 2015 Comprehensive Spending Review.

While the Covid-19 crisis had a relatively limited effect on the financial results for the year ended 31 March 2020, it will have a substantial impact on the V&A's financial performance and position going forward. Having successfully increased the V&A's self-generated income from 43% of total income ten years ago to 55% in 2019-20, the

V&A is now far more exposed to a reduction in visitors or a more challenging fundraising environment. The museums' closure and likely continuation of social distancing even after reopening, along with a downturn in inbound tourism, will result in significantly lower visitor numbers in the coming year than we have been used to. The shift towards domestic visitors and the wider economic impact of the pandemic are also likely to reduce income generated per visitor. The V&A's ability to fundraise successfully for our FuturePlan programme is also expected to be limited in the coming year. Following a one-year funding settlement for 2020-21 in which an inflationary increase was awarded, the outcome of the upcoming Comprehensive Spending Review will also have a significant impact on the V&A's future financial sustainability.

### Fixed assets

Capital expenditure for the museum in the year was £10.8 million (2019: £8.9 million). Work continued on the Raphael Court and phase two of the Photography Centre at South Kensington, while preparations took place for a major redevelopment of the Museum of Childhood in Bethnal Green. Thanks to additional Museums Infrastructure Grant in Aid funding from DCMS, a major project was started to repair and stabilise the original Victorian National Art Library roof. These projects were all paused towards the end of the financial year in response to the Covid-19 crisis.

On 10 May 2019 the V&A's obligation to enter into a lease for the new Collections and Research Centre at V&A East became unconditional. The lease has been accounted for as a finance lease in accordance with FRS102 which gave rise to a fixed asset and corresponding lease liability of £46.6 million. The fit-out of this new space, due to open in 2023, was started while construction commenced on the new V&A museum at Stratford Waterfront, to be leased to the V&A at peppercorn rent.

The depreciation charge for the year was £14.1 million (2019: £14.5 million). A desktop valuation of the V&A Estate was performed by Gerald Eve, Chartered Surveyors as at March 2020; the last full quinquennial valuation was undertaken in March 2018. V&A South Kensington was re-valued at £454.4 million (2019: £435.6 million) and the Museum of Childhood at Bethnal Green at £16.6 million (2019: £16.1 million).

### Heritage assets

Spend on objects for the collection amounted to £1.7 million (2019: £2.2 million) with a significant portion being funded from private donations.

### Reserves policy

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

The Grant in Aid (GiA) received from DCMS represented 45 per cent of the museum's income in the year (2019: 37 per cent). The rest of the operational costs are financed by self-generated funds such as exhibition and trading income. These funding streams are volatile, and their associated risks are managed through the museum's policy for maintaining general and designated funds, and providing contingencies for annual and project budgets.

Taking an overall view of the annual operational activities, the level of self-generated income, GiA and planned capital investment, the Trustees believe that the minimum level of general reserves should be £2 million (2019: £1.5 million). This target level of reserves represents 1-3 months' worth of non-contractual income.

The Trustees are acutely aware that the current economic climate and future uncertainty in relation to all income streams require this assessment to remain under review. While the V&A had funds of £679.5 million at 31 March 2020 (2019: £637.0 million), the Trustees have access to only the combined total of certain General and Designated funds whose value is £23.2 million (2019: £20.9 million - see note 18). Of this amount, £2.8 million of general funds were held at the year end, £0.8m more than required under the reserves policy set out above. The Trustees now expect to utilise the full £2.8 million of general reserves in managing the short term financial impact of the Covid-19 crisis, and will aim to build reserves back up to the £2m requirement in future years. The remaining £20.4 million is held for specific building and IT infrastructure projects planned over the next two to three years. The balance of funds is restricted, with the vast majority representing capital assets, mainly the two V&A sites at South Kensington and Bethnal Green and the portion of the collection that is valued under Heritage Assets accounting.

### Principal risks and uncertainties

A description of the principal risks and uncertainties facing the museum and its subsidiary undertakings, as identified by the museum trustees, together with a summary of their plans and strategies for managing those risks is shown within the Governance Statement on pages 28-34.

## Investment policy

The Trustees' Investment Policy is governed by the Trustees Act 2000 and based on a consideration of the risk, return and cash flow requirements arising from each category of funds, unrestricted, restricted and permanent endowments. The policy is currently implemented through investment in a number of portfolios managed by Partners Capital LLP. The market value of museum investments, long and short-term, was £28.5 million at 31 March 2020 (2019: £29.4 million). The objectives and performance for the funds overseen by the V&A Investment Committee are as follows:

<i>Fund</i>	<i>Overall objective</i>	<i>Actual net return (income + gain - costs) %</i>	<i>Actual net return (income + gain - costs) £</i>
Short term fund	To meet the requirement for general reserves in order to manage the financial impact of a significant risk crystallising. Investment timeframe of less than one year.	0.24%	£20,803
Reserve fund	To meet specific restricted and designated expenditure purposes, whilst preserving capital in real terms with the potential for moderate real growth. Investment timeframe of 5 years.	-5.15%	-£663,926
Endowments	To fund the purchase of new collection items, maintain existing collections and to support the ongoing activities of the V&A (consistent with the purposes of each underlying trust) whilst preserving capital in real terms. Perpetual investment timeframe.	-6.13%	-£327,098
Bollinger endowment	To fund future renovations of the gallery allowing all fixtures & fittings to be kept current. To invest only in UK Government debt and or to be invested by an external professional financial adviser with the highest priority being the preservation of capital. Investment timeframe of 10 years.	0.16%	£4,058

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

## Payment policy

The museum aims to settle all bills within 30 days or in accordance with the suppliers' terms of business. In 2020 67% (2019: 60%) of invoices were settled on time.

## Political gifts & donations

The V&A makes no political gifts and as a charity does not normally make donations to other charities. It provides some services free of charge to associated charities. It also awarded £0.7 million to other organisations under the Purchase Grant Fund scheme to enable acquisitions (2019: £0.5 million, see note 5a).

## Auditors' disclosure and remuneration

The Comptroller and Auditor General is the auditor of the museum's consolidated accounts. As far as the Accounting Officer and Board of Trustees are aware there is no relevant audit information of which the entity's auditors are unaware. The Accounting Officer and Board of Trustees have taken all the steps that they ought reasonably to have taken to make themselves aware of any relevant audit information and to establish that

the entity's auditors are aware of that information. The audit fee paid to the National Audit Office was £60,750 (2019: £49,000).

Additionally, a sum of £21,850 (2019: £76,800) was paid to auditors of other entities in the group including £2,850 (2019: £56,500) for non-audit services, the higher figure in the prior year reflecting additional work required in submitting the V&A's first claim under Museums and Galleries Exhibition Tax Relief.

### **Sustainability**

Sustainable development is crucial to the V&A, and has been a strategic priority since 2005. The museum continues to make progress in reducing its environmental impact and is a leader in the sector. All FuturePlan projects include measures to minimise energy use, with a focus on sustainability. The V&A remains a leading participant in wider discussions in the museum sector on a range of sustainability topics and is a member of the South Kensington 1851 Carbon Reduction Masterplan. The 'living roof' area and the beehives continue to flourish and to provide a biodiverse environment within an urban landscape.

Following the success of the temporary sustainability role from last financial year, the museum has successfully recruited a Sustainability Lead to build on the work that has been undertaken so far and to integrate sustainable practice into the wider programming of the museum with support from the Sustainability Steering Group. Starting in the new financial year, the Sustainability Lead's role will focus on coordinating the museum's Green Champions network and the Carbon Insetting fund that was introduced this financial year.

The Learning team incorporate a great degree of sustainability-focused content into their programme, and two of the current artists in residence have sustainable themes at the heart of their practice. The V&A exhibition programme from this year has included *FOOD: Bigger Than the Plate*, and *Cars: Accelerating the Modern World*, which both contained a large sustainability element, and this was reflected in the programming surrounding both exhibitions. The Friday Late programme also highlighted food waste and sustainability on several occasions.

### **Waste and recycling**

The V&A recycles all dry recyclable items, such as paper, card, cans and non-heavy-duty plastics. The museum also recycles coffee granules, glass, batteries, printer cartridges and Kimtech Disposable Gloves. Food Waste is also sent to an anaerobic digester, and the continued roll out of food caddies to staff kitchens has been furthered. The V&A has increased the amount of waste streams which in turn increased the amount of overall recycling, so much so that 60% of all waste at the South Kensington site was recycled. The V&A's general waste is removed to a modern incineration plant, which operates with a 0% to landfill efficiency. Waste is used to generate electricity, and the waste product is processed into aggregate used by the road building industry. Green waste is removed by the V&A landscape partner for composting.

This year has also seen the introduction of single use coffee cup recycling for front of house areas, making the museum the first (and currently only) museum institution to offer this. The housekeeping team is continuing to look for sustainable solutions for waste, and to increase the volume of recycling the museum can implement. Training and engagement opportunities has been offered to all staff, especially to those in the retail and catering teams, and staff have also been able to meet with our waste disposal provider to help understand what happens to their waste after it leaves the site.

A large volume of remaining exhibitions and museum materials are recycled and rehoused across a large community of artists, creative and production teams. The museum has been able to donate a wide variety of materials to community groups, charities, arts projects and local schools, along with exhibition crates and materials being repurposed as furniture for part of London Design Festival.

### **Sustainable procurement**

The V&A recognises its responsibility to ensure that its procurement activities result in contracts that are economically, environmentally and socially responsible. In conjunction with its Sustainable Development Policy the V&A strives to incorporate environmental and social considerations into its procurement practices, from supplier selection through to product and materials specifications and the rationalisation of goods, works and services. The V&A has a Sustainable Procurement Policy which was last updated in June 2016 to incorporate the latest best practice.



**Key sustainability data**

		Unit	2020-19	2018-19
CO <sub>2</sub> emissions	Scope 1 emissions (direct)	tonnes of CO <sub>2</sub>	138	175
	Scope 2 emissions (indirect)	tonnes of CO <sub>2</sub>	3,846	4,142
	Total emissions tonnes of CO <sub>2</sub>	tonnes of CO <sub>2</sub>	3,984	4,317
Related Energy Consumption	Electricity	kWh	8,236	8,581
	Gas	kWh	8,461	7,643
	Total	kWh	16,697	16,224
Financial Indicators	Expenditure on energy	£'000	1,236	1,407
	Expenditure on official business travel	£'000	494	614
Waste	Waste sent to landfill	tonnes	-	-
	Waste recycled / re-used	tonnes	304	234
	Waste incinerated	tonnes	271	352
	Composted	tonnes	46	28
	Total waste disposed	tonnes	621	614
Finite Resource Consumption	Water Consumption	m <sup>3</sup>	49,080	48,810
	Water Supply Cost	£'000	107	124

The sustainability data for 2019-20 reflects some of the renewed effort that has been put into this area of work. Our Housekeeping Manager has worked closely with both our Housekeeping provider, and internal departments such as Retail and Catering, to provide training to staff with information on our waste streams. This has led to a significant increase in the proportion of waste that is recycled to the point that this now exceeds the amount of waste sent for incineration.

We have also noted a significant drop in electricity consumption, in part the result of the change of lighting in many galleries to energy-efficient versions. Gas usage increased in the year due to extended use of the gas boiler at the Museum of Childhood during the colder autumn months, and additional gas used when the generators stopped working temporarily. However, overall carbon emissions were lower this year, something we hope to improve on in 2020-21 with the introduction of the new Sustainability Lead role.

## Our People at the V&A

The V&A directly employs approximately 1,100 people, to enable the success of the museum by utilising and applying their considerable skill, experience and knowledge. The V&A involves its people in a programme of activities designed to engage employees, facilitate communication between departments, solicit feedback, work together to make improvements and enable employees to understand what the museum does and the vital role they play in its success.

### Employee Engagement

The museum regularly surveys employees to understand how they feel about working at the V&A. In 2018, a shortened "Pulse" engagement survey was conducted that gathered input from all employees, to capture progress from a full survey which ran in 2017. In 2019 a targeted set of focus groups and a survey was conducted to engage employees in developing a set of workplace behaviours for the V&A which were launched in April 2020.

In addition to the engagement survey, a programme of engagement activities exists, including the Leadership Forum (a regular meeting for Heads of Division and Departments to discuss current issues and exchange information), All Staff meetings (run bi-monthly with Director's update and presentations from different museum departments), as well as bi-monthly "Spotlight On" sessions, to focus more deeply on a particular subject area, breakfast meetings with the Chairman and other Senior employees, and staff lunch meetings with Trustees. Many different channels are used to communicate with staff, including the Director's Fortnightly Blog, the Deputy Director's monthly blog and regular news stories via the intranet. The V&A Strategic Plan and other key documents, such as Trustee Board minutes, are made available to all staff electronically or in hard copy. Employee representatives from the museum's three recognised trade unions meet V&A Management every two months and undertake formal pay negotiations.

The V&A has a full range of employment policies and procedures which enable the organisation to operate effectively and consistently, including the performance management process through which managers and their team set and monitor objectives and personal goals aligned to the V&A Strategic Plan. A range of Learning and Development activities is available for employees, to respond to individual role needs as well as organisational requirements.

### Employee Absence

The average amount of sick-day absence is 6.4 days (2019: 5.8 days). If long-term sickness (any absence over three weeks in duration) is excluded, the figure falls to 4.1 days (2019: 3.3 days).

### Diversity

We are committed to the principles of equality, diversity and inclusion and this is central to creating a positive environment which makes full use of the wide range of talents and resources of its employees. The V&A has high standards and values as an inclusive, tolerant and welcoming organisation ensuring that colleagues, partners and visitors are treated with respect and dignity.

Our recruitment process makes it clear that the museum is an equal opportunities employer and the recruitment process must result in the selection of the most suitable person for the post in respect of experience, knowledge, skills and qualifications, regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation.

The V&A policy in relation to disabled employees' forms part of the museum's Diversity Policy and we are a committed Disability Confident Employer. In our current workforce 9% of employees have declared themselves as having a disability.

87.6% of employees have chosen to declare against protected characteristics, creating the following employee profile: 74.3% white, 2.5% black, 4.8% Asian, 3.9% mixed, 2.1% other. 12.4% have chosen not to declare. The gender profile is 70.5% female and 29.5% male.

### Trade Union Activity

The V&A recognises three trade unions in Prospect, PCS and FDA for museum employees and meets regularly to facilitate effective communication and negotiation. Union representatives are granted reasonable requests for paid facility time, to carry out their union duties and details are shown below for the year April 2019-March 2020.

The total number of employees who were relevant union officials was 16 (13.6 on an FTE basis) and all spent between 1-50% of their paid working time on facility time. The total cost of facility time was £20,717, the total pay bill during this time was £40m, and therefore the percentage of the total pay bill spent on facility time was 0.05%. Finally, the time spent on paid trade union activities as a percentage of total paid facility time hours was 2.2%.

# 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

## **Solicitors**

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

## **Investment Advisors**

Partners Capital LLP  
5 Young Street  
London W8 5EH

## **Auditors-Internal**

RSM Risk Assurance LLP  
Floor 6  
25 Farringdon Street  
London EC4A 4AB

## **Auditors-External**

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

## *Trading companies*

Moore Kingston Smith LLP  
Devonshire House  
60 Goswell Road  
London EC1M 7AD

## REMUNERATION AND STAFF REPORT

### Remuneration Committee membership

The membership of the Remuneration Committee comprised the following Trustees:

Nicholas Coleridge CBE; Trustee (Chair)

David Bomford; Trustee

Nick Hoffman; Trustee

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

### Remuneration policy for senior managers

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

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

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

The committee met on one occasion in June 2019 to determine performance bonuses and the senior staff pay award.

### Performance assessment and payment

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

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

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

### Policy on duration of contracts, notice periods and termination payments

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

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

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

### Senior managers' remuneration disclosure (subject to audit)

The Board of Trustees of the V&A, who hold overall responsibility for the museum, are not remunerated. Expenses paid are disclosed in note 5d (page 53).

The director's and senior managers' emoluments and pension details for 2019-20 are shown in the table overleaf. The V&A has prepared this remuneration report in accordance with the Government Financial Reporting Manual, which requires disclosure of information about directors' remuneration, where 'directors' is interpreted to mean those who influence decisions of the V&A as a whole. In the V&A's opinion, this means the Trustees, Director and Deputy Director. The monetary value of benefits-in-kind covers any benefits provided by the employer and treated by the HM Revenue & Customs as a taxable emolument. There were no benefits-in-kind during the year and there were no additional emoluments paid other than as disclosed overleaf.

	<u>Total salary earned</u>		<u>Bonus Paid</u>		<u>Pension Benefits</u>		<u>Total</u>	
	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Dr Tristram Hunt Director	140-145	145-150	10-15	15-20	55	57	205-210	215-225
Tim Reeve Deputy Director & Chief Operating Officer	120-125	120-125	10-15	10-15	36	49	165-170	167-187

Bonus payments made and reported in 2019-20 relate to performance in the 2018-19 financial year. Due to the financial impact of Covid-19, senior managers have agreed to waive bonus payments relating to the financial year 2019-20 which would have been paid in 2020-21.

	<u>Accrued pension at pension age as at 31 March 2019 - Related lump sum</u>	<u>Real increase in pension at pension age - Real increase in related lump sum</u>	<u>CETV at 31 March 2020</u>	<u>CETV at 31 March 2019</u>	<u>Real increase in CETV</u>
	£'000	£'000	£'000	£'000	£'000
Dr Tristram Hunt Director	10-15	2.5-5	113	73	26
	Nil	Nil			
Tim Reeve Deputy Director & Chief Operating Officer	40-45	2.5-5	693	635	24
	85-90	0-2.5			

### Cash Equivalent Transfer Values

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

### Real increase in CETV

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

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of Classic, Premium and Classic Plus and 65 for members of Nuvos and Alpha. For more details on the pension schemes see note 5c (page 52).

#### Exit packages (subject to audit)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	3	1	4
	(6)	(1)	(7)
£10,000 - £25,000	2	-	2
	(1)	(2)	(3)
£25,000 - £50,000	-	2	2
	(1)	(3)	(4)
£50,000 - £100,000	-	2	2
	(-)	(2)	(2)
Total number of exit packages	5	5	10
	(8)	(8)	(16)
Total resource cost	£37,810	£226,770	£264,580
	(£69,142)	(£269,464)	(£338,606)

Figures in brackets are for the prior year.

For employees of the museum, redundancy and other departure costs are payable in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Where the museum has agreed early retirements, the additional costs are met by the museum and not the Civil Service pension scheme. For individuals employed by VAE, redundancy and other departure costs are payable in accordance with the provisions of their employment contract.

Fair Pay: based on the March 2020 payroll, the highest-earning employee is banded at £160-£165k p.a. including performance pay and any other benefits in kind (2019: £155-£160k) and the median employee £28k (2019: £27k). This is a ratio of 5.8:1. The V&A reports its gender pay gap annually. In its most recent published report the V&A had an overall mean gender pay gap of 7.1% and a median gender pay gap of 0%, both unchanged from the previous reporting period.

#### Off-payroll appointments

For the year ended 31 March 2020, there were no off-payroll engagements for more than £245 per day and that lasted for longer than six months. Consultancy spend for the year ended 31 March 2020 was nil (2019: nil).



Dr Tristram Hunt  
Director and Accounting Officer  
24 September 2020



Nicholas Coleridge CBE  
Chairman of Trustees  
24 September 2020

## STATEMENT OF TRUSTEES' AND DIRECTOR'S RESPONSIBILITIES

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

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

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

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

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

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



Dr Tristram Hunt  
Director and Accounting Officer  
24 September 2020



Nicholas Coleridge CBE  
Chairman of Trustees  
24 September 2020

## Governance Statement

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

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

DCMS drew up a Management Agreement in consultation with the V&A which was agreed in February 2017. This document sets out the broad framework within which the V&A operates. It is anticipated that the current Management Agreement will be reviewed following completion of the next Comprehensive Spending Review.

### Board of Trustees

The V&A Board is a body corporate with between 12 and 20 members. At 31 March 2020 there were 17 Trustees including Nicholas Coleridge CBE, the Chair of the Board of Trustees. Trustees serve an initial term of up to four years. Under the rules laid down by the Commissioner for Public Appointments, Trustees are restricted to serving two terms or a maximum period of ten years. Trustees are not remunerated but are able to claim expenses.

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

During the year five Trustees retired from the Board, five new Trustees were appointed, and one trustee and the Chair were reappointed for further four-year periods. Details of the Trustees during the year are shown in Table A.

### Trustee Appointment & Induction

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

Following recommendation made by The Mendoza Review, an independent review of museums in England, the Trustees were invited to attend a training session on the role of trustees for the Victoria and Albert Museum. Held in July 2019, this was delivered by external solicitors with an expertise in charity governance and attended by six Trustees.

### Delegation of Authority

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

- Issues of corporate strategy;
- Key strategic objectives and targets;
- Major decisions involving the use of financial and other resources;
- Senior personnel issues and standards of conduct;
- The appointment of the Director (jointly with the Prime Minister);
- Involvement in the appointment of some senior staff (jointly with the Director);
- Considering the remuneration of senior staff;



- The approval of major purchases by the museum of objects valued at £100,000, or more, on the recommendation of the Trustees' Collections Committee;
- The approval of major loans by the museum of objects valued at £1,000,000, or more, on the recommendation of the Trustees' Collections Committee

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

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

### Compliance with Governance Codes

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

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

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

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

### Committees of the Board

Much of the Board's business is conducted through its committees. Details of their scope and structure are given in Table B.

### Board performance

A number of strategic issues were considered by Trustees during the year including: the move to a multi-site model with the work progressing on V&A East to provide a new waterfront museum at the East Bank in the Queen Elizabeth Olympic Park, and the Collection and Research Centre at Here East. This has included the appointment of Dr Gus Casely-Hayford OBE as Director of V&A East from 30 March 2020. Another priority is the associated transfer of the V&A's collections currently in Blythe House and its implications for the museum's collecting and acquisitions policy.

At the Board meeting held on 25 March 2020, the Trustees received a detailed briefing on the museum's response to the Covid-19 pandemic and its future implications. The Board agreed to establish a Covid 19 Liaison Committee, to liaise with key members of the Executive Board on the museum's response to the pandemic and to advise the Board accordingly. The V&A's response to the pandemic and the implications for the future will continue to be central to the Board's activities in the year ahead.

The Board has been apprised of the progress of FuturePlan projects, particularly the redesign of the V&A Museum of Childhood, which involves the temporary closure of the Bethnal Green site for two years to allow a complete overhaul of the building and a resetting of the public focus of the Museum of Childhood.

The Trustees received reports on the V&A's retail operations, the Research Institute and the Membership strategy, and have been briefed on the museum's international strategy with the appointment of a new Head of International Programmes. The Trustees also oversaw the formalisation of a partnership between the V&A and World of Wedgwood to promote and conserve the historic collection through the V&A Collection at World of Wedgwood.

Areas of communication shared with the Board included the BBC2 documentary, *Secrets of the Museum*, Digital Media and the work undertaken on the V&A brand.

During the year the Trustees also considered routine business including: agreeing the budget; reviewing the museum's financial management, performance of investments and progress against performance indicators; considering the forthcoming Public Programme; the plans for forthcoming capital works; the annual Safety Report; approving the Gift Acceptance Policy and received updates from a number of curatorial departments.

At the instigation of the Audit Committee the Trustees undertook a review of the work of the Board Sub-Committees. The findings were reported to the Board by the Chair of the Audit Committee at the meeting held on 28 November 2019. The results of the review were positive and felt to be helpful and the feedback will be taken forward by the Committee Chairs. In addition a senior Trustee, Nick Hoffman, provided feedback to the Chair on his performance. In the light of the review of the Board Sub-Committees the annual self-assessment of the Board was held over to the following year.

### **Audit Committee**

The Audit Committee is responsible for reviewing the museum's risks, reviewing the controls in place to manage them, and monitoring its compliance with statutory requirements (including the Annual Report & Accounts). During the year the Committee reviewed all the Internal Audit reports it had commissioned and agreed the Internal Audit plan for 2020-21. It reviewed the Strategic Risk Register at each meeting and approved a revised Risk Management Policy. It also reviewed the external audit of the Annual Report & Accounts for 2018-19 and approved the Governance Statement.

The Audit Committee also held a workshop during the year to discuss and agree a risk appetite statement, which now forms part of the revised Risk Management Policy. The risk appetite statement provides guidance as to the level of risk the V&A can tolerate for different types of activity and helps to establish target scores for identified risks.

The areas reviewed by Internal Audit during the year included Risk Management, Visitor Numbers, Payroll, Cyber Security, Capital Projects and Cash Handling. In addition, follow-up work was performed to provide assurance on the implementation of recommendations from internal audit work undertaken in the previous year. In its Annual Report, Internal Audit was able to give reasonable assurance on the effectiveness of the V&A's risk management, control and governance processes over the year.

### **Risk management and control**

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

#### **Identification and assessment of risk**

The museum has two risk registers: Operational and Strategic.

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

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

The Strategic Risk Register includes risks relating to governance, reputation and policy matters, and key physical threats to staff, volunteers, visitors, or contractors, or to the security of the collections, where the Trustees have statutory or quasi-statutory obligations.

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

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

## Monitoring of risk

The museum has a well-worked out process for identifying and continually assessing risks to its ongoing operations and services to the public. Many of these risks change with circumstances and time. A range of significant risks arising from the Covid-19 pandemic, which led to museum closure as of 17th March 2020, were identified in the Strategic Risk Register. A global pandemic as the single simultaneous source of these risks was not identified. The Strategic Risk Register is being and will continue to be recalibrated in light of the epidemic as needed over time.

During the course of 2019-20 the major risks (and mitigating steps) identified for the museum were:

- The funding environment – whilst DCMS has guaranteed the level of Grant in Aid settlements until 2020-21 there remains uncertainty around future Grant in Aid settlements which means that the museum has to place increasing reliance on private fundraising and visitor income for both revenue and capital projects. This is partly mitigated by the reserves held, and the long term financial strategy, developed alongside the five year plan.
- Ensuring the security of visitors, staff, volunteers and collections at a time of global instability. The museum has a thorough and flexible security strategy that responds to changes in risk.
- Delivering major projects, in particular V&A East and the decant of reserve collections from Blythe House into a new Collection and Research Centre. These projects are closely scrutinised by Trustees and the EB.
- Finding resources to enable investment in the museum's digital infrastructure, upon which increasing reliance is placed, particularly with respect to income generation. A robust business case process operates to decide which projects to take forward whilst ensuring priorities are met; this is monitored by the Commercial Strategy Committee.
- Cyber security and the need to invest scarce resources to manage the risk of cyber attack in an increasingly hostile environment. Risk management in this area came into sharp focus in January 2020, when the V&A experienced a major cyber-security incident. The V&A's cyber-security controls were breached and data was exported from the environment. A major piece of investigative and remedial work followed, and in early March a full domain reset of passwords was undertaken to ensure there could be no repercussive attacks. Work continues to further develop the V&A's cyber-security environment, augmenting the high level of controls already in place as a Cyber Essentials Plus accredited organisation. The Audit Committee has received regular updates on this area. The loss of data is not thought to have contained significant personal data, although a report was made to the ICO (see note on data protection below).
- The museum's ability to sustain visitor numbers as a result of the weaker tourism economy which could affect future attendance and earned income. The museum offers a compelling and varied programme of exhibitions and events.
- The volatility connected to exhibition visitors and its impact on the museum's business model. The Trustees ensure that the museum's exhibition programme retains a broad appeal.
- The adverse impact on the museum's reputation if its large scale capital projects fail to meet expectations or are delivered late. The Trustees monitor this activity closely through the FuturePlan and V&A East Committee and receive regular progress reports.
- The adverse impact on the museum's reputation if its overseas projects fail to meet expectations. The Trustees monitor this activity closely and receive regular progress reports at Board Meetings.
- Covid 19 Pandemic – the impact of Covid 19 was experienced towards the very end of the 2019-20 financial year. The response of the museum and its management of the risks arising from the pandemic were the focus of the Audit Committee's meeting on 16th April 2020. This will continue to be central to the work of the Audit Committee in the year ahead – see note below.
- Brexit – the range of risks relating to the UK's exit from the European Union were reviewed at each meeting of the Audit Committee.

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

- The Executive Board meets fortnightly to review all operational issues;
- The Trustees and senior management have agreed a Strategic Plan which outlines key short- and medium-term objectives and appropriate indicators. This ensures that scarce resources are applied to key corporate priorities;
- The functions of the Board's Sub-Committees are set out in Table B
- The retention of Internal Auditors with a reporting line directly to the Trustees, as set out on page 30.

## **Covid 19 Pandemic**

In response to government guidance in relation to the Covid-19 pandemic, all V&A sites were closed to the public on Tuesday 17 March and to all but essential employees at close of business on Friday 20 March. DCMS and the Chair of the Board were kept updated throughout this process. Trustees received a full briefing at their meeting on 25th March 2020 and continue to be updated on the response to and future implications of the Covid-19 pandemic through the work of the Covid-19 Liaison Committee and through full discussion at each Board meeting

Planning is underway for reopening the museum with social distancing in place. The combination of closure and gradual reopening will severely impact the number of visitors for the coming year, and it is likely to be several years before inbound tourism returns to pre-pandemic levels. With 55% of the museum's income being self-generated, the combination of lower visitor numbers and the wider economic implications of the pandemic poses a severe challenge to the V&A's financial position.

The museum continues to work with DCMS to mitigate the impact of the pandemic. A large number of staff have been placed on furlough under the government's Coronavirus Job Retention Scheme, a recruitment freeze has been implemented, and budgets for the coming year have been reduced significantly, with new spending controls put in place. As noted above we anticipate spending down the entirety of our general reserves in the coming year.

## **Business readiness**

The museum is mindful of those risks that may be impacted by the UK's negotiations on its future relationship with the EU. The EB works closely with DCMS to identify and minimise the impact of all such risks. Via the Audit Committee, the Trustees receive regular updates on the risks and the steps being taken to mitigate them.

## **Whistleblowing arrangements**

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

## **Data quality**

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

## **Data protection**

The museum takes the protection of personal data very seriously and is mindful of the General Data Protection Regulations (GDPR) which came into force in May 2018, and has appointed a Data Protection Officer and a separate Data Protection & Information Compliance Executive. During the course of the year the V&A has made five reports to the Information Commissioner's Office (ICO) relating to potential data breaches. The ICO closed three of these cases immediately. The ICO opened investigations on the other two incidents. One of these involved a marketing email that was sent to a wider population than the one intended. The other related to the serious cyber security breach experienced by the V&A in January 2020. In both cases, the ICO was satisfied with the remedial action taken, the investigations were closed and no further action was required. Neither of these incidents involved a significant loss of personal data.

**Accounting Officer's and Chair's conclusion**

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

**Table A**

Board of Trustees at date of signing 24 September 2020					
Name	Term expires	Attendance			
		Board	Audit	Rem	
Nicholas Coleridge CBE (Chair)	31/10/2023	5/6	4/4	2/2	
Jonathan Anderson	03/02/2023	4/6			
Martin Bartle	29/02/2024	1/1			
Allegra Berman	29/02/2024	1/1			
David Bomford	31/03/2023	6/6		1/1	
Dr Genevieve Davies	03/02/2023	6/6			
Ben Elliot	31/12/2020	5/6			
Nick Hoffman	14/09/2023	6/6	4/4	2/2	
Amanda Leveté CBE	29/02/2024	1/1			
Steven Murphy	31/12/2020	6/6			
Professor Lynda Nead	31/12/2020	6/6			
Kavita Puri	01/07/2022	5/6			
Caroline Silver	30/06/2022	5/6	3/4		
Amanda Spielman	29/02/2024	1/1			
Marc St John	03/02/2023	6/6			
Dr Paul Thompson	(ex officio as Vice Chancellor of the Royal College of Arts)	4/6			
Nigel Webb	31/12/2020	5/6			
Other Trustees who served during the year					
Robert Glick	14/09/2019	2/3		1/1	
Andrew Hochhauser QC	19/04/2019	0/0	1/1		
Dame Theresa Sackler	27/11/2019	3/3			
Sir John Sorrell	19/04/2019	0/0			
Edmund de Waal OBE	27/11/2019	3/3			

**Table B**

<b>Committees of the Board of Trustees during the year</b>		
<i>Committee</i>	<i>Primary functions</i>	<i>Chair</i>
Audit	Financial reporting, risk management & assurance	Nick Hoffman
Collections	Acquisition, disposal & loan of the collection	David Bomford
Commercial Strategy	Overseeing and advising on the museum's commercial strategy	Marc St John
Finance	Overseeing the museum's financial position	Caroline Silver
FuturePlan and V&A East	To guide the strategy of the FuturePlan capital projects, in particular V&A East	Nigel Webb
Investment	Monitoring investment performance & policy	Caroline Silver
Museum of Childhood	Policies & practice of the MoC, and the capital project	Marc St John
Remuneration	Remuneration of senior staff	Nicholas Coleridge CBE
Research	Overseeing research policy & projects	Professor Lynda Nead
Visitor Experience	Developing visitor experience strategy	Steven Murphy
Covid 19 Liaison	Response to Covid 19	Nicholas Coleridge CBE

**Table C**

<b>V&amp;A Executive Board during the year</b>	
Dr Tristram Hunt	Director (Chair)
Tim Reeve	Deputy Director & Chief Operating Officer
Dr Antonia Boström	Director of Collections
Sophie Brendel	Director of Audiences
Dr Gus Casely-Hayford	Director of V&A East, appointed 30/03/2020
Dr Helen Charman	Director of Learning & National Programmes
Jane Ellis	Director of Finance & Resources
Jane Lawson	Director of Development
Dr Philippa Simpson	Director of Design, Estate & FuturePlan
Judy Roberts	Head of HR
Alex Stitt	Director of Commercial, Digital & Exhibitions

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

### Opinion on financial statements

I certify that I have audited the financial statements of the Victoria and Albert Museum for the year ended 31 March 2020 under the Museums and Galleries Act 1992. The financial statements comprise: The Consolidated Statement of Financial Activities, the Consolidated and Museum Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as adopted by the European Union. I have also audited the information in the Remuneration and Staff Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of the Victoria and Albert Museum's affairs as at 31 March 2020 and of its net income for the year then ended; and
- the financial statements have been properly prepared in accordance with the Museum and Galleries Act 1992 and Secretary of State directions issued thereunder.

### Emphasis of Matter

I draw attention to Note 1o) to the financial statements, which describes the basis for valuing the Victoria and Albert Museum's property. Management consider that there is a 'material valuation uncertainty' associated with this balance. Consequently, less certainty and a higher degree of caution should be attached to management's valuation than would normally be the case. My opinion is not modified in respect of this matter.

### Opinion on regularity

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

### Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Victoria and Albert Museum and group in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Conclusions relating to going concern

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

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

### Responsibilities of the Trustees and Director

As explained more fully in the Statement of Trustees' and Director's Responsibilities, the Trustees and the Director are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

### **Auditor's responsibilities for the audit of the financial statements**

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the Victoria and Albert Museum's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.
- Conclude on the appropriateness of the Victoria and Albert Museum's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Victoria and Albert Museum's or the group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Victoria and Albert Museum or the group to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### **Other Information**

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



### Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Museums and Galleries Act 1992.
- in the light of the knowledge and understanding of the group and the Victoria and Albert Museum and its environment obtained in the course of the audit, I have not identified any material misstatements in the Annual Report including the Trustees' Report; and
- the information given in the Annual Report including the Trustees' Report which I provide a positive consistency opinion on for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I report by exception

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

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

### Report

I have no observations to make on these financial statements.

### Gareth Davies

Comptroller and Auditor General  
29 September 2020

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

## Consolidated Statement of Financial Activities

	Notes	Unrestricted funds	Restricted funds	Endowment funds	2020 Total funds	2019 Total funds (restated)
		£'000	£'000	£'000	£'000	£'000
<b>Income and receipt of endowments</b>						
<i>Income from donations and legacies</i>						
– Grant in Aid	2a	36,152	16,946	-	<b>53,098</b>	40,676
– Donations, legacies and similar income	2b	2,705	8,099	-	<b>10,804</b>	13,940
– Lottery income		-	-	-	-	503
– Donated objects	6c	-	8,819	-	<b>8,819</b>	11,591
		<u>38,857</u>	<u>33,864</u>	<u>-</u>	<u><b>72,721</b></u>	<u>66,710</u>
<i>Income from other trading activities</i>						
– Trading Income	8	22,390	-	-	<b>22,390</b>	21,109
– Sponsorship		2,105	50	-	<b>2,155</b>	1,717
		<u>24,495</u>	<u>50</u>	<u>-</u>	<u><b>24,545</b></u>	<u>22,826</u>
Investment income	3	82	25	-	<b>107</b>	191
<i>Income from charitable activities</i>						
– Admissions & exhibition fees (inc loans & touring)		9,855	-	-	<b>9,855</b>	9,530
– Membership income		7,073	-	-	<b>7,073</b>	6,179
– Other Trading		732	3	-	<b>735</b>	879
		<u>17,660</u>	<u>3</u>	<u>-</u>	<u><b>17,663</b></u>	<u>16,588</u>
Other income		1,311	1,054	-	<b>2,365</b>	2,392
Income from Associate	9	-	-	-	-	605
<b>Total income</b>		<u>82,405</u>	<u>34,996</u>	<u>-</u>	<u><b>117,401</b></u>	<u>109,312</u>
<b>Expenditure</b>						
<i>Expenditure on raising funds</i>						
– Costs of generating voluntary income		8,395	1,573	-	<b>9,968</b>	8,437
– Trading costs	8	14,010	-	-	<b>14,010</b>	13,453
– Investment management costs		25	22	17	<b>64</b>	125
		<u>22,430</u>	<u>1,595</u>	<u>17</u>	<u><b>24,042</b></u>	<u>22,015</u>
<i>Expenditure on charitable activities</i>						
– Charitable Activities	5a	57,316	19,804	-	<b>77,120</b>	71,625
Loss on Associate	9	-	2,181	-	<b>2,181</b>	-
<b>Total expenditure</b>		<u>79,746</u>	<u>23,580</u>	<u>17</u>	<u><b>103,343</b></u>	<u>93,640</u>
Net income / (expenditure) before gains and losses on investments		2,659	11,416	(17)	<b>14,058</b>	15,672
(Losses)/Gains on investment assets	7	(344)	(160)	(450)	<b>(954)</b>	675
<b>Net income / (expenditure)</b>	4	<u>2,315</u>	<u>11,256</u>	<u>(467)</u>	<u><b>13,104</b></u>	<u>16,347</u>

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

	Notes	Unrestricted funds	Restricted funds	Endowment funds	2020 Total funds	2019 Total funds (restated)
		£'000	£'000	£'000	£'000	£'000
Transfers between funds	17	8	21	(29)	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<u>2,323</u>	<u>11,277</u>	<u>(496)</u>	<u>13,104</u>	<u>16,347</u>
Gain on revaluation of fixed assets for the charity's own use	6	-	29,421	-	29,421	5,371
<b>Net movement in funds</b>		<u>2,323</u>	<u>40,698</u>	<u>(496)</u>	<u>42,525</u>	<u>21,718</u>
<b>Fund balances brought forward at 1 April</b>		<u>21,081</u>	<u>609,047</u>	<u>6,870</u>	<u>636,998</u>	<u>615,280</u>
<b>Fund balances carried forward at 31 March</b>	17	<u>23,404</u>	<u>649,745</u>	<u>6,374</u>	<u>679,523</u>	<u>636,998</u>

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

The notes on pages 44 to 70 form part of these financial statements.

## Prior Year Consolidated Statement of Financial Activities

	Notes	Unrestricted funds	Restricted funds	Endowment funds	2019 Total funds (restated)
		£'000	£'000	£'000	£'000
<b>Income and receipt of endowments</b>					
<i>Income from donations and legacies</i>					
– Grant in Aid	2a	35,273	5,403	-	40,676
– Donations, legacies and similar income	2b	2,674	11,266	-	13,940
– Lottery income		-	503	-	503
– Donated objects	6c	-	11,591	-	11,591
		<u>37,947</u>	<u>28,763</u>	<u>-</u>	<u>66,710</u>
<i>Income from other trading activities</i>					
– Trading Income	8	21,109	-	-	21,109
– Sponsorship		1,717	-	-	1,717
		<u>22,826</u>	<u>-</u>	<u>-</u>	<u>22,826</u>
Investment income	3	88	65	38	191
<i>Income from charitable activities</i>					
– Admissions & exhibition fees (inc loans & touring)		9,530	-	-	9,530
– Membership income		6,179	-	-	6,179
– Other Trading		879	-	-	879
		<u>16,588</u>	<u>-</u>	<u>-</u>	<u>16,588</u>
Other income		1,364	1,028	-	2,392
Income from Associate	9	-	605	-	605
<b>Total income</b>		<u>78,813</u>	<u>30,461</u>	<u>38</u>	<u>109,312</u>
<b>Expenditure</b>					
<i>Expenditure on raising funds</i>					
– Costs of generating voluntary income	5a	7,125	1,312	-	8,437
– Trading costs	8	13,453	-	-	13,453
– Investment management costs		33	33	59	125
		<u>20,611</u>	<u>1,345</u>	<u>59</u>	<u>22,015</u>
<i>Expenditure on charitable activities</i>					
– Charitable Activities	5a	52,536	19,089	-	71,625
<b>Total expenditure</b>		<u>73,147</u>	<u>20,434</u>	<u>59</u>	<u>93,640</u>
Net income / (expenditure) before gains and losses on investments		5,666	10,027	(21)	15,672
Gains on investment assets		175	309	191	675
<b>Net income</b>	4	<u>5,841</u>	<u>10,336</u>	<u>170</u>	<u>16,347</u>

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

	Notes	Unrestricted funds	Restricted funds	Endowment funds	2019 Total funds (restated)
		£'000	£'000	£'000	£'000
Transfers between funds	17	(2,949)	3,010	(61)	-
<b>Net income before other recognised gains and losses</b>		<u>2,892</u>	<u>13,346</u>	<u>109</u>	<u>16,347</u>
Gain on revaluation of fixed assets for the charity's own use	6	-	5,371	-	5,371
<b>Net movement in funds</b>		<u>2,892</u>	<u>18,717</u>	<u>109</u>	<u>21,718</u>
<b>Fund balances brought forward at 1 April</b>		<u>18,189</u>	<u>590,330</u>	<u>6,761</u>	<u>615,280</u>
<b>Fund balances carried forward at 31 March</b>	17	<u>21,081</u>	<u>609,047</u>	<u>6,870</u>	<u>636,998</u>

The notes on pages 44 to 70 form part of these financial statements.

## Consolidated and Museum Balance Sheets

	Notes	Group 2020	Museum 2020	Group 2019 (restated)	Museum 2019 (restated)
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	6a	529,490	529,490	458,905	458,880
Intangible assets	6b	622	622	185	185
Heritage assets	6c	128,386	128,386	117,894	117,894
Investments	7,8	19,863	20,065	20,850	21,052
Investment in Associate	9	18,604	-	20,785	-
		<u>696,965</u>	<u>678,563</u>	<u>618,619</u>	<u>598,011</u>
<b>Current assets</b>					
Stock	10	3,580	1,530	5,287	2,887
Debtors due within one year	11	14,215	16,788	10,883	15,459
Short Term Investments	7	8,589	8,589	8,568	8,568
Cash		19,878	12,759	12,714	5,768
		<u>46,262</u>	<u>39,666</u>	<u>37,452</u>	<u>32,682</u>
<b>Current liabilities</b>					
Creditors due within one year	12	(16,364)	(13,093)	(16,893)	(12,408)
Provisions due within one year	15	(657)	(534)	(115)	(7)
<b>Net current assets</b>		<u>29,241</u>	<u>26,039</u>	<u>20,444</u>	<u>20,267</u>
<b>Total assets less current liabilities</b>		<u>726,206</u>	<u>704,602</u>	<u>639,063</u>	<u>618,278</u>
Creditors due after one year	12	(46,683)	(46,683)	(2,065)	(2,065)
<b>Net assets</b>		<u>679,523</u>	<u>657,919</u>	<u>636,998</u>	<u>616,213</u>
<b>Represented by</b>					
Designated funds		20,619	17,619	19,580	19,580
General funds		2,785	2,785	1,501	1,501
<b>Total Unrestricted funds</b>	17	<u>23,404</u>	<u>20,404</u>	<u>21,081</u>	<u>21,081</u>
Restricted funds	17	413,534	413,534	400,076	400,076
Revaluation Reserve	17	217,607	217,607	188,186	188,186
Investment in Associate	17	18,604	-	20,785	-
<b>Total Restricted Funds</b>		<u>649,745</u>	<u>631,141</u>	<u>609,047</u>	<u>588,262</u>
<b>Total Income funds</b>		<u>673,149</u>	<u>651,545</u>	<u>630,128</u>	<u>609,343</u>
Endowment funds	17	6,374	6,374	6,870	6,870
<b>Total funds</b>		<u>679,523</u>	<u>657,919</u>	<u>636,998</u>	<u>616,213</u>

The financial statements on pages 38 to 70 were approved by the Director and the Chairman.



Dr Tristram Hunt  
Director and Accounting Officer  
24 September 2020



Nicholas Coleridge CBE  
Chairman of Trustees  
24 September 2020

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

The notes on pages 44 to 70 form part of these financial statements.

## Consolidated Cashflow Statement

Year ended 31 March 2020

	Notes	2020 £'000	2019 (restated) £'000
Net cash inflow from operating activities	a	63,902	15,028
<b>Cash flows from investing activities</b>			
Returns on investments		107	191
Income from associate		-	(605)
Loss from associate		2,181	-
Purchase of property, plant and equipment (inc. heritage and lease assets)		(59,037)	(10,202)
Purchase of investments	7	(53)	(2,172)
Proceeds from the sale of investments	7	64	3,019
Net cash used in investing activities		(56,738)	(9,769)
Increase in cash and cash equivalents	c	7,164	5,259

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

Net income	13,104	16,347
Investment income	(107)	(191)
Donated assets	(8,819)	(11,591)
Depreciation and revaluation loss charged to operations	15,724	14,260
Amortisation	40	249
Loss/(Gain) on investments	954	(675)
Decrease/(Increase) in stocks	1,707	(2,054)
Increase in debtors	(3,332)	(3,705)
Increase/(Decrease) in creditors due within one year	(529)	2,597
Increase/(Decrease) in provisions due within one year	542	(54)
Increase/(Decrease) in creditors due after one year	44,618	(149)
Increase/(Decrease) in provisions due after one year	-	(6)
<b>Net cash inflow from operating activities</b>	<b>63,902</b>	<b>15,028</b>

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

Increase in cash in the period	7,164	5,259
Non-cash movement in Short Term Investments	21	2,016
Movement in net funds in the period	7,185	7,275
Net funds at 1 April	21,282	14,007
Net funds at 31 March	28,467	21,282

### c) Analysis of net funds

	At 1 April 2019 £'000	Cashflow £'000	Non-cash changes £'000	At 31 March 2020 £'000
Cash at bank and in hand	12,714	7,164	-	19,878
Short Term Investments	8,568	-	21	8,589
Net funds	21,282	7,164	21	28,467

All cash at bank is held in commercial bank accounts.

The notes on pages 44 to 70 form part of these financial statements.

## Notes to the Consolidated Financial Statements

### 1) Accounting policies

#### *a) Basis of Accounting*

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

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

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

#### *b) Fund accounting*

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

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

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

#### *c) Incoming resources*

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

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

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

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

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



Membership income is recognised in the period it is received.

All other income is accounted for on a receivable basis.

#### *d) Expenditure*

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

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

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

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

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

All other liabilities are recognised as they fall due.

#### *e) Heritage assets*

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

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

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

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

#### *f) Tangible fixed assets*

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

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

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

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

*g) Intangible assets*

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

Intangible assets are stated at cost less amortisation.

*h) Investments*

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

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

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

*i) Financial Instruments*

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

*j) Stock and work in progress*

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

*k) Pension cost*

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

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

*l) Operating leases*

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

*m) Foreign currencies*

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

*n) Finance lease*

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

*o) Key judgements*

- Valuation uncertainty

The outbreak of Covid-19 has impacted global financial markets and market activity is being impacted in many sectors. Less reliance can be placed on previous market evidence for comparison purposes to inform opinions of value. Gerald Eve have faced an unprecedented set of circumstances on which to base judgement. Due to the economic impacts of Covid-19, Gerald Eve reported their valuation of land and buildings as at 31 March 2020 as subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

- Inclusion of associates

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

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

*p) Going concern*

The accounts are prepared on the going concern basis as financial projections show the museum is able to meet its liabilities as they fall due for the foreseeable future. In reaching the conclusion on the ability of the museum to remain a going concern, the Trustees have carefully considered the financial impact of the Covid-19 pandemic. The temporary closure of the museum, the expected lower visitor numbers for a significant period of time following reopening, and the wider economic impact of the Covid-19 pandemic will all significantly limit the Group's ability to generate income. Mitigating actions taken have included making use of the government's Coronavirus Job Retention Scheme, a recruitment freeze and the reworking of budgets to minimise costs. In addition, DCMS have committed additional funding for the year to 31 March 2021 through the cultural and heritage support package announced in July 2020. These measures, alongside an assessment of the liquidity of assets held and the level of general funds, have given assurance to the Trustees that it is reasonable to assume the museum is able to continue to operate for the coming 12 months and beyond.

**2a) Grant in Aid income**

Grant in Aid of £53.098m was received from the Department for Digital, Culture, Media and Sport during the year (2018-19: £40.676m). This represents 53% of the total income for the museum and 45% of the income of the group. 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 2019-20 totalled £15.103m (2018-19: £4.203m). This increase related to Grant in Aid to support the move from Blythe House to the Collections and Research Centre at V&A East and additional museums infrastructure funding.

**2b) Donations, legacies and similar income**

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2020 Total £'000	2019 Total £'000
Donations and Legacies	1,405	8,099	-	9,504	12,640
Corporate Members	542	-	-	542	662
Director's Circle	758	-	-	758	638
	<u>2,705</u>	<u>8,099</u>	<u>-</u>	<u>10,804</u>	<u>13,940</u>

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

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2020 Total funds £'000	2019 Total funds (restated) £'000
<b>Income and receipt of endowments</b>					
<i>Income from donations and legacies</i>					
- Grant in Aid	36,152	16,946	-	53,098	40,676
- Donations, legacies and similar income	2,705	8,099	-	10,804	13,940
- Lottery income	-	-	-	-	503
- Donated objects	-	8,819	-	8,819	11,591
- Covenant of profits from subsidiaries	5,380	-	-	5,380	7,656
<i>Income from other trading activities</i>					
- Trading Income	-	-	-	-	-
- Sponsorship	2,105	50	-	2,155	1,717
Investment income	<u>82</u>	<u>25</u>	<u>-</u>	<u>107</u>	<u>191</u>
	<u>46,424</u>	<u>33,939</u>	<u>-</u>	<u>80,363</u>	<u>76,274</u>
<i>Income from charitable activities</i>					
- Admissions & exhibition fees (inc loans & touring)	9,855	-	-	9,855	9,530
- Membership income	7,073	-	-	7,073	6,179
- Other Trading	<u>732</u>	<u>3</u>	<u>-</u>	<u>735</u>	<u>879</u>
	<u>17,660</u>	<u>3</u>	<u>-</u>	<u>17,663</u>	<u>16,588</u>
Other income	<u>1,311</u>	<u>1,054</u>	<u>-</u>	<u>2,365</u>	<u>2,392</u>
<b>Total income</b>	<u>65,395</u>	<u>34,996</u>	<u>-</u>	<u>100,391</u>	<u>95,254</u>

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

	Unrestricted funds	Restricted funds	Endowment funds	2020 Total funds	2019 Total funds (restated)
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure on</b>					
<i>Expenditure on raising funds</i>					
– Costs of generating voluntary income	8,395	1,573	-	9,968	8,437
– Trading costs	-	-	-	-	-
– Investment management costs	25	22	17	64	125
	<u>8,420</u>	<u>1,595</u>	<u>17</u>	<u>10,032</u>	<u>8,562</u>
<i>Expenditure on charitable activities</i>					
– Charitable Activities	57,316	19,804	-	77,120	71,625
<b>Total expenditure</b>	<u>65,736</u>	<u>21,399</u>	<u>17</u>	<u>87,152</u>	<u>80,187</u>
Net (expenditure) / income before gains and losses on investments	(341)	13,597	(17)	13,239	15,067
(Losses) / gains on investment assets	(344)	(160)	(450)	(954)	675
<b>Net (expenditure) / income</b>	<u>(685)</u>	<u>13,437</u>	<u>(467)</u>	<u>12,285</u>	<u>15,742</u>
Transfers between funds	8	21	(29)	-	-
<b>Net (expenditure) / income before other recognised gains and losses</b>	<u>(677)</u>	<u>13,458</u>	<u>(496)</u>	<u>12,285</u>	<u>15,742</u>
Gain on revaluation of fixed assets for the charity's own use	-	29,421	-	29,421	5,371
<b>Net movement in funds</b>	<u>(677)</u>	<u>42,879</u>	<u>(496)</u>	<u>41,706</u>	<u>21,113</u>
<b>Fund balances brought forward at 1 April</b>	<u>21,081</u>	<u>588,262</u>	<u>6,870</u>	<u>616,213</u>	<u>595,100</u>
<b>Fund balances carried forward at 31 March</b>	<u>20,404</u>	<u>631,141</u>	<u>6,374</u>	<u>657,919</u>	<u>616,213</u>

**3) Investment Income**

	Unrestricted funds	Restricted funds	Endowment funds	2020 Total	2019 Total
	£'000	£'000	£'000	£'000	£'000
Interest receivable	54	-	-	54	20
UK equities and Investment funds	28	25	-	53	171
	<u>82</u>	<u>25</u>	<u>-</u>	<u>107</u>	<u>191</u>

**4) Net income is stated after charging**

	Group 2020	Museum 2020	Group 2019	Museum 2019
	£'000	£'000	£'000	£'000
External Auditors' remuneration		84	72	49
Finance lease payments				
– Land and Buildings		3,171	-	-
Operating lease payments				
– Land and Buildings		367	138	103
– Other		20	20	20

There were no non-audit services provided by the Comptroller and Auditor General during 2019-20 (2018-19: nil).

**5a) Total expenditure**

	Direct Costs	Grants Made To Other Charities	Allocated Support Costs	Depreciation, revaluation loss & loss on disposal	2020 Total	2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000
<i>Expenditure on raising funds</i>						
Costs of generating voluntary income	6,125	-	2,385	1,458	<b>9,968</b>	8,437
Trading costs	13,985	-	-	25	<b>14,010</b>	13,454
Investment management costs	64	-	-	-	<b>64</b>	124
	<u>20,174</u>	<u>-</u>	<u>2,385</u>	<u>1,483</u>	<b><u>24,042</u></b>	<u>22,015</u>
<i>Charitable Activities</i>						
Collections & Learning	30,361	817	18,314	13,178	<b>62,670</b>	56,732
Exhibitions	11,691	-	1,694	1,065	<b>14,450</b>	14,893
	<u>42,052</u>	<u>817</u>	<u>20,008</u>	<u>14,243</u>	<b><u>77,120</u></b>	<u>71,625</u>
Loss on associate	2,181	-	-	-	<b>2,181</b>	-
<b>Total expenditure</b>	<u>64,407</u>	<u>817</u>	<u>22,393</u>	<u>15,726</u>	<b><u>103,343</u></b>	<u>93,640</u>

Grants totalling £0.728m were paid out via the Purchase Grant Fund.

	2020	2019
	£'000	£'000
<i>Governance Costs (Direct)</i>		
External Audit Fees (museum only)	61	49
Internal Audit Fees	46	45
Legal costs	13	20
Staff costs	<b>136</b>	129
	<u>256</u>	<u>243</u>

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

	Information services & support	Projects & Estate	Finance & Administration	Human Resources	Other Central Costs	Museum of Childhood - Administration	Governance	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Expenditure on raising funds</i>								
Costs of generating voluntary income	482	1,286	200	116	194	74	33	<b>2,385</b>
<i>Charitable Activities</i>								
Collections & Learning	3,702	9,880	1,539	889	1,488	569	247	<b>18,314</b>
Exhibitions	342	914	142	82	138	53	23	<b>1,694</b>
	<u>4,526</u>	<u>12,080</u>	<u>1,881</u>	<u>1,087</u>	<u>1,820</u>	<u>696</u>	<u>303</u>	<b><u>22,393</u></b>

<b>5b) Wages and salaries</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	30,981	29,112
Social security costs	3,059	2,865
Pension costs	4,295	3,561
Agency and temporary staff	1,152	1,375
	<u>39,487</u>	<u>36,913</u>
Early retirement and redundancy costs	265	339
	<u>39,752</u>	<u>37,252</u>

During the year restricted funding for staff costs was received totalling £2.932m (2018-19: £2.367m).

V&A Enterprises Ltd's staff costs were £20.610m (2018-19: £17.029m) of which £3.990m (2018-19: £3.955m) was for trading activities and £16.619m (2018-19: £13.074m) was for services provided to the V&A. More information on the make-up of early retirement and redundancy costs is shown within the Remuneration and Staff Report on page 24.

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:

	<b>2020</b>	<b>2019</b>
£60,001 - £70,000	11	9
£70,001 - £80,000	11	11
£80,001 - £90,000	8	5
£90,001 - £100,000	4	2
£100,001 - £110,000	2	2
£110,001 - £120,000	2	2
£120,001 - £130,000	-	-
£130,001 - £140,000	2	1
£140,001 - £150,000	-	-
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-
	<u>41</u>	<u>33</u>

Of the employees listed above, 20 (2018-19: 19) are members of the Principal Civil Service Pension Scheme, and the total pension contributions payable in the year for these employees was £459,672 (2018-19: £440,713). Another 20 (2018-19: 13) 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 £127,520 (2018-19: £85,808).

### 5c) Pension disclosure

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. The Victoria and Albert Museum is unable to identify its share of the underlying assets and liabilities. The scheme actuary provided a statement in the 2016–17 Annual Report and Accounts of Civil Superannuation, based on an assessment of the liabilities as at 31 March 2015, with an approximate updating to 31 March 2017 to reflect known changes. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation. The Victoria and Albert Museum is only liable for the contribution they have made directly.

For 2019-20, employer's contributions of £3.287m were payable to the PCSPS (2019: £2.829m) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. The scheme Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Before 30 July 2007, museum employees would have been eligible to participate in one of the final salary arrangement schemes; Classic, Classic plus and Premium. From 30 July 2007, new joiners were offered membership of Nuvos, a career average pension with a normal pension age of 65. From 1 April 2015, most PCSPS members switched to the new Civil Servants and Others Pension Scheme, also known as Alpha. Those who were previously members of Classic, Classic plus or Premium retained a final salary link in Alpha and those who were within 10 years of their PCSPS normal pension age on 1 April 2012 are generally allowed to remain in the PCSPS until they leave employment covered by the Scheme. Those who were between 10 and 13.5 years from their PCSPS normal pension age on 1 April 2012 were given a 'tapered Alpha enrolment date' between 1 May 2015 and 1 September 2025 but could opt to forego their tapered protection and switch to Alpha on 1 April 2015.

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

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

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution, rather than join a PCSPS scheme. Employer's contributions of £33,799 (2019: £41,939) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% and 14.75% of pensionable earnings. Employers also match employee contributions up to 3% of pensionable earnings. Employers also contribute a further 0.5% of pensionable pay to cover the cost of centrally-provided risk benefit cover (death in service or ill health retirement).

NEST (National Employment Savings Trust) is a pension scheme that has been set up by the Government for employers to use to comply with auto-enrolment. From 1 December 2013, we are using NEST as the pension scheme for any workers on zero hours contracts. Those workers who earn more than £833 per month (£10,000 pa) will be automatically enrolled into NEST but can then opt out if they wish. Workers can also choose to opt in at any point, as long as they are aged at least 22 and earning less than £10,000 pa. Employer and total contributions will increase over a transition period until April 2019 of between 1% and 3% for employers and 2% and 8% for a total minimum contribution. Employer contributions paid during the year were £22,872 (2019: £17,068).

The museum's trading company, V&A Enterprises Ltd, operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund with Aviva. Employer's total contributions paid during the year was £948,948 (2019: £670,352).



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

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

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

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

#### 5d) Trustees

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

During the year expenses for travel of £157 were paid by the museum on behalf of two Trustees and were incurred wholly and necessarily on the museum's business (2019: nil).

#### 5e) Average number of employees (\*)

	2020	2019
Generating voluntary income	94	77
Trading	149	113
Collections & Learning	724	706
Exhibitions	67	73
	<u>1,034</u>	<u>969</u>

(\*) based on full-time equivalents.

Of the above employees, 910 are full time permanent employees of the museum and its subsidiaries (2019: 856), 76 are externally-funded posts (2019: 64), and the remaining 48 employees are temporary staff (2019: 49).

**6a) Tangible fixed assets**

Group	Land & Buildings	Furniture & fittings	Equipment	Assets in course of construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
At 1 April 2019	451,809	5,931	12,348	4,370	<b>474,458</b>
Transfers	1,707	-	-	(1,707)	-
Additions	46,834	282	371	9,401	<b>56,888</b>
Disposals	-	(3)	(180)	-	<b>(183)</b>
Revaluation	27,793	-	-	-	<b>27,793</b>
<b>At 31 March 2020</b>	<b>528,143</b>	<b>6,210</b>	<b>12,539</b>	<b>12,064</b>	<b>558,956</b>
<b>Depreciation</b>					
At 1 April 2019	105	5,024	10,424	-	<b>15,553</b>
Charged for the year	12,777	322	997	-	<b>14,096</b>
Disposals	-	(3)	(180)	-	<b>(183)</b>
Revaluation	-	-	-	-	-
<b>At 31 March 2020</b>	<b>12,882</b>	<b>5,343</b>	<b>11,241</b>	<b>-</b>	<b>29,466</b>
<b>Net book value</b>					
At 31 March 2020	<b>515,261</b>	<b>867</b>	<b>1,298</b>	<b>12,064</b>	<b>529,490</b>
At 31 March 2019	451,704	907	1,924	4,370	458,905

The net book value at 31 March 2020 represents fixed assets of the Group for:

	Land & Buildings	Furniture & fittings	Equipment	Assets in course of construction	Total
	£'000	£'000	£'000	£'000	£'000
Direct charitable activities	515,261	867	1,298	12,064	<b>529,490</b>
Other activities	-	-	-	-	-
<b>Total</b>	<b>515,261</b>	<b>867</b>	<b>1,298</b>	<b>12,064</b>	<b>529,490</b>

6a) Tangible fixed assets (*cont'd*)

Museum	Land & Buildings	Furniture & fittings	Equipment	Assets in course of construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
At 1 April 2019	451,809	5,544	11,985	4,370	<b>473,708</b>
Transfers	1,707	-	-	(1,707)	-
Additions	46,834	282	371	9,401	<b>56,888</b>
Disposals	-	(3)	(180)	-	<b>(183)</b>
Revaluation	27,793	-	-	-	<b>27,793</b>
<b>At 31 March 2020</b>	<b>528,143</b>	<b>5,823</b>	<b>12,176</b>	<b>12,064</b>	<b>558,206</b>
<b>Depreciation</b>					
At 1 April 2019	105	4,653	10,070	-	<b>14,828</b>
Charged for the year	12,777	306	988	-	<b>14,071</b>
Disposals	-	(3)	(180)	-	<b>(183)</b>
Revaluation	-	-	-	-	-
<b>At 31 March 2020</b>	<b>12,882</b>	<b>4,956</b>	<b>10,878</b>	<b>-</b>	<b>28,716</b>
<b>Net book value</b>					
<b>At 31 March 2020</b>	<b>515,261</b>	<b>867</b>	<b>1,298</b>	<b>12,064</b>	<b>529,490</b>
At 31 March 2019	451,704	891	1,915	4,370	<b>458,880</b>

**Land & Buildings**

On the 31st March 2020 a desktop valuation of the freehold properties comprising the Victoria and Albert Museum Estate was carried out by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation - Professional Standards, January 2014 amendment and FRS102. The net book value of land & buildings of £515.3m includes the site at South Kensington valued at £454.4m, the site at Bethnal Green at £16.6m and the Collections and Research Centre at V&A East, treated as a finance lease, valued at £44.4m (see page 63). These valuations include some plant and machinery that is included in Fixtures & Fittings and Equipment.

The appropriate basis of valuation for financial statements is normally Existing Use Value and this is used for non-specialised properties. However, the 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. The valuation of the Collections and Research Centre has been on an Existing Use Value basis with the special assumption of vacant possession.

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

**6b) Intangible Assets**

Museum	Intangible assets £'000	Assets in course of construction £'000	Total £'000
<b>Cost or valuation</b>			
At 1 April 2019	999	113	<b>1,112</b>
Transfers	-	-	-
Additions	16	461	<b>477</b>
Disposals	-	-	-
<b>At 31 March 2020</b>	<b>1,015</b>	<b>574</b>	<b>1,589</b>
<b>Amortisation</b>			
At 1 April 2019	927	-	<b>927</b>
Charged for the year	40	-	<b>40</b>
Disposals	-	-	-
<b>At 31 March 2020</b>	<b>967</b>	<b>-</b>	<b>967</b>
<b>Net book value</b>			
<b>At 31 March 2020</b>	<b>48</b>	<b>574</b>	<b>622</b>
At 31 March 2019	72	113	<b>185</b>

No intangible assets are held within the trading subsidiaries

**6c) Heritage Assets**

Additions of £10.5m (2019: £13.8m) were made to the Collection. The additions comprise the following elements:

	2020 £'000	2019 (restated) £'000	2018 £'000	2017 £'000	2016 £'000
<b>Opening balance brought forward</b>					
Donated objects (shown at valuation)	73,584	61,993	61,239	57,117	54,303
Acquisitions (shown at cost)	44,310	42,122	35,340	33,455	31,383
	<b>117,894</b>	<b>104,115</b>	<b>96,579</b>	<b>90,572</b>	<b>85,686</b>
Donations of objects by gift or bequest *	4,761	5,991	737	1,030	1,273
Donations of objects under the acceptance in lieu scheme	4,058	5,600	17	3,092	1,541
	<b>8,819</b>	<b>11,591</b>	<b>754</b>	<b>4,122</b>	<b>2,814</b>
Acquisitions	1,673	2,188	6,782	1,885	2,072
Total Additions	<b>10,492</b>	<b>13,779</b>	<b>7,536</b>	<b>6,007</b>	<b>4,886</b>
<b>Closing balance carried forward</b>					
Donated objects (shown at valuation)	82,403	73,584	61,993	61,239	57,117
Acquisitions (shown at cost)	45,983	44,310	42,122	35,340	33,455
	<b>128,386</b>	<b>117,894</b>	<b>104,115</b>	<b>96,579</b>	<b>90,572</b>

\* Donations are shown net of disposals. Disposals of £28,000 in 2019-20 include £15,000 for the *Lüster Hanging Lamp*, a rectangular moulded glass panel, printed with a chandelier image and encompassing LED lights, designed and made by Ingo Maurer (2018-19: nil).

### Further information on the museum's heritage assets

The V&A holds 1,570,817 museum objects and works of art within its collections, as well as 1,125,925 library items and 1,046 archival collections. Of these approximately 1% have been included in the balance sheet of the museum and the table above. At 31 March 2020, 64,140 items were on display with access to other items available through reading and study rooms or by arrangement. Further access can be obtained from reference facilities and publications, the museum website, selected third party websites, and other electronic media. These objects are held within the following collections:

#### Asian Collections 139,687 objects and 1 archival collection:

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

#### Furniture, Textiles & Fashion Collections 83,307 objects:

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

#### Sculpture, Metalwork Ceramics & Glass Collections 149,927 objects:

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

#### Word & Image Collections 1,083,189 objects, 386 archival collections, 1,023,476 library items:

The Word & Image collections encompass design, drawings, paintings, prints, photographs, digital artworks and the art of the book. They provide a national centre for primary source material for the study of design. The collection of 19th-century British oil paintings includes the principal collection of John Constable, and the foreign oil paintings collection is of national significance. The museum has the national responsibility for collecting watercolours and English portrait miniatures. The Photographs collection, which incorporates the Royal Photographic Society collection donated in 2018-19, is international and spans the whole history of the subject from 1839 to the present. The Prints collection, uniquely in Britain, embraces 'fine' prints and commercial production. The Department holds an internationally significant collection of computer-generated artworks from the 1960s to the present day. The National Art Library's holdings of the art, craft and design of the book encompass every aspect of the book from illuminated manuscripts to paperbacks, and its documentary collections include some major manuscript holdings. The statistics for library collections above also include reference materials held in local departmental libraries. Contemporary production is a priority in all relevant fields; digital media represents a current challenge. The department is especially active in areas where the fine and applied arts intersect.

#### Childhood Collections 32,774 objects and 61 archival collections:

The museum houses the UK's national collection of childhood, which represents the material culture of childhood from 1600 to the present day, including representations of children. The significance of the collections and archives lies in the unique breadth and depth of their coverage of the theme of childhood. Collections include the largest collection of dolls' houses and children's furniture in the UK; internationally significant collections of dolls, games and puzzles; toys; nursery equipment, including prams, rattles and silver, ceramic and glass feeding vessels and tableware; a significant costume collection for both sexes including rare survivals of everyday working clothes and mourning garments; paintings, prints, drawings and photographs, depicting children and examples of children's own creativity, agency and imaginative works expressed through their writing and works of art and design.

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

#### Theatre & Performance Collections 81,047 objects, 598 archival collections, 102,449 library items:

The V&A Theatre & Performance Collections are the UK's national collection of performing arts. Dedicated to history, craft and practice, the collection's primary emphasis is on drama, dance, opera, musical theatre, popular entertainment and music

culture and scenography. In providing the national record of performance, it combines the functions of archive, library and educational resource. The department documents the production process and reception by gathering a variety of evidence in different media. Since 1992, archival recordings of current theatre productions have been made under a unique agreement with the Federation of Entertainment Unions. Contemporary and 20th-century collecting includes graphic, photographic, video and audio material relating to the performing arts and, selectively, designs, models, costumes, archives, theatre architecture/stage technology and library materials.

### **Design, Architecture and Digital Collections 886 objects:**

The Design, Architecture and Digital collections encompass contemporary architecture and urbanism, furniture, product and digital design, and in addition, the department shares responsibility for the collection of designs with Word and Image and for the collection of 20th-century furniture and product design with Furniture, Textiles and Fashion. This breadth is reflected in its collection and acquisition practices, which focus on contemporary design and the collection of 20th-century and contemporary architectural drawings, designs and models. Design, Architecture and Digital is further responsible for Rapid Response Collecting, a contemporary collecting initiative that enables the museum to acquire objects in response to major moments in history that touch the world of design and manufacturing.

### **Preservation & Management**

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

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

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

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

## 7) Investments

	<u>Short Term Investments</u>		<u>Fixed Asset Investments</u>	
	<b>Group</b>	Museum	<b>Group</b>	Museum
	<b>2020</b>	2020	<b>2020</b>	2020
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
<b>Market value at 1 April 2019</b>	<b>8,568</b>	8,568	<b>20,850</b>	21,052
Additions to portfolio	53	53	-	-
Withdrawals from portfolio	(32)	(32)	(32)	(32)
Net loss on revaluation	-	-	(954)	(954)
<b>Market value at 31 March 2020</b>	<b>8,589</b>	8,589	<b>19,863</b>	20,065
of which				
<b>Historical cost at 31 March 2020</b>	<b>8,589</b>	8,589	<b>20,081</b>	20,283
Unrealised investment loss at 31 March 2020	-	-	(218)	(218)
Analysis of loss by asset class				
Loss on assets Available for Sale	-	-	(305)	(305)
Gain on assets Held for Trading	-	-	87	87
	-	-	(218)	(218)
<b>Investment assets in the UK</b>				
Government stocks & Corporate bonds	<b>8,501</b>	8,501	<b>3,102</b>	3,102
Investment Funds	-	-	<b>756</b>	756
Cash & currency hedges	<b>88</b>	88	<b>246</b>	246
Unlisted Equities (trading subsidiary)	-	-	-	202
Multi Asset Investment Funds	-	-	<b>11,020</b>	11,020
<b>Investment assets outside the UK</b>				
Multi Asset Investment Funds	-	-	<b>4,292</b>	4,292
Investment Funds	-	-	<b>447</b>	447
	<b>8,589</b>	8,589	<b>19,863</b>	20,065

### 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 (43%) is received by way of Grant in Aid which is drawn down according to need, and as a result the museum is not exposed to significant liquidity or credit risk. The remainder of the museum's activity is funded by self-generated income and funds given for restricted purposes such as capital projects.

#### *Market Risk*

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

#### *Foreign Currency Risk*

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

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

#### *Interest Rate Risk*

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

## 8) Trading subsidiaries

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

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

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

	<u>V&amp;A Enterprises Ltd</u>		<u>V&amp;A Ltd</u>	
	2020	2019	2020	2019
Profit and loss account	£'000	£'000	£'000	£'000
Turnover	21,825	20,941	565	168
Cost of sales	(6,936)	(6,658)	(116)	(60)
<b>Gross Profit</b>	<b>14,889</b>	<b>14,283</b>	<b>449</b>	<b>108</b>
Administrative expenses	(6,962)	(6,733)	(3)	(2)
<b>Trading profit</b>	<b>7,927</b>	<b>7,550</b>	<b>446</b>	<b>106</b>
Recharged staff costs income	16,620	13,074	-	-
Recharged staff costs expense	(16,620)	(13,074)	-	-
Interest receivable and similar income	1	1	-	-
Loan Interest Payable	-	-	-	-
<b>Profit on Ordinary Activities before Taxation &amp; Distributions</b>	<b>7,928</b>	<b>7,551</b>	<b>446</b>	<b>106</b>
Tax on profit	7	2	-	-
<b>Profit after tax</b>	<b>7,935</b>	<b>7,553</b>	<b>446</b>	<b>106</b>
<b>Balance sheet</b>				
Tangible fixed assets	-	25	-	-
Current assets	9,815	10,044	1,160	1,266
Creditors due within one year	(9,613)	(9,867)	(1,160)	(1,266)
Creditors due after one year	-	-	-	-
<b>Net assets</b>	<b>202</b>	<b>202</b>	<b>-</b>	<b>-</b>
Share capital and reserves	202	202	-	-
Profit and loss account	-	-	-	-
<b>Shareholders' Funds</b>	<b>202</b>	<b>202</b>	<b>-</b>	<b>-</b>



## 8) Trading subsidiaries (cont'd)

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

	<u>V&amp;A Enterprises Ltd</u>		<u>V&amp;A Ltd</u>	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Turnover	21,825	20,941	565	168
Intercompany transactions	-	-	-	-
<b>Trading income included within SOFA</b>	<b>21,825</b>	<b>20,941</b>	<b>565</b>	<b>168</b>
Cost of sales	6,936	6,658	116	60
Administrative expenses	6,962	6,733	3	2
Interest payable	-	-	-	-
Taxation	(7)	-	-	-
<i>Intercompany transactions</i>	-	-	-	-
<b>Trading costs included within SOFA</b>	<b>13,891</b>	<b>13,391</b>	<b>119</b>	<b>62</b>
Interest receivable and similar income	1	-	-	-
<i>Intercompany transactions</i>	-	-	-	-
<b>Included in Investment Income per SOFA</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 9) Associates

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

In accordance with the requirements of FRS102 and the SORP, the V&A is required to account for the Gilbert Trust as an associate using the equity method. An investment asset is recognised at a value based on the V&A's hypothetical share of the net assets of the Gilbert Trust, calculated with reference to the proportion of trustees nominated by the V&A. At 31 March 2020, this was £18,604k (2019: £20,785k) representing 36% (2019: 40%) of the net assets of the Gilbert Trust. The V&A's hypothetical share of the results of the Gilbert Trust are shown in the table below. The actual value of the V&A's incoming resources from the Gilbert Trust are shown within note 21. The Gilbert Trust saw a net reduction in its funds in the year. The change in the proportion attributed to the V&A as a result of a new trustee being appointed to the board has resulted in a further diminution in the investment value shown on the V&A's balance sheet, and this movement is included within expenditure in the consolidated Statement of Financial Activities.

	2020 £'000	2019 £'000
Investment income	-	30
<b>Total income</b>	<b>-</b>	<b>30</b>
Expenditure on raising funds	(44)	(24)
Expenditure on charitable activities	(117)	(129)
<b>Total expenditure</b>	<b>(161)</b>	<b>(153)</b>
<b>Net expenditure before gains and losses on investments</b>	<b>(161)</b>	<b>(123)</b>
(Loss)/Gains on investments	(177)	146
<b>Net income</b>	<b>(338)</b>	<b>23</b>
Loss on revaluation of Heritage Assets	-	(1,337)
<b>Loss on disposal of Heritage Assets</b>	<b>(14)</b>	<b>-</b>
<b>Net movement in funds</b>	<b>(352)</b>	<b>(1,314)</b>

**10) Stock**

	Group	Museum	Group	Museum
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Stock	2,050	-	2,400	-
Exhibition costs	1,530	1,530	2,887	2,887
	<u>3,580</u>	<u>1,530</u>	<u>5,287</u>	<u>2,887</u>

**11) Debtors**

	Group	Museum	Group	Museum
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Trade debtors	2,220	812	3,553	2,394
Less provision for doubtful debts	(226)	(11)	(8)	(8)
Other debtors	67	34	179	149
Prepayments and accrued income	9,414	8,873	6,394	5,652
Recoverable taxation (VAT)	2,740	2,700	765	732
Amounts due from subsidiary undertaking	-	4,378	-	6,540
	<u>14,215</u>	<u>16,786</u>	<u>10,883</u>	<u>15,459</u>

**12) Creditors**

	Group	Museum	Group	Museum
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade creditors	3,704	3,500	1,294	1,122
Other creditors	-	-	10	10
Accruals	5,890	3,961	9,272	6,545
Deferred income	13 960	430	1,549	454
Deferred exhibition income	13 1,297	1,297	3,620	3,620
Taxation and social security costs	1,256	648	1,148	657
Finance lease liability	14 3,257	3,257	-	-
	<u>16,364</u>	<u>13,093</u>	<u>16,893</u>	<u>12,408</u>
Amounts falling due after one year				
Deferred income - after one year	13 1,683	1,683	2,065	2,065
Finance lease liability	14 45,000	45,000	-	-
	<u>46,683</u>	<u>46,683</u>	<u>2,065</u>	<u>2,065</u>

**13) Deferred Income**

	2020	2019
	£'000	£'000
As at 1 April	7,233	4,630
Deferred in current year	8,965	17,041
Released from previous year	(12,257)	(14,438)
As at 31 March	<u>3,941</u>	<u>7,233</u>

Of this balance £1.774m 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.

**14) Finance lease**

	2020	2019
Finance lease liability	<b>£'000</b>	£'000
- Collections and Research Centre		
As at 1 April	-	-
Liability in current year	<b>46,600</b>	-
Lease payments	<b>(1,514)</b>	-
Finance interest	<b>3,171</b>	-
As at 31 March	<b>48,257</b>	-

On the 10 May 2019 the V&A entered into a 100 year lease on commercial terms for the new Collections and Research Centre (CRC) at V&A East. The lease terms provide for a rent review at 50 years. The lease has been accounted for as a finance lease in accordance with FRS102. On inception the lease gave rise to a liability and corresponding asset valued at £46.6m based on a 50 year term. Valuations are prepared on a 50 year term on the basis that the V&A cannot be reasonably certain that the lease will be extended beyond this period.

As at 31 March the lease asset was subsequently revalued and is recognised within tangible fixed assets in the V&A's balance sheet at £44.40m. A revaluation loss of £1.27m and a depreciation cost of £0.93m are recognised within the V&A's Statement of Financial Activities. The asset value will reduce throughout the term of the lease as it is annually depreciated. The lease liability of £48.3m is recognised within creditors in the V&A's balance sheet. The lease liability is increased by annual interest which is shown as a finance cost within the V&A's Statement of Financial Activities. The lease payments, paid quarterly in advance, reduce the value of the liability. At the end of the 50 year lease term the net impact of the annual interest and rent payments will reduce the liability to nil. In the first few years of the lease term, the annual interest charge exceeds the value of lease payments, and will therefore increase the value of the lease liability. The lease liability will subsequently reduce in value once the lease payments exceed the annual interest charge. In 2019-20 interest of £3.2m has been recognised as a finance cost within the V&A's Statement of Financial Activities.

**15) Provisions**

	<b>Group 2020 £'000</b>	<b>Museum 2020 £'000</b>	<b>Group 2019 £'000</b>	<b>Museum 2019 £'000</b>
As at 1 April	115	7	175	67
Provision in year	657	534	-	-
Paid in year	(115)	(7)	(60)	(60)
As at 31 March	<u>657</u>	<u>534</u>	<u>115</u>	<u>7</u>
Provisions - within one year	657	534	115	7
Provisions - after one year	-	-	-	-
	<u>657</u>	<u>534</u>	<u>115</u>	<u>7</u>

In the year, an operating lease for a new warehouse facility was entered into, and a provision recognised for the associated dilapidations. The exit from the previous warehouse resulted in the utilisation of the provision for dilapidations on that property. Provisions have also been recognised for ticket, event and educational course refunds due to the closure of the museum in March 2020.

**16) Financial commitments**

At 31 March 2020 the group had annual commitments under non-cancellable leases as follows:

	<b>2020 Land &amp; Buildings £'000</b>	<b>2020 Other £'000</b>	<b>2019 Land &amp; Buildings £'000</b>	<b>2019 Other £'000</b>
Operating leases which expire:				
Within one year	260	20	131	20
In the second to fifth year	960	73	412	106
After five years	206	29	309	44
	<u>1,426</u>	<u>122</u>	<u>852</u>	<u>170</u>
Finance leases which expire:			<b>2020 Land &amp; Buildings £'000</b>	<b>2019 Land &amp; Buildings £'000</b>
Within one year			2,530	-
In the second to fifth year			10,680	-
After five years			184,986	-
			<u>198,196</u>	<u>-</u>

During the year the V&A entered into a finance lease for the Collections and Research Centre at V&A East, and V&A Enterprises Ltd entered into a new operating lease contract for the new warehouse. The other subsidiaries of the museum do not have any financial commitments.

## 17) Statement of funds

	As at 1 April 2019 (restated)	Incoming Resources	Resources Expended	Transfers	Fixed Assets - Gains/losses on Revaluation	Investments - Gains/losses under Fair Values	As at 31 March 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted Funds</b>							
General Income funds	1,501	82,405	(74,827)	(5,950)	-	(344)	2,785
Designated Income funds	19,580	-	(4,919)	5,958	-	-	20,619
<b>Total Unrestricted Funds</b>	<b>21,081</b>	<b>82,405</b>	<b>(79,746)</b>	<b>8</b>	<b>-</b>	<b>(344)</b>	<b>23,404</b>
<b>Restricted Funds</b>							
<i>Restricted Income Funds</i>							
- Acquisitions for the Collection <sup>1</sup>	679	384	(12)	(444)	-	(57)	550
- Restricted Income funds	6,311	10,782	(5,522)	(1,770)	-	(249)	9,552
- Museum Development funds <sup>1</sup>	3,256	13,029	-	(6,535)	-	-	9,750
- Endowment funds income	1,057	79	(126)	(108)	-	146	1,048
	<b>11,303</b>	<b>24,274</b>	<b>(5,660)</b>	<b>(8,857)</b>	<b>-</b>	<b>(160)</b>	<b>20,900</b>
<i>Restricted Asset Funds</i>							
Restricted Capital funds <sup>2</sup>	270,879	1,903	(15,739)	7,205	-	-	264,248
Revaluation Reserve	188,186	-	-	-	29,421	-	217,607
Heritage Assets <sup>1</sup>	117,894	8,819	-	1,673	-	-	128,386
Associate	20,785	-	(2,181)	-	-	-	18,604
	<b>597,744</b>	<b>10,722</b>	<b>(17,920)</b>	<b>8,878</b>	<b>29,421</b>	<b>-</b>	<b>628,845</b>
<b>Total Restricted Funds</b>	<b>609,047</b>	<b>34,996</b>	<b>(23,580)</b>	<b>21</b>	<b>29,421</b>	<b>(160)</b>	<b>649,745</b>
<b>Endowment Funds</b>							
Endowments <sup>3</sup>	6,870	-	(17)	(29)	-	(450)	6,374
<b>Total Endowment Funds</b>	<b>6,870</b>	<b>-</b>	<b>(17)</b>	<b>(29)</b>	<b>-</b>	<b>(450)</b>	<b>6,374</b>
<b>Total Funds</b>	<b>636,998</b>	<b>117,401</b>	<b>(103,343)</b>	<b>-</b>	<b>29,421</b>	<b>(954)</b>	<b>679,523</b>

	As at 1 April 2018	Incoming Resources	Resources Expended	Transfers	Fixed Assets - Gains/losses on Revaluation	Investments - Gains/losses under Fair Values	As at 31 March 2019 (restated)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Unrestricted Funds</b>							
General Income funds	1,531	78,813	(73,085)	(5,933)	-	175	1,501
Designated Income funds	16,658	-	(62)	2,984	-	-	19,580
<b>Total Unrestricted Funds</b>	<b>18,189</b>	<b>78,813</b>	<b>(73,147)</b>	<b>(2,949)</b>	<b>-</b>	<b>175</b>	<b>21,081</b>
<b>Restricted Funds</b>							
<i>Restricted Income Funds</i>							
Acquisitions for the Collection <sup>1</sup>	582	881	(10)	(815)	-	41	679
Restricted Income funds	5,894	6,212	(5,659)	(262)	-	126	6,311
Museum Development funds <sup>1</sup>	(639)	9,191	(168)	(5,128)	-	-	3,256
Endowment funds income	961	78	(117)	(7)	-	142	1,057
	<b>6,798</b>	<b>16,362</b>	<b>(5,954)</b>	<b>(6,212)</b>	<b>-</b>	<b>309</b>	<b>11,303</b>
<i>Restricted Asset Funds</i>							
Restricted Capital funds <sup>2</sup>	276,422	1,903	(14,480)	7,034	-	-	270,879
Revaluation Reserve	182,815	-	-	-	5,371	-	188,186
Heritage Assets <sup>1</sup>	104,115	11,591	-	2,188	-	-	117,894
Associate	20,180	605	-	-	-	-	20,785
	<b>583,532</b>	<b>14,099</b>	<b>(14,480)</b>	<b>9,222</b>	<b>5,371</b>	<b>-</b>	<b>597,744</b>
<b>Total Restricted Funds</b>	<b>590,330</b>	<b>30,461</b>	<b>(20,434)</b>	<b>3,010</b>	<b>5,371</b>	<b>309</b>	<b>609,047</b>
<b>Endowment Funds</b>							
Endowments <sup>3</sup>	6,761	38	(59)	(61)	-	191	6,870
<b>Total Endowment Funds</b>	<b>6,761</b>	<b>38</b>	<b>(59)</b>	<b>(61)</b>	<b>-</b>	<b>191</b>	<b>6,870</b>
<b>Total Funds</b>	<b>615,280</b>	<b>109,312</b>	<b>(93,640)</b>	<b>-</b>	<b>5,371</b>	<b>675</b>	<b>636,998</b>

<sup>1</sup> 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.

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

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

## Unrestricted funds

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

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

## Restricted funds

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

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

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

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

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

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

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

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

### Endowment funds

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

### Fair value

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

	2020 £'000	2019 £'000
Unrestricted	49	770
Restricted	44	735
Endowment	<u>(311)</u>	<u>650</u>
	<u>(218)</u>	<u>2,155</u>

### 18) Statement of fund commitments as at 31 March

	2020 £'000	2019 (restated) £'000
Funds available for spending at Trustees' discretion:		
General income funds	<u>2,785</u>	<u>1,501</u>
Designated income funds (excluding investment in V&A Enterprises Ltd)	<u>20,417</u>	<u>19,378</u>
	<u>23,202</u>	<u>20,879</u>
Funds raised for specific purposes:		
Restricted income funds	<u>20,900</u>	<u>11,303</u>
<b>Total funds available for spending</b>	<u>44,102</u>	<u>32,182</u>
Funds not available for Trustees' spending:		
Designated income funds - share capital of V&A Enterprises	202	202
Endowment funds (capital element)	6,374	6,870
Capital funds (fixed assets)	628,845	597,744
	<u>635,421</u>	<u>604,816</u>
<b>Total funds not available for spending</b>	<u>635,421</u>	<u>604,816</u>
<b>Total funds in balance sheet</b>	<u>679,523</u>	<u>636,998</u>

**19) Analysis of group net assets between funds**

	Unrestricted Funds	Restricted Funds	Endowment Funds	<b>2020 Total</b>	2019 Total (restated)
	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 March 2020 are represented by:					
Tangible and intangible fixed assets and heritage assets	-	658,498	-	<b>658,498</b>	576,984
Investments	12,442	19,651	6,374	<b>38,467</b>	41,635
Current assets	26,409	19,853	-	<b>46,262</b>	37,452
Current liabilities	(13,764)	(3,257)	-	<b>(17,021)</b>	(17,008)
Liabilities due after one year	(1,683)	(45,000)	-	<b>(46,683)</b>	(2,065)
Net assets	<u>23,404</u>	<u>649,745</u>	<u>6,374</u>	<u><b>679,523</b></u>	<u>636,998</u>

**20) Capital commitments**

	<b>2020</b>	2019
	£'000	£'000
Capital expenditure commitments were as follows:		
Contracted for, but not provided in the accounts	<u><b>29,227</b></u>	<u>1,267</u>

The majority of the capital commitments (£24.6m) relate to construction and professional fees on the Collections and Research Centre, remaining commitments relate to design, construction and professional fees on the Museum of Childhood (£1.0m), Fashion Gallery (£0.7m) Raphael Gallery (£0.7m) Photography Phase 2 (£0.5m) and digital infrastructure projects (£0.5m).



## 21) Related party transactions

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

Relationship	Related Party	Donations/ Grants Received/ (Made)	Amount Sold	Amount Purchased	Year end balance Debtors	Year end balance (Creditors)
		£'000	£'000	£'000	£'000	£'000
DCMS funded bodies	Arts Council	938	-	-	-	-
	British Library	-	1	2	-	-
	British Museum	-	891	570	609	(339)
	British Film Institute	-	-	3	-	(2)
	Imperial War Museum	-	-	1	-	-
	The National Gallery	-	-	1	-	(1)
	National Portrait Gallery	-	4	-	1	-
	Science Museum Group	-	627	17	260	-
	Natural History Museum	-	46	1,284	7	(226)
	Tate	-	12	-	-	-
	Exhibition Road Cultural Group	10	10	22	-	-
Nicholas Coleridge CBE, Edmund De Waal OBE, Nick Hoffman, Dr Tristram Hunt and Dr Antonia Boström are Trustees; Anthony Misquitta is Co Secretary	Gilbert Trust for the Arts	318	-	-	-	-
Nicholas Coleridge CBE, Dame Theresa Sackler and Dr Genevieve Davies are Trustees; Anthony Misquitta is Co Secretary	V&A Foundation	847	6	-	-	-
Sir John Sorrell is a Director	London Design Festival Ltd	-	14	-	-	-
Sir John Sorrell is a Trustee and Chairman	Creative Industries Federation	-	-	5	-	-
Paul Thompson is Vice Chancellor of the RCA; Dr Tristram Hunt is a Trustee	Royal College of Art	-	497	45	-	-
Tristram Hunt and Tim Reeve are Directors	Design Dundee Ltd	-	108	-	15	-
Antonia Bostrom is a Co-opted member of the Grants Committee	Henry Moore Foundation	2	-	-	-	-
Ben Elliot is a Co-Founder	Quintessentially	-	1	-	1	-

In addition, two trustees made personal donations worth a total of £12,000 to the museum during the year.

**21) Related party transactions (cont'd)**

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

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

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

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

**22) Contingent liabilities**

There are no contingent liabilities as at 31st March 2020 (2019: Nil).

**23) Post-balance sheet events***V&A Enterprises Ltd distribution of profits*

V&A Enterprises Ltd (VAE)'s profits for the year ended 31 March 2020 totalled £7.9m. In line with the deed of covenant in place between VAE and the V&A, this was accrued as payable at the balance sheet date. Following discussions between the Directors of VAE and the V&A to ascertain the most suitable way to ensure VAE remains a going concern, only £4.9m of this amount will be paid over to the V&A. An impairment has therefore been recognised in the V&A museum-only accounts.

*Intercompany loan*

On 24 September an agreement between the museum and VAE was entered into providing a loan facility to VAE of £5m, interest being charged at 1% above the Bank of England base rate, with the loan being secured via a debenture.

**24) Prior year adjustment**

On 28 March 2019 ownership of assets donated under the Acceptance in Lieu scheme were transferred to the museum. The assets were valued at £5.6million and this donation should have been recognised in the 2018-19 financial statement. Restating to include the donation has the following effect:

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
<b>Statement of Financial Activities</b>				
Net income as previously stated (2018-19)	5,841	4,736	170	10,747
Recognition of donated assets	-	5,600	-	5,600
Net income restated (2018-19)	<u>5,841</u>	<u>10,336</u>	<u>170</u>	<u>16,347</u>
<b>Balance Sheet</b>				
Funds as previously stated at 31 March 2019	21,081	603,447	6,870	631,398
Recognition of donated assets	-	5,600	-	5,600
Funds restated at 31 March 2019	<u>21,081</u>	<u>609,047</u>	<u>6,870</u>	<u>636,998</u>



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