

THE V&A FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Charity Number: 1144508
Company Number: 07788681

THE V&A FOUNDATION

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

CONTENTS	Page
Reference and administrative details	3
Trustees' Report	4 – 6
Independent Auditors' Report	7-9
Statement of Financial Activities	10 - 11
Balance sheet	12
Statement of Cashflows	13
Notes to the Financial Statements	14 - 23

Trustees	Heather Acton (Chair) Sir Nicholas Coleridge CBE Dr Genevieve Davies (to 21 October 2021) Mrs Lydia Gorvy (to 21 October 2021) Mr Manfred Gorvy (to 21 October 2021) Andrew Hochhauser QC Lady Jill Shaw Ruddock Sir Paul Ruddock (to 21 October 2021) Dame Theresa Sackler (to 21 October 2021) The Rt Hon Sir Timothy Sainsbury (to 21 October 2021) Alireza Sarikhani Bernard Selz Caroline Silver (from 1 July 2022) Nicholas Snowman OBE Dr Susan Weber (to 21 October 2021) Peter Williams
Registered office	Victoria and Albert Museum Cromwell Road London SW7 2RL
Auditors	Moore Kingston Smith LLP 9 Appold Street London EC2A 2AP
Bankers	National Westminster Bank 18 Cromwell Place South Kensington London SW7 2LB
Solicitors	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3CH

THE V&A FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, have pleasure in submitting their annual report and the audited financial statements for the year ended 31 March 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governance

The V&A Foundation was incorporated as a company limited by guarantee on 27 September 2011 and registered as a charity on 2 November 2011. It is governed by its Memorandum and Articles. The charitable company also acts as corporate trustee for the permanent endowment funds shown in note 10 to the financial statements.

Trustees

The Trustees, who are also the directors for the purposes of company law, who served during the period and since the year end are shown on page 3. None of the Trustees has any beneficial interest in the Foundation. New Trustees are elected to the Board by existing members.

In line with the Charity Commission's guidance on long-serving Trustees, seven members of the Board of Trustees stood down at the October 2021 board meeting. Dr Genevieve Davies, Lydia and Manfred Gorvy, Sir Paul Ruddock, Dame Theresa Sackler, Sir Timothy Sainsbury and Dr Susan Weber have all served with great generosity and commitment during their time with the Foundation, and depart with the very best wishes and gratitude of the Board.

The Trustees are responsible for its overall management and control, including the implementation of policies. The Board meets regularly. They have certain legal, financial and fiduciary duties under charity law.

Trustees Induction and Training

New Trustees receive the latest Annual Report and Accounts and all relevant information relating to the Foundation. All Trustees are kept informed about relevant developments within the charity sector.

STRATEGIC REPORT

Risk Management

The Trustees are responsible for the management of the risks faced by the Foundation. Risks are identified, assessed and controls established as appropriate.

As a grant-making body, the major risk to the Foundation's ability to deliver its objectives is a failure to secure sufficient income for distribution. Over the last two financial years the value of investments have recovered following their fall in value at start of the Covid-19 pandemic. The financial position of the Foundation is further strengthened by the £20m donation received in April 2022. This large donation and investment performance to date give the trustees confidence that they can continue to make distributions and deliver on the charity's objectives, despite the recognised macro-economic and inflationary pressures. The level of unrestricted funds held will also allow the Foundation to carry on its work in the event of a future slowdown in fundraising.

Objectives and Activities

The objects of the Foundation, as set out in its Memorandum and Articles are for the benefit of the public, to further, in so manner as the Trustees see fit, all or any of the objects from time to time of the Victoria and Albert Museum (V&A).

THE V&A FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Foundation has had regard to the guidance from the Charity Commission to ensure that its objects and activities are undertaken for the public benefit.

Achievements, Performance and Financial Review

During the year, the Foundation received donated income of £1,128,087 (2021: £134,096). Of this, £1,000,000 was an expendable endowment with all other income unrestricted. (2021 restricted income: £74,000). Investment income of £1,732 (2021: £2,638) was received. Investments overall made an unrealised gain of £1,755,123, (2021: gain of £7,138,910). Trustees made grants of £647,965 (2021: £356,489).

Total Return

Following the launch of the Foundation's successful endowment fundraising campaign, supported by the Heritage Lottery Fund's Catalyst: Endowment initiative, the Trustees have exercised their power under Section 104A(2) of the Charities Act 2011 to invest on a total return basis. The initial values of the trust for investment and unapplied total return were established as at 1 April 2016.

At 1 April 2016 and subsequently as donations were received under the endowment fundraising campaign, the value of these donations were allocated to the trust for investment. At the end of each year, except where donor agreements stated otherwise, an amount of up to 3.25% of the trust for investment is allocated to income from the unapplied total return at discretion of the trustees. An amount sufficient to maintain the real value of the trust for investment, based on CPI, is allocated from the unapplied total return to the trust for investment.

This year returns were sufficient to allow the trust to drawdown funds to deliver charitable activities, at the maximum 3.25% allowable. All returns in excess of this amount were applied to the endowments in order to maintain the real value of these endowments for investment.

Reserves Policy

The Trustees have agreed that as it has very low running costs, £10,000 of unrestricted reserves should be retained to cover administrative and compliance costs. At the balance sheet date, the Foundation's unrestricted reserves were £7.1m (2021: £6.8m); the excess will be distributed in line with the Foundation's charitable objects as suitable grant requests are received.

Plans for the Future

With the museum reopened to the public again, the Foundation will continue to raise funds in line with existing priorities, while keeping a close eye on the performance of the endowments relative to the level of activity that they are required to fund.

How we Fundraise

Fundraising for the Foundation is supported by the V&A's Development team. The V&A's Development team has an exceptional reputation in the sector for fundraising professionally, responsibly and sensitively. Many of the V&A's fundraising team are members of the Institute of Fundraising and the V&A is registered with the Fundraising Regulator, whose Code of Fundraising Practice and Fundraising Promise set a standard for fundraising activity in the UK. The Legacies team are members of the Institute of Legacy Management, and the V&A is also registered with Remember a Charity, a consortium of 200 charities based at the Institute of Fundraising that encourages legacy giving in the UK.

THE V&A FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

How we Fundraise (continued)

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

When feedback is received from supporters on how the Foundation could improve, it is taken very seriously, and the Foundation is pleased that it has had no complaints related directly to how it fundraises in the last year.

When fundraising is carried out on behalf of the Foundation it is with a small group of trusted partners who help it secure sponsorship from organisations, or individuals who promote the Foundation through their personal and professional connections. The Foundation works closely with these partners to ensure their approach consistently meets the high standards of its own fundraising.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Foundation for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees' Report, incorporating the Strategic Report, approved by the Board of Trustees on 6 October 2022 and signed on its behalf:



Heather Acton
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF V&A FOUNDATION

Opinion

We have audited the financial statements of V&A Foundation ('the company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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) we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' 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 charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

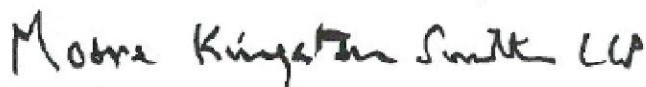
Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Cross (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 7 October 2022

6th Floor
9 Appold Street
London
EC2A 2AP

THE V&A FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted 2022	Restricted 2022	Endowment 2022	Total 2022	Total 2021 (restated)
		£	£	£	£	£
	Notes					
INCOMING RESOURCES						
Income and endowments from:						
Donations and legacies	2	128,087	-	1,000,000	1,128,087	134,096
Investment income	3	1,732	-	-	1,732	2,638
Total income		129,819	-	1,000,000	1,129,819	136,734
Expenditure on:						
Charitable activities						
Grants payable		51,734	596,231	-	647,965	356,489
Governance costs		19,666	-	-	19,666	11,791
Investment Management Costs		-	-	234,923	234,923	273,835
Total resources expended		71,400	596,231	234,923	902,554	642,115
NET INCOME/(EXPENDITURE) BEFORE GAINS & LOSSES ON INVESTMENTS		58,419	(596,231)	765,077	227,265	(505,381)
Gains on Investments		351,397	-	1,403,726	1,755,123	7,322,070
NET INCOME/(EXPENDITURE)		409,816	(596,231)	2,168,803	1,982,388	6,816,689
Transfers between funds		57,507	627,475	(684,982)	-	-
Net movement in funds		467,323	31,244	1,483,821	1,982,388	6,816,689
Funds brought forward as at 1 April		6,657,112	221,350	24,184,608	31,063,070	24,246,381
FUNDS AS AT 31 MARCH		7,124,435	252,594	25,668,429	33,045,458	31,063,070

All activities are continuing. There are no other gains or losses other than those shown above.

PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 (restated) £	Total 2021 (restated) £
INCOMING RESOURCES					
Income and endowments from:					
Donations and legacies	2	60,096	74,000	-	134,096
Investment income	3	2,638	-	-	2,638
Total income		62,734	74,000	-	136,734
Expenditure on:					
Charitable activities					
Grants payable		20,000	336,489	-	356,489
Governance costs		11,791	-	-	11,791
Investment Management Costs		-	-	273,835	273,835
Total resources expended		31,791	336,489	273,835	642,115
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS		30,943	(262,489)	(273,835)	(505,381)
Gains on Investments		970,635	-	6,351,435	7,322,070
NET INCOME/(EXPENDITURE)		1,001,578	(262,489)	6,077,600	6,816,689
Transfers between funds		25,820	276,185	(302,005)	-
Net movement in funds		1,027,398	13,696	5,775,595	6,816,689
Funds brought forward as at 1 April		5,629,714	207,654	18,409,013	24,246,381
FUNDS AS AT 31 MARCH		6,657,112	221,350	24,184,608	31,063,070

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	2021 £
NON CURRENT ASSETS			
Investments	6	29,050,229	28,160,030
CURRENT ASSETS			
Debtors	7	1,439	691
Cash at bank		4,053,452	2,908,241
		4,054,891	2,908,932
CREDITORS: amounts falling due within one year	8	(59,662)	(5,892)
NET CURRENT ASSETS		3,995,229	2,903,040
TOTAL ASSETS LESS CURRENT LIABILITIES		33,045,458	31,063,070
NET ASSETS			
Represented by:			
Unrestricted funds		7,124,435	6,883,285
Restricted funds		252,594	221,350
Endowment funds		25,668,429	23,958,435
		33,045,458	31,063,070

The accounts were approved and authorised for issue by the Board of Trustees on 6 October 2022 and signed on its behalf by:



Heather Acton
Chair of the Board

The notes on pages 14 to 23 form part of these financial statements.

THE V&A FOUNDATION

STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2022

	Notes	2022 £	2021 (restated) £
Net cash provided by/(used in) operating activities	A	513,479	(238,535)
Cash flows from investing activities:			
Purchase of investments		-	-
Drawdown of investments		630,000	235,000
Interest from investments		1,732	2,638
Net cash provided by investing activities		631,732	237,638
Change in cash and cash equivalents in the reporting period		1,145,211	(897)
Cash and cash equivalents at the beginning of the year		2,908,241	2,909,138
Cash and cash equivalents at the end of the year		4,053,452	2,908,241

A: Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income	1,982,388	6,816,689
Gain on investments	(1,755,123)	(7,322,070)
Interest from investments	(1,732)	(2,638)
Investment fees (deducted from portfolio)	234,923	273,835
Increase in debtors	(748)	(38)
Increase / (Decrease) in creditors	53,771	(4,313)
Net cash provided by operating activities	513,479	(238,535)

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The V&A Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

Going Concern

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern for 12 months from the date of signing these financial statements. Due consideration for the effects of the Covid-19 pandemic has been taken. The charity is largely sheltered from the impact of Covid-19 due to the high level of unrestricted reserves and low level of non-discretionary spend in the charity. Accordingly, the going concern basis continues to be adopted in preparing the financial statements.

Donations, grants and legacies

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Foundation is considered probable.

Investment income

Investment income is accounted for on an accruals basis.

Expenditure

Expenditure is charged to the Statement of Financial Activities on an accruals basis and is charged as follows:

Grants payable are charged in the year which the offer is conveyed to the recipient except where the grant is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered which are subject to conditions that have not been met at the year-end are noted as commitments. Governance costs are those costs relating to the strategic direction of the charity and of regulatory compliance.

The method of calculating the Investment manager fees has been updated to more accurately reflect the quarterly fees charged, rather than use an estimate of fees based on the investment manager's reporting by calendar year. The comparatives have been restated to reflect this updated calculation method.

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Investments

Investments are stated at market value at the balance sheet date. Net gains and losses arising on revaluations and disposals are charged or credited to the Statement of Financial Activities.

1. ACCOUNTING POLICIES (continued)

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

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

Funds

Unrestricted funds – these represent the initial investment in the Foundation available for distribution at the Trustees' discretion. A transfer is made to unrestricted funds each year representing 3.25% of the General Endowment fund capital allocated from the unapplied total return of the General Endowment.

Restricted funds – these represent the different projects that the Foundation supports, following the receipt of income specifically restricted to these projects – detailed in note 7. Transfers are made each year representing 3.25% of the Restricted Endowment fund capital and allocated to income from the unapplied total return of the Endowment Funds.

Endowment funds – these are funds that the donor has stated are to be held as capital or expended over the long term. The charitable company acts as corporate trustee of the permanent endowment funds and accordingly these are reflected in the financial statements.

2. VOLUNTARY INCOME

	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £
Donations	128,087	-	1,000,000	1,128,087
	128,087	-	1,000,000	1,128,087

	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 £	Total 2021 £
Donations	60,096	74,000	-	134,096
	60,096	74,000	-	134,096

3. INVESTMENT INCOME

	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £	Total 2021 £
Interest Received	1,732	-	-	1,732	2,638
	1,732	-	-	1,732	2,638

All investment income received in 2021-22 and 2020-21 was unrestricted.

4. EXPENDITURE

a. Charitable activities	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £
Grants payable:				
Capital Projects	51,734	-	-	51,734
Curatorial and Exhibitions	-	596,231	-	596,231
Governance costs - audit and tax return fees	11,515	-	-	11,515
Insurance	909	-	-	909
Bank charges	42	-	-	42
Accounting and administrative services	7,200	-	-	7,200
Investment management fees	-	-	234,923	234,923
	71,400	596,231	234,923	902,554

4. EXPENDITURE (continued)

b. Charitable activities	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 (restated) £	Total 2021 (restated) £
Grants payable:				
Capital Projects	20,000	96,489	-	116,489
Curatorial and Exhibitions	-	240,000	-	240,000
 Governance costs - audit fees	3,706	-	-	3,706
Insurance	883	-	-	883
Bank charges	2	-	-	2
Accounting and administrative services	7,200	-	-	7,200
Investment management fees	-	-	273,835	273,835
	31,791	336,489	273,835	642,115

5. TRUSTEES

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Foundation during the year (2020-21: nil).

6. INVESTMENTS

	2022 £	2021 £
Market value of investments at 1 April	28,160,030	21,346,795
Additions at cost	-	-
Disposals at market value	(630,000)	(235,000)
Gains on investments (net of fees)	1,520,199	7,048,235
Market value of investments at 31 March	29,050,229	28,160,030

7. DEBTORS

	2022 £	2021 £
Accrued income	786	-
Prepayments	653	691
	1,439	691

THE V&A FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

8. CREDITORS: amounts falling due within one year

	2022 £	2021 £
Accruals	7,928	5,892
Other creditors	51,734	-
	<u>59,662</u>	<u>5,892</u>

9. NET ASSETS BETWEEN FUNDS

	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £
Fund balances at 31 March are represented by:				
Non-Current assets	3,266,005	115,795	25,668,429	29,050,229
Current assets	3,918,092	136,799	-	4,054,891
Current liabilities	(59,662)	-	-	(59,662)
Net assets	<u>7,124,435</u>	<u>252,594</u>	<u>25,668,429</u>	<u>33,045,458</u>

	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 £	Total 2021 £
Fund balances at 31 March are represented by:				
Non-Current assets	3,847,492	127,930	24,184,608	28,160,030
Current assets	2,815,512	93,420	-	2,908,932
Current liabilities	(5,892)	-	-	(5,892)
Net assets	<u>6,657,112</u>	<u>221,350</u>	<u>24,184,608</u>	<u>31,063,070</u>

10. FUNDS

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	Investment gains £	At 31 March 2022 £
Restricted funds						
Curatorial and Exhibitions	221,350	-	(596,231)	627,475	-	252,594
Expendable endowment funds						
Jewellery curator post	1,608,487	-	(17,044)	(136,041)	105,052	1,560,454
Illustration award	242,068	-	(2,565)	(9,243)	15,811	246,071
Catalyst - Art Jameel	3,175,589	-	(33,968)	(468,431)	209,358	2,882,548
Catalyst - Fashion	84,532	-	(896)	(3,524)	5,520	85,632
Catalyst - Iranian Treasures	649,570	-	(6,890)	73,174	42,465	758,319
Catalyst - Porter	213,244	-	(2,522)	14,887	15,545	241,154
Catalyst - General fund	142,254	-	(1,507)	(5,930)	9,289	144,106
Jameel Endowment Refurbishment Fund	2,175,442	-	-	-	-	2,175,442
Elizabeth Gage Curator of Jewellery Endowment	-	1,000,000	-	-	-	1,000,000
Permanent endowment funds						
Art Jameel	11,237,688	-	(120,204)	-	740,871	11,858,355
Fashion	350,273	-	(3,711)	(11,276)	19,547	354,833
Iranian Treasures	2,442,466	-	(25,878)	(78,626)	136,302	2,474,264
Porter	973,252	-	(10,311)	(31,330)	54,312	985,923
General fund	889,743	-	(9,427)	(28,642)	49,652	901,327
Unrestricted funds	6,657,112	129,819	(71,400)	57,507	351,398	7,124,435
	31,063,070	1,129,819	(902,554)	-	1,755,122	33,045,458

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

10. FUNDS (continued) (Restated)

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	Investment gains £	At 31 March 2021 £
Restricted funds						
Capital Projects	22,489	74,000	(96,489)	-	-	-
Curatorial and Exhibitions	185,165	-	(240,000)	276,185	-	221,350
Expendable endowment funds						
Jewellery curator post	1,219,301	-	(6,006)	(15,000)	410,192	1,608,487
Illustration award	181,802	-	(895)	-	61,161	242,068
Catalyst - Art Jameel	2,298,176	-	(11,320)	115,589	773,143	3,175,589
Catalyst - Fashion	65,075	-	(321)	(2,115)	21,892	84,532
Catalyst - Iranian Treasures	441,956	-	(2,177)	61,109	148,681	649,570
Catalyst - Porter	183,262	-	(903)	(5,956)	36,841	213,244
Catalyst - General fund	109,512	-	(539)	(3,559)	36,841	142,254
Jameel Endowment	-	-	-	2,175,442	-	2,175,442
Refurbishment Fund						
Permanent endowment funds (note 11)						
Art Jameel	10,325,811	-	(50,860)	(2,511,031)	3,473,768	11,237,688
Fashion	269,650	-	(1,328)	(8,764)	90,715	350,273
Iranian Treasures	1,880,280	-	(9,261)	(61,109)	632,556	2,442,466
Porter	749,238	-	(3,690)	(24,350)	252,055	973,252
General fund	684,950	-	(186,534)	(22,261)	413,588	889,743
Unrestricted funds	5,629,714	62,734	(31,791)	25,820	970,635	6,657,112
	24,246,381	136,734	(642,115)	-	7,322,070	31,063,070

Capital Projects This represents donations and grants received for capital projects at the V&A's South Kensington and Bethnal Green sites. Capital grants are made following successful applications to the Trustees.

Curatorial and Exhibitions These represent funds to be applied towards specific curatorial and exhibitions activities. Grants are made following successful applications to the Trustees.

Endowment Funds The endowment funds have been provided to support specific posts within the V&A, as well as the general activities of the Charity. The charitable company is the Corporate Trustee of the permanent endowment funds and the transactions and balances relating to these funds are reflected in the financial statements accordingly.

Transfers A portion of investment returns on Endowment funds are allocated to the relevant Restricted funds and are available to spend.

THE V&A FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

11. PERMANENT ENDOWMENT FUNDS – SUMMARY OF TOTAL RETURN MOVEMENTS

	Art Jameel	Fashion	Iran	Porter	General	Total
At 1 April 2021						
Trust for investment						
<i>Gift component of the permanent endowment</i>	10,300,000	268,892	1,875,000	750,000	683,823	13,877,715
<i>Inflationary uplift</i>	937,688	24,571	171,329	65,403	61,615	1,260,606
Unapplied total return	-	56,810	396,137	157,849	144,305	755,101
Total	11,237,688	350,273	2,442,466	973,252	889,743	15,893,422
Movements in the reporting period						
Gift of endowment funds	-	-	-	-	-	-
Investment return: realised and unrealised gains	740,871	19,547	136,302	54,312	49,652	1,000,684
Less: investment management costs	(120,204)	(3,711)	(25,878)	(10,311)	(9,427)	(169,531)
Total	620,667	15,836	110,424	44,001	40,225	831,153
Income paid out to restricted funds in the reporting period	-	(11,276)	(78,626)	(31,330)	(28,642)	(149,874)
Net movement in the reporting period:	620,667	4,560	31,798	12,671	11,583	681,279
At 31 March 2022						
Trust for investment						
<i>Gift component of the permanent endowment</i>	10,300,000	268,892	1,875,000	750,000	683,823	13,877,715
<i>Inflationary uplift</i>	1,634,425	46,081	321,323	125,172	116,255	2,243,256
Unapplied total return	(76,070)	39,860	277,941	110,751	101,249	453,730
Total	11,858,355	354,833	2,474,264	985,923	901,327	16,574,701

11. PERMANENT ENDOWMENT FUNDS – SUMMARY OF TOTAL RETURN MOVEMENTS (continued) (Restated)

	Art Jameel	Fashion	Iran	Porter	General	Total
At 1 April 2020						
Trust for investment						
<i>Gift component of the permanent endowment</i>	10,300,000	268,892	1,875,000	750,000	683,823	13,877,715
<i>Inflationary uplift</i>	834,430	21,874	152,526	57,911	54,766	1,121,506
Unapplied total return	(808,618)	(21,116)	(147,246)	(58,673)	(53,639)	(1,089,292)
Total	10,325,811	269,650	1,880,280	749,238	684,950	13,909,929
Movements in the reporting period						
Gift of endowment funds						
Investment return: realised and unrealised gains	3,473,768	90,715	632,556	252,055	413,588	4,862,682
Less: investment management costs	(50,860)	(1,328)	(9,261)	(3,690)	(186,534)	(251,674)
Total	3,422,907	89,386	623,295	248,365	227,054	4,611,008
Income paid out to restricted funds in the reporting period	(335,589)	(8,764)	(61,109)	(24,350)	(22,261)	(452,073)
Transfer to expendable endowment	(2,175,442)	-	-	-	-	(2,175,442)
Net movement in the reporting period:	911,876	80,623	562,186	224,015	204,793	1,983,492
At 31 March 2021						
Trust for investment						
<i>Gift component of the permanent endowment</i>	10,300,000	268,892	1,875,000	750,000	683,823	13,877,715
<i>Inflationary uplift</i>	937,688	24,571	171,329	65,403	61,615	1,260,606
Unapplied total return	-	56,810	396,137	157,849	144,305	755,101
Total	11,237,688	350,273	2,442,466	973,252	889,743	15,893,422

11. PERMANENT ENDOWMENT FUNDS – SUMMARY OF TOTAL RETURN MOVEMENTS (continued)

The Charity Trustees have exercised their powers to adopt a total return approach under section 104A of the Charities Act 2011 as amended by the Trust (Capital and Income) Act 2013.

The terms of the Jameel Endowment require an inflationary uplift based on CPI to be added to the value of the Trust for investment and this is not available for distribution. The inflationary uplift for the year was £696,737 (2021: £103,258). In accordance with the terms of the Jameel Trust deed, any surplus total return over and above the inflationary uplift and the 3.25% of the opening capital value spending rule is transferred to the Jameel refurbishment fund which is treated as an expendable endowment and shown in Note 10 to the financial statements.

The terms of the other endowments do not require an inflationary uplift; however, the trustees have adopted a policy of maintaining the real value of the trusts for investment and therefore a similar treatment has been applied.

12. RELATED PARTY TRANSACTIONS

The Foundation has one Trustee in common with the Victoria and Albert Museum. While the museum provides accounting and administrative services, these are charged for on an arm's length basis and the Foundation is run independently from, and is not controlled by the museum. During the year grants of £647,965 were payable by the Foundation to the Museum (2021: £356,489). At year end £51,734 remained to be paid over to the museum. (2021: Nil)

13. POST BALANCE SHEET EVENT

The Foundation received an unrestricted donation of £20,000,000 from a private individual on 4 April 2022.

