

Company registration number: 02325092

Charity number: 800630

**the Design Museum**

**Annual report and consolidated accounts**

**31 March 2022**

**the Design Museum**  
**Annual report and consolidated accounts**

<b>Contents</b>	<b>Page</b>
<b>Trustees, Officers and Professional Advisers</b>	<b>3</b>
<b>Trustees' annual report</b>	<b>5</b>
<b>The independent auditor's report</b>	<b>26</b>
<b>Consolidated statement of financial activities</b>	<b>30</b>
<b>Consolidated and charity balance sheets</b>	<b>32</b>
<b>Consolidated cash flow statement</b>	<b>33</b>
<b>Notes to the financial statements</b>	<b>35</b>

## the Design Museum

### Trustees, Officers and Professional Advisers

During the year and to date the trustees, officers and professional advisers were as follows:

Lord Mandelson – Chair	Lady Victoria Conran (Nominated by the Conran Foundation)
Asif Khan – Deputy Chair	Sebastian Conran (Nominated by the Conran Foundation)
Carl Anderson (appointed 16 March 2022)	Eva Jiricna (Nominated by the Bakala Foundation) (appointed 10 May 2022)
Susan Boster (appointed 16 March 2022)	
Nicholas Bull FCA	
Dahlia Dana (appointed 9 May 2022)	
Dominic Field (appointed 13 October 2021)	Wendy Becker (resigned 30 April 2022)
Davina Mallinckrodt	Saba Nazar (resigned 30 April 2022)
Michelle Ogundehin (appointed 26 April 2021)	John Pfeffer (resigned 30 April 2022)
Mike Peck FCA AMCT	Julian Treger (resigned 30 April 2022)

#### Company Secretary

Philip John Watkins  
Withers LLP  
20 Old Bailey  
London  
EC4M 7AN

Registered Office	Bankers	Auditor
224–238 Kensington High Street London W8 6AG	Barclays Bank Plc 1 Churchill Place London E14 5HP	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

#### Solicitors

K&L Gates  
One New Change  
London  
EC4M 9AF

## the Design Museum

### Trustees, Officers and Professional Advisers

The following committee and management structure was in place throughout the year

<b>Curatorial Committee</b>  <b>Chair:</b> Tim Marlow Asif Khan Davina Mallinckrodt Lord Mandelson Michelle Ogundehin  <b>Co-opted members:</b> Daniel Charny Razia Iqbal Matt Jones Professor Jane Pavitt Sir Charles Saumarez Smith	<b>Development Committee</b>  <b>Chair:</b> Dominic Field Carl Anderson Dahlia Dana Lord Mandelson  <b>Co-opted members:</b>	<b>Learning Committee</b>  <b>Chair:</b> Jeremy Myerson (co-opted) Sebastian Conran  <b>Co-opted members:</b> Professor Rebecca Cain Emily Caldwell Emily Campbell Hilary Jennings Yusuf Mohammad Baroness Sue Nye Victoria Thornton
<b>External Affairs Committee</b>  <b>Chair:</b> Davina Mallinckrodt  <b>Co-opted members:</b> Patsy Baker Lisa Burdge Emily Fermor Suhair Khan Gilly Mackwood Ameena M.McConnell Julian Vogel	<b>Finance and Operations Committee</b>  <b>Chair:</b> Mike Peck Nicholas Bull  <b>Co-opted members:</b> Jenny Chong Paul Riseborough	<b>Enterprise Committee</b>  <b>Chair:</b> Susan Boster Davina Mallinckrodt  <b>Co-opted members:</b> Lucien Bowater Sophie Conran
<b>Nominations and Governance Committee</b>  <b>Chair:</b> Lord Mandelson Nicholas Bull Asif Khan Davina Mallinckrodt	<b>Key Management Personnel</b>  Tim Marlow (Chief Executive and Director) Justin McGuirk (Chief Curator) Josephine Chanter (Director of Audiences) Nicky Josling (Interim Director of Development) Siobhán Tighe ACMA (Director of Finance and Operations)	

#### Changes to Key Management Personnel in the year:

	Role	Departure Date
Celeste Bright	Director of Development	December 2021

# the Design Museum

## Trustees' annual report

### Year ended 31 March 2022

#### CHAIRMAN'S STATEMENT

2021–22 saw the Design Museum reopen its doors to visitors, phase by phase in line with government covid-19 restrictions, with each stage reflecting a huge achievement and the ability to respond and react to the circumstances created by the pandemic. Our ability to reopen with such a successful series of exhibitions confirmed the belief that we and others have shown in us, and the support given to us during this whole period.

We are thankful to all our supporters, the Arts Council England and the Department of Culture, Media & Sport (DCMS) for their funding during this challenging time.

It has been a busy period for us when we have demonstrated creativity and energy in sustaining the museum's purpose and activity. This has included: the commercial partnership with Bombay Sapphire which showcased creativity but also allowed the first onsite sales for over a year to take place; *Sneakers Unboxed: Studio to Street* – a new offering to the public when the temporary exhibitions reopened, and the first of four unique, vital and thought-provoking exhibitions; welcoming school groups back in September when the whole museum building, including the permanent display, was able to open; over 23,000 schoolchildren participating in our programmes, the first programme of its kind run by a museum in the Entrepreneurs Hub; establishing, together with the UKRI's Arts and Humanities Research Council (AHRC), the Future Observatory programme; our first international consultancy project with Vanke Urban Research, China; right through to the reopening of the café just before the end of the fiscal year. All separate achievements. All demonstrating the effort put in by the museum's magnificent staff, led superbly by the director, Tim Marlow, with the support of so many stakeholders, partners, patrons, benefactors, and friends as well as our trustees. All reflecting why design holds such a vital place in our society, how it is truly humanity's best friend.

Despite these successes, the year has remained difficult with continuing economic pressures, global uncertainty, and the impact of covid-19 variants, of which Omicron was most felt in December. What is normally a busy time for the cultural sector was, this year, quietened by the pandemic. There was frustration as opportunities could not be fully realised, even though our exhibitions – *Sneakers Unboxed: Studio to Street* and *Amy: Beyond the Stage* broke existing records for attendance, hinting at what could have been outstanding box office hits in more normal times. We have required constant financial review and management while ensuring that staff and visitors felt safe in the newly opened spaces.

The planning and relationship building that continued throughout lockdown were reflected in the expansive offering we have made since, using the museum's whole space to organise learning and dialogue. The space has also served as a meeting place for entrepreneurs and as a venue for the delivery of highly rated exhibitions like *Charlotte Perriand: The Modern Life* and *Waste Age: What Can Design Do?* which was launched during COP26.

The museum's goals, targets and strategies will come under significant pressure for the foreseeable future as the world responds to challenges spanning health and geopolitics, as well as the energy and cost of living crises. The museum will continue to unfold its plans, stage by stage, as we did with the reopening, with clarity of ambition and strength of delivery. Our success will always be reflected in the audiences we reach, nationally and internationally, in the conversations we stimulate and our demonstration of how design can be leveraged to solve society's problems: creating new opportunities through technology, widening dialogue, building communities, enhancing experiences and, finally, bringing joy and colour, even in moments of crisis.

**the Design Museum**  
**Trustees' annual report**  
**Year ended 31 March 2022**

At a time when the country as a whole is navigating its way through a complex period, we are determined to show the benefits and opportunities of investing in top-quality design research and execution. Britain has a leading, global design industry which brings a competitive advantage to everything we do. This is why the Design Museum is such an important national asset and why we need to keep building it. We are determined to do this in the year ahead, and beyond.



Lord Mandelson  
Chairman

**ACHIEVEMENTS AND PERFORMANCE**

During FY21–22, while the impacts of the pandemic continued to change shape, covid-19 remained a major consideration, and made for another challenging year for the Design Museum specifically, and for the cultural sector as a whole. Once again, success in the year is not reflected purely through standard metrics, such as sales or visitor numbers, but also in demonstrations of innovation, entrepreneurialism, risk management and stakeholder engagement and approval.

The museum continued to face these challenges by seeking a range of different commercial opportunities, while continuing to develop thought-provoking and inspiring content for our members and visitors. This was realised extensively but not exclusively through our exhibition and learning programmes, all of which were brought back into the physical space in phases throughout the year.

The start of the fiscal year saw the museum reopen the shop on Kensington High Street, in partnership with Bombay Sapphire, to create a pop-up ‘art supermarket’, inspired by the concept that ‘Creativity is Essential’. The project commissioned emerging artists and designers to repackage essential items as way of exploring and celebrating the idea of creativity as an everyday phenomenon. This also enabled an early start for our retail operation while the main museum remained locked down as per government guidelines. Once the museum was able to reopen to the public, we followed the success of *Electronic: From Kraftwerk to The Chemical Brothers* with another groundbreaking show in our lower gallery, *Sneakers Unboxed: Studio to Street*, which secured the highest footfall in that gallery to date, an exceptional achievement given social distancing restrictions were in place, limiting the capacity of the exhibition. This continued our ability to reach the diverse audiences that many other museums struggle to engage with and was followed up with *Amy: Beyond the Stage*, an exploration of the music and performance of a major talent viewed through the lens of design. The exhibition secured the highest ticket sales for the lower galleries and built on the museum’s reputation for cultural breadth as well as quality. Our upper galleries were also able to offer new shows to a core design audience, with *Charlotte Perriand: The Modern Life* providing a critically acclaimed and elegant reappraisal of a designer who helped to shape the way many lived in the 20th century. The subsequent exhibition, *Waste Age: What Can Design Do?*, raised thought-provoking questions about the critical role design can play in a mass consumerist society and its implications for the future. It acknowledged both the crisis of waste production and the possibilities of a new approach to materials and the circular economy through design.

# **the Design Museum**

## **Trustees' annual report**

### **Year ended 31 March 2022**

Exhibition footfall in the year was 146,062 (45,260 in FY20–21) and total footfall was 246,920 (also 45,260 in the previous year but 633,484 in FY19–20, pre-pandemic).

*The Waste Age* exhibition was also part of the pilot year of Future Observatory, a joint venture with the AHRC (itself part of the UKRI), which will establish a national programme for design research supporting the UK's response to the climate crisis. Within this partnership, the Design Museum is ideally placed to bring cutting-edge design research to broad audiences, from the museum-visiting public to policy makers and business leaders, making it accessible and engaging as well as enabling it to have a greater impact culturally, politically, and economically.

Learning, personal development and a drive towards broader social inclusion are integral to the museum's ethos and the focus of the year was about opening up access to the design community at every level. This was achieved in a number of ways, including the Design Ventura programme, in partnership with Deutsche Bank, which continues to grow and reach more state schools every year; by establishing the Ardagh Young Creatives programme to create a career path that will help young people from underrepresented backgrounds into the design industries; plus, the successful pilot year of the Entrepreneurs Hub, the first of its type within the museum sector. This programme supported 15 design entrepreneurs in developing new, design-led businesses, with participants once again coming from underrepresented backgrounds. These programmes all offer opportunities to translate participation into skills and experience that are relevant to developing future careers in a multitude of design disciplines, and which therefore have significant implications for the future of the UK economy.

Commercially the museum has continued to create opportunities wherever possible. Our international touring exhibitions and our consultancy programme have expanded in range and impact. Commercial hire and the staging of corporate events in various spaces at the museum were both extensive as soon as lockdown restrictions were lifted. In addition, the museum is developing multiple corporate partnerships which support the development of our content, and which also help us to better understand our retail potential and visitor engagement. Our retail spaces have been places of experiment and successful delivery – from the new exhibition shop to the trialling of a pop-up model at the end of the year, with a bespoke shop for the Amy Winehouse exhibition. We were finally able to reopen a catering offer to the public with a new onsite supplier, London Grade Coffee, an independent coffee shop operator, whose ethos aligns with the museum's, creating significant brand synergy.

This final act of opening the café meant that the museum ended the fiscal year with all parts of the building physically open again, and the entire organisation ready to engage with our visitors, while once again creating an active and animated hub for the design community.

#### **POST YEAR-END PERIOD AND OUTLOOK**

Like many organisations, the post covid-19 landscape has presented the museum with further challenges which are being amplified by those encountered in the previous two years. The movement in the job market has meant that, after a static couple of years, large elements of the staff base moved out of the organisation, creating a loss in fluidity of business operations, which places more risk on target delivery.

External factors – such as the cost of living crisis, inflation, continuing conversations around business functionality as a result of Brexit, and general social uncertainty – have meant that market conditions as we move into a post-pandemic world are increasingly challenging. The impact of this has already been

## **the Design Museum**

### **Trustees' annual report**

### **Year ended 31 March 2022**

felt in the first quarter of the fiscal year where market reports show that footfall for London based visitor attractions is at 50 per cent of pre-pandemic figures (from data produced by the London Attractions Monitor, London & Partners, based on 39 reporting attractions).

The museum's fiscal planning seeks to spread risk across numerous revenue streams and plans its cost base management around a carefully assessed view of its potential to generate income, essential given that 97 per cent of the museum's annual income is not through guaranteed government funding. While we are immensely grateful for the government support throughout the pandemic, and the National Portfolio Organisation support we continue to receive, it is clear that the challenges of the next few years will require the museum to operate in as imaginative, nimble and entrepreneurial a manner as possible.

With this in mind, we continue to forge inventive partnerships and commercial opportunities, with three bespoke displays in FY22–23, made in collaboration with the OAK Collection, Fred Perry and Van Cleef & Arpels. A wide range of content will be programmed in the exhibition, balcony and atrium spaces as we continue to demonstrate the meaning, impact and integration of design across the cultural landscape, from the global game of football to the enduring influence of surrealism and the sensory phenomenon of ASMR. Running in tandem are Bethany Williams's pursuit of sustainable fashion and Yinka Illori's profound, playful graphic installation which also looks at ways of diversifying the museum's collection. An immersive display, in partnership with the Design Age Institute, examines the *Future of Ageing*, exploring how design is transforming the way society can support everyone to age with greater agency and joy. The Future Observatory programme, which has been confirmed for the next three years, will support the Design Researchers in Residence at the museum alongside a national portfolio of partner organisations, focusing on 'Designing the Green Transition'. Our learning portfolio, already a proven success, continues to expand in national reach and delivery.

Internally, we will continue to support our staff through professional development and training, and by providing platforms for their voices to be heard and acted upon – through the DEMAND network, the Access and Inclusion group, and our partnership with the PCS union.

The expectation was always that these challenges would continue post-covid, and the museum would need to remain strategically focused on growth as well as managing its way through a planned recovery that will strengthen its unique position among cultural institutions across the country.

### **PLANS FOR FUTURE PERIODS**

The role of the Design Museum is remarkable in its forward-looking perspective and engagement with urgent contemporary issues. We are the only national design museum, an institution where creative expression, design thinking and education, research, entrepreneurialism, and economic delivery coexist in powerful and productive ways. As our Future Observatory programme shows, we are redefining what a museum can be: a place not solely focused on the past or the present but one that can help shape the future.

The museum as a physical space can also reflect that future. As the building moves into the next phase of its lifecycle, where we need to consider renewal and replacement, this marks an opportunity to expand our work around sustainability in how we function. Similarly, as we look to the next iteration of our permanent displays, we are excited to explore how we can showcase a wider range of talent within the design community, both established and emerging, and how best we can share that with our audiences.

# **the Design Museum**

## **Trustees' annual report**

### **Year ended 31 March 2022**

#### **OPERATIONAL OVERVIEW:**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Design Museum is a private company limited by guarantee, not having a share capital, that has been granted permission by Section 30 of the Companies Act 2006 to omit the word 'Limited' from its name. The Design Museum is a registered charity and the governing documents of the charity are its Memorandum of Association (dated 24 November 1988) and Articles of Association (updated 1 February 2016). The Design Museum's company registration number is 02325092 and charity registration number is 800630. The museum also carries out trading activities in support of the museum through its subsidiary, Design Museum Enterprises Limited, which undertakes retail, publishing, catering, venue hire and sponsorship activities.

The Design Museum is governed by a Board of Trustees (who are company directors for the purpose of the Companies Act 2006). The trustees provide the mix of skills, competencies and profiles required for them to adequately fulfil their obligations, which include continually developing and leading on agreed strategies for the museum to deliver its charitable values and purposes, both internally and externally.

A skills audit is used by the Chairman and the Nominations and Governance Committee to assess the needs of the museum, and this is the foundation on which recruitment decisions for trustees are made. Throughout the process, trustees consider the reach of their candidate pool to ensure they attract a diverse group of applicants, as this is deemed an integral part of the Board's effectiveness. Trustees are elected by the directors and are appointed for an initial period of three years, following which, they are eligible for re-election for a further three years. This choice of term is the result of a Board and committee effectiveness review taken during 2018/19 to ensure that the governance structure was both appropriate and effective in running the museum, in line with the Charities Governance Code. This review led to a number of changes to the Board and to museum governance which were based on the recommendations of the code. The Charities Governance Code was updated in March 2021, with a focus on Principle 3: Integrity and Principle 6: Equality, Diversity and Inclusion (formerly 'Diversity'). Compliance under the code is kept under review.

New trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committees and decision-making processes, the business plan and financial performance of the museum. The trustee induction pack contains details of the role, responsibilities and behaviour expected of trustees, in line with the code of conduct, together with how they should deal with any potential conflict of interest. The museum maintains a register of interests which is reviewed periodically. Trustees are aware that they must disclose any potential conflict of interest to the Board so that it can be appropriately dealt with, in line with the museum's governing document, and that failure to do so could affect the museum's performance and reputation.

There are seven subcommittees of the Board, comprising trustees and co-opted advisers, who oversee all key areas of focus of the Design Museum. These are the Curatorial, Development, External Affairs, Enterprise, Learning, Nominations and Governance, and Finance and Operations Committees. These subcommittees meet regularly and report to the Board to ensure that the museum is led effectively and in line with the agreed strategy.

The members of the Design Museum are the Conran Foundation and the currently serving trustees. The Conran Foundation has voting rights at Board meetings as well as the power to appoint and remove up to two trustees. The Bakala Foundation is not a member but has the power to appoint and remove one trustee.

## **the Design Museum**

### **Trustees' annual report**

### **Year ended 31 March 2022**

Day-to-day management of the charity is delegated to the Director and Chief Executive of the museum, Tim Marlow OBE, supported by the directorate, who report to the Board of Trustees. The trustees have also established appropriate controls and reporting mechanisms to ensure that the leadership team operates within the scope of the powers delegated to it. The controls are formally reviewed and approved annually by the Finance and Operations Committee.

The Chairman ensures that, alongside support of the executive, there is also healthy debate and challenge provided to the directors by the trustees to ensure that the Design Museum aims are being delivered. Actions of meetings are minuted and regularly reviewed.

The pay and remuneration for key management personnel at the Design Museum is set taking into consideration the level of responsibility and function of the role. Roles are also externally benchmarked on a regular basis using independent salary surveys, market data and specific sector salary information. A comparison with market rates is conducted for each role by location, industry and size of organisation.

The trustees have reviewed the public benefit guidance published by the Charity Commission. The activities undertaken by the Design Museum further its charitable purposes for the public benefit in several areas, in particular exhibitions, learning and public programmes.

#### **RELATED PARTY RELATIONSHIPS**

The charity has a wholly-owned trading subsidiary, Design Museum Enterprises Limited which undertakes retail, publishing, a catering concession, venue hire and sponsorship activities. All profits from Design Museum Enterprises Limited are donated in full to the Design Museum.

Other related parties are the Conran Foundation, Conran Octopus Limited and 238 Kensington High Street Limited, as described in note 23.

#### **OBJECTIVES AND ACTIVITIES**

The objectives of the Design Museum, as set out in the Memorandum and Articles of Association, are to advance the education of the public in the study of all forms of design and architecture in the historical, social, artistic, industrial and commercial contexts, by the establishment and maintenance of a museum of design and architecture.

The overarching, long-term objective of the museum is to be the most successful museum of contemporary design and architecture in the world, a point of reference for these global industries, realised by attracting a broad audience of visitors annually, and growing the museum's digital footprint to over 10 million online visitors. In support of the museum's long-term objective, the five strategic objectives are:

- To create immersive, entertaining, relevant and thought-provoking exhibitions and programmes
- To deliver a programme that maximises ticket sales and commercial and fundraising income potential
- To raise the profile and reputation of the institution, nationally and internationally establishing the Design Museum's authority on design and architecture
- To drive strategic partnerships that deliver programme and income targets
- To deliver a sustainable operation

As part of the above commitment, the Design Museum has recognised a need to explore and more fully develop our approach to diversity at all levels. An internal network of staff called DEMAND (Design Museum Anti-Discrimination Group) has been established and an Access and Inclusion Steering Group

# **the Design Museum**

## **Trustees' annual report**

### **Year ended 31 March 2022**

re-established, both of which helped frame our equality, diversity and inclusion commitments as detailed on the website. Internally, a programme of Diversity and Inclusion training has begun and will continue to help shape our understanding of how the organisation and the individuals within it can better reflect the needs of all communities we engage with.

Based on the most recent planning, the shorter-term objectives which will help shape and define our activity over the period of the five-year plan are as follows:

**Aim 1:** Increase visitor footfall from FY19-20, pre-covid, base footfall

**Aim 2:** Increase exhibitions planning and delivery timeframe

**Aim 3:** Increase secondary spend (per visitor)

**Aim 4:** Increase contributed and fundraised income

#### **OPERATIONAL DETAIL:**

#### **EXHIBITIONS**

The Design Museum usually stages around four temporary exhibitions a year for which it levies admission charges, covering a range of areas from architecture and graphic design to fashion and product design. In addition, we also present a series of free displays on the balcony gallery and mezzanine spaces.

#### **GALLERY 1**

##### **Charlotte Perriand: The Modern Life**

Saturday, 19 June – Sunday, 5 September 2021

Visitors were invited to enter the world of Charlotte Perriand, whose pioneering designs shaped the 20th century. Her modern ideas can be found in the way we live today, from the use of materials to her belief that good design is for everyone.

The exhibition featured some of her most famous interiors, including the apartment designed for the Salon d'Automne in 1929, and presented furniture up close, such as the iconic Chaise Longue Basculante and the Fauteuil Pivotant. Sketches, photographs, scrapbooks and prototypes shed new light on her creative process and her rightful place in design history, alongside works by her friends and peers, including Le Corbusier, Fernand Léger and etchings by Pablo Picasso.

This exhibition was curated in collaboration with the Perriand family and the Fondation Louis Vuitton in Paris.

##### **Waste Age: What Can Design Do?**

Saturday, 23 October 2021 – Sunday, 20 February 2022

A new generation of designers is rethinking our relationship to everyday things. From fashion to food, electronics to construction, even packaging – finding the lost value in our trash and imagining a future of clean materials and a circular economy could point the way out of the Waste Age. This exhibition invited audiences to explore major new exhibits that capture the devastating impact of waste, including a large-scale art installation by Ibrahim Mahama made from e-waste in Ghana.

The exhibition showcased some of the visionary designers who are reinventing our relationship with waste, including Formafantasma, Stella McCartney, The Ellen MacArthur Foundation, Lacaton & Vassal, Fernando Laposse, Bethany Williams, Phoebe English and Natsai Audrey Chieza.

## **the Design Museum**

### **Trustees' annual report**

### **Year ended 31 March 2022**

#### **GALLERY 2**

##### **Sneakers Unboxed: From Studio to Street**

Monday, 17 May – Sunday, 24 October 2021

From trainers originally designed for specific athletic activities like the Converse Chuck Taylor All Star, the Puma Disc, and Nike Air Zoom Alphafly Next%, discover how sneakers such as the Reebok InstaPump Fury, the Vans Half Cab and the Asics Gel Lyte III have become cultural symbols of our times.

Visitors took a journey through the design process behind some of the most technically inventive shoes of today with the Adidas FutureCraft.Strung shoe-making robot, designed by Kram/Weisshaar, Satoshi, a brand using blockchain certification, and the world's first biologically active shoes, developed by MIT Design Lab and Biorealize for Puma.

##### **Amy: Beyond the Stage**

Friday, 26 November 2021– Sunday, 10 April 2022

Amy Winehouse's unmistakable voice, confessional lyrics and iconic look made her one of the music world's most beloved artists.

This exhibition charted Amy's early career through her recordings and teenage notebooks, unravelling the creative process behind her music, and paying tribute to her rich range of influences, from Dinah Washington to Mark Ronson, Camden to 1960s pop, Motown to jazz.

On view were the outfits she wore during her greatest performances, handwritten lyrics and personal items that have never been exhibited before, including her blue Daphne Fender Stratocaster guitar, allowing the visitor to step backstage with a cultural icon that the world lost too soon.

The exhibition was organised in collaboration with The Estate of Amy Winehouse.

#### **MEZZANINE**

##### **Ai-Da: Portrait of the Robot**

Monday, 17 May – Sunday, 29 August 2021

As humans increasingly merge with technology, the self-titled robotic artist, Ai-Da, leads us to ask whether artworks produced by machines can indeed be called 'art'. Ai-Da can both draw and engage in lively discussion. Her robotic arm, developed by Salah Al Abd and Ziad Abass, enables her to hold a pencil, and her silicone face, designed by researcher Lucy Seal, digital artist Alex Kafoussias, and 3D designer Tim Milward, makes it appear as though she is 'alive'. These features, and the movements and gestures that Ai-Da is programmed to perform, raise questions about human identity in a digital age.

##### **Design Ventura** (see 'Learning' detail)

Friday, 11 June – 22 August 2021

##### **Discovered: Designers for Tomorrow**

Monday, 13 September – Sunday, 10 October 2021

Selected from *Wallpaper* magazine's annual Graduate Directories, 20 designers from multiple countries were invited to think about their experiences of a pandemic world. Their projects explored their own personal and cultural backgrounds with inspiration coming from everyday life as well as the desire to

## **the Design Museum**

### **Trustees' annual report**

### **Year ended 31 March 2022**

connect with nature and the outdoors. The resulting 20 one-off objects and furniture pieces were displayed in the museum.

#### **Aurora**

Wednesday, 20 October – Sunday, 14 November 2021

An interactive hanging installation created by Mamou-Mani Architects and the Dassault Systèmes Design Studio, inspired by Upstream Thinking, a design approach that prioritises regeneration.

#### **The Ralph Saltzman Prize**

Wednesday, 2 February 2021 – Sunday, 3 April 2022

The Design Museum launched a new initiative to celebrate emerging product designers, created by Lisa Saltzman on behalf of the Saltzman Family Foundation and in recognition of Ralph Saltzman's design legacy.

Designer Mac Collins was selected as the 2022 prize winner.

#### **BALCONY**

##### **Woman at work: Margaret Calvert (this opened in the last Fiscal Year)**

Closed 5 September 2021

With a career spanning six decades, graphic designer Margaret Calvert has produced timeless work that we see everywhere – often without realising it. Whether it is the design of the UK's road-signing system, with Jock Kinneir, wayfinding at railway stations and airports, or the typeface used on the gov.uk website, designed with Henrik Kubel, her work shapes much of our national visual identity.

#### **The Conran Effect**

Tuesday, 5 October 2021 – Sunday, 6 February 2022

A display celebrating the life and work of the Design Museum founder, Sir Terence Conran, to mark what would have been the 90th birthday of the acclaimed British designer.

#### **Bethany Williams: Alternative Systems**

Tuesday, 22 February – Sunday, 4 September 2022

From garments made from recycled book waste to collaborations with community projects, this London-based designer is building a practice that seeks to avoid the usual contradictions of fashion. Her work tackles social and environmental issues, and this display includes her collaboration as part of the Emergency Designer Network to create PPE during the pandemic.

#### **TOURING**

The museum tours its exhibitions internationally, which creates an additional income stream and offers greater access to content for international audiences, thereby increasing its profile. Despite global uncertainty, the museum has continued to tour its exhibitions and reach new audiences.

#### **Moving to Mars**

Tekniska Museet, Stockholm

**the Design Museum**  
**Trustees' annual report**  
**Year ended 31 March 2022**

26 February 2021 – 6 March 2022

204,802 visitors (figures are for the entire museum during the period, gallery visitor figures were not monitored)

**Hello, My Name is Paul Smith**

Nottingham Castle, Nottingham

21 June 2021 – 20 February 2022

113,840 visitors (figures are for general admission tickets during the period, gallery visitor figures were not monitored)

**Material Tales**

CAFA Art Museum, Beijing

17 September – 17 October 2021

21,324 visitors

**Chemical Brothers Got to Keep On installation**

Zorlu Performing Arts Centre, Istanbul

2 – 14 October 2021

2,528 visitors

**Material Tales**

Art Museum of Nanjing University of the Arts, Nanjing

8 – 24 December 2021

Throughout the year, the museum continued to implement its longer-term international engagement strategy, developing its first dedicated touring exhibition, *Material Tales*, and delivering its first consultancy for a new museum project in China.

*Material Tales* is a uniquely poetic exploration of the world of materials, taking visitors on a journey through the origins, uses, and evolution of matter. From their microscopic structure through to the global impact of their usage and exploitation, materials are revealed in all of their complexities as they share the incredible stories of their emotional, technical and political lives.

Featuring iconic exhibits from the Design Museum Collection, as well as innovative materials in development today, the exhibition informs and inspires visitors, allowing them to understand the complex processes that go into everyday objects.

The first dedicated touring exhibition from the Design Museum, *Material Tales: The Life of Things*, opened at the CAFA Art Museum in Beijing, China in 2021.

**DIGITAL**

The Design Museum ranks 4th in the world among museums and galleries in terms of the scale of its presence on Twitter. The focus over the last year has been growing the museum's presence on its other social media channels, predominantly Instagram as the fastest growing social platform, and the recently launched TikTok.

There has been a strong focus on creating evergreen digital content to position the Design Museum as a space of discovery and inspiration. The museum has seen an increase in the level of online engagement,

## the Design Museum

### Trustees' annual report

### Year ended 31 March 2022

which has also been helped by the creation of new, regular strands of content as well as key collaborations and takeovers.

Digital presence	2021/22	2020/21
Twitter followers	4,161,394	4,233,656
Facebook fans	419,298	423,613
Instagram followers	466,117	446,212
TikTok followers	2,434	0
YouTube followers	3,446	2,954
Website (unique visitors)	1,971,360	1,649,224
Online shop (unique visitors)	234,260	243,609

## FUNDRAISING

The Design Museum has considered the guidance set out by the Charity Commission, follows the Institute of Fundraising's code of fundraising practice and is registered with the Fundraising Regulator. We have not received any complaints in respect to our fundraising practices.

The museum has a professional fundraising department led by the Interim Director of Development. The team is responsible for fundraising from individuals, trust, and foundations and companies, and works within the guidelines set out by the Fundraising Regulator and Code of Fundraising Practice. The museum's fundraising is supported by a volunteer Development Committee, which is chaired by a trustee.

The museum does not engage any external partners or fundraising agencies to carry out fundraising on its behalf. Nor do we engage in fundraising activities that would place vulnerable people at risk.

Fundraising covers the income raised through grants from trusts and foundations, income from individuals and giving circles, government funding, corporate sponsorship and corporate membership. Each area is supported by dedicated members of staff to ensure achieving targets is managed in a way that is neither detrimental to the museum's reputation or the wellbeing of the people and parties involved.

In the financial year FY21–22, fundraising continued to be impacted by the global covid-19 pandemic, but a total of £2.5m in grants, donations and sponsorship was secured, including an extension to our National Portfolio Organisation grant from Arts Council England.

The main areas of support during the year were:

- **Government grants** – the museum continues to receive the full support of government and was successful in securing an extension to our National Portfolio Organisation grant from Arts Council England, which supports core activity as well as the Design Researchers in Residence and learning programmes.

## the Design Museum

### Trustees' annual report

### Year ended 31 March 2022

- **Funding for exhibitions and displays** – the last year saw all exhibitions receive financial support from corporates, with *Sneakers* receiving support from StockX and Snap Inc.; *Charlotte Perriand* receiving support from multiple partners including Cassina, Christie's, Accor Hotels and Rémy Martin; *Waste Age* was supported by Associate Sponsor, Dassault Systèmes, and multiple sponsors including method, Zalando and Roca; finally, *Amy: Beyond the Stage* also received support from Accor Hotels. All corporate partnerships proved to be highly successful and, of particular note, StockX's sponsorship of *Sneakers* won the UK Sponsorship award in the 'Art & Cultural Sponsorship' category.

The Public Programme as part of our *Waste Age* exhibition was supported by The Reuben Foundation in collaboration with Etopia. Cockayne Grants for the Arts and The London Community Foundation supported a new art installation by leading contemporary artist, Ibrahim Mahama, created specifically for *Waste Age*.

The museum launched a new initiative to celebrate emerging product designers, created by Lisa Saltzman on behalf of the Saltzman Family Foundation and in recognition of Ralph Saltzman's design legacy, with designer Mac Collins selected as the inaugural prize winner.

The museum was also incredibly grateful to John and María Pfeffer for their generous support of *Amy: Beyond the Stage*.

- **Grants for learning and development** – Deutsche Bank have continued to support the Design Ventura learning programme and the Ardagh Group have continued their funding of our Young Creatives programme.

The Swarovski Foundation are supporting our Digital Schools Programme; Idlewild Trust and the Arts and Humanities Research Council (AHRC) supported Design Researchers in Residence; the Kusuma Trust supported the *Waste Age* Family Trail and Podcast; while the Lightbulb Trust supported a new collaboration, which builds attendance and engagement and supports the museum in reaching new and wider audiences.

- **Individual and Corporate Giving** – the museum is grateful to our individual donors and corporate members for their continued support.

## THE DESIGN MUSEUM COLLECTION

The Design Museum holds a collection of industrial design, furniture, graphics and household appliances, which provide a unique record of the social and technological history of modern Britain. The collection consists of over 3,500 examples of mass-produced design from the 20th and early-21st centuries.

The museum's collection policy defines its purpose, scope and future development. We collect thoughtfully and selectively, with a view to supporting the museum's upcoming exhibitions programme.

# the Design Museum

## Trustees' annual report

### Year ended 31 March 2022

## LEARNING

2021–22 has been a year of rebuilding and consolidation for the Design Museum's learning portfolio.

This financial year has seen the museum opening up again and bringing most of its programmes back on site (most continued throughout covid-19, but remotely). The museum continues to deliver some programmes through blended learning (face-to-face and remote).

The focus of the learning activity portfolio continued to be on present day challenges, problem solving and applied creativity. Alongside this, it drew inspiration from the museum's exhibitions and displays.

**Future Observatory (FO)** was launched in this period, and Designers in Residence moved into FO's area of work, renamed Design Researchers in Residence.

In FY21–22, 27,122 learners took part in the museum's learning programmes, an increase of almost 5,000 participants on FY20–21.

At the end of the last financial year, the museum had just launched a new, three-part strategy. These three strands have been established in FY21–22, with new members of staff being recruited to lead them:

- 1. Pathways into Design:** for schools and young people, includes Design Ventura, the schools programme in its various forms (on site and remote workshops, resources and visits) and the Ardagh Young Creatives, a pathway programme to support young people aged 14–16 from underrepresented backgrounds to access the design industries.
- 2. New Thinking, New Voices:** for designers, students and those working within and around the creative industries. The aim is to be the trusted voice for leading on the most current topics and debates in design. Community work is included within this area, recognising the expertise that comes from lived experience.
- 3. Design Museum Academy:** this is the learning programme for everyone, promoting the importance of design as humanity's best friend.

Programme highlights include:

- **Design Ventura** which engaged its highest numbers ever (20,167 secondary school students in the main programme and a further 3000 through the Online Mini Challenge) a phenomenal feat in a year of school closures, remote learning and lockdowns.
- Development and launch of the **Sustainable Design Schools Programme** with its innovative, 'postable' handling collection, originally to accompany the *Waste Age* exhibition and now a core part of our workshop portfolio. This rekindled our partnership with the Swarovski Foundation. It can be delivered both face-to-face and remotely.
- Successful first year of the **Ardagh Young Creatives**, the pathway for young people from underrepresented backgrounds into the design industries, and planning for regional expansion in Barnsley.
- **Growing Together**, a community garden project, went through its first consultation chapter with five local community groups of older people
- Launch and first part of programming ('Designing for Your Future Self' and 'Wisdom Hour' events) for the **Design Age Institute**

## the Design Museum

### Trustees' annual report

### Year ended 31 March 2022

- Recommencement of face-to-face talks and panel discussions in the auditorium and atrium as part of **New Thinking New Voices**.
- Successful delivery of the **Entrepreneurs Hub**, supporting 15 design entrepreneurs from underrepresented backgrounds.
- Pilot of the **Design Museum Academy**, including the new Executive Education course, 'Decarbonise Your Business', led completely independently from an HE partner.
- First **Family Days**, in the October half term, since we went into the pandemic.

This coming year the learning team hope to continue to grow our relevance regionally through our remote schools' workshops and the regional pilot of the Ardagh Young Creatives.

#### TRADING SUBSIDIARY TRADING PERFORMANCE

The Design Museum's trading subsidiary, Design Museum Enterprises Limited, had turnover during the year of £3.0m (2021: £1.2m) and an operating loss of £0.2m (2021: loss £1.0m). It received a share of the Conran Foundation support given to the Design Museum amounting to £0.4m (2021 Share of DCMS/ACE Cultural Recovery Fund Grant support: £1.2m) and the resulting profit before taxation of £0.2m (2021: £0.2m) has been donated in full to the Design Museum under gift aid at the year end. The principal activities of Design Museum Enterprises Limited are the operation of shops, catering, sponsorship services and venue hire.

#### Retail & Publishing, Catering and Venue Hire

- **Retail** – The Design Museum operates three physical shops and an online shop. During 2021–22, the range consisted of exhibition merchandise from the four temporary exhibitions, plus a core range of books and general gifting items, all available onsite and online. The split of sales across the core range and the exhibition ranges was broadly even. During the year, the High Street Kensington shop operated on occasion in a 'pop-up' style: firstly, as part of the 'Creativity is Essential' partnership with Bombay Sapphire, which enabled the shop to open ahead of the museum, based on covid-19 guidance at the time; and secondly, to house the *Amy* exhibition merchandise. Lower gallery shows tend to have their merchandise in the atrium shop, however it was felt that the exhibition merchandise was varied enough to offer the opportunity to trial using the High Street shop in this way.
- **Publishing** – The Design Museum publishes a range of books to support the museum's collections and exhibitions, which are in turn sold across its three retail outlets. Titles are either produced in-house or in collaboration with external publishing partners. Books are distributed globally via Thames & Hudson and DAP. During FY21–22, the publishing programme included books from all the exhibitions – *Charlotte Perriand*, *Waste Age*, *Sneakers* – and an external title to accompany the *Amy* show. This extends the publishing remit from the Gallery one shows to include the Gallery two shows, which has not been the case in the past. The team also went through a programme with an external publishing consultant to look for process efficiencies and introduce wider options into the production process.
- **Catering** – Following the covid-19 crisis, the museum did not provide a public catering offer until March 2022. After a tender process, the museum appointed an independent coffee shop operator with a new supplier – London Grade Coffee – to run the café. The agreement is due for renewal in FY22–23 after an initial trial period.

## **the Design Museum**

### **Trustees' annual report**

### **Year ended 31 March 2022**

- **Venue Hire** – The museum has a spectacular suite of event spaces which are regularly used for corporate events of various size and complexity, ranging from seminars to week-long product launches and award dinners. In the financial year 2021–22, the events department generated just over £700k of revenue from venue hire. This income is high compared to similar venues in London, partly due to the diversification of the hire business and the team confirming a large commercial partnership. However, sales were still significantly impacted by the covid-19 pandemic, in particular the Omicron variant spike, which caused further closures, restrictions and uncertainty in the market. The sector's recovery now relies on the ongoing development of the pandemic as well as the economic stability of the UK and the world. There is an increase in demand for Spring/Summer FY22–23 but most confirmations are short notice. The team will continue to diversify the portfolio to include filming, weddings, private hire, hybrid events and commercial displays.

#### **STAFF AND VOLUNTEERS**

The Design Museum continues to invest in its staff, and to provide staff a positive and supportive working environment, with clear opportunities for development, and recognition for responsibilities taken on and results delivered.

During the year the museum continued to exercise pay restraint as part of our grant and loan obligations, where legally possible. However, it was able to deliver permanent uplifts to a large proportion of the staff base, as part of a move to address pay conditions in the sector as a whole.

The museum was still not able to welcome back on site its team of volunteers, who enhance visitors' experience of the museum, as well as assisting with the curation of exhibitions, collection care, library and archiving, publishing, and communications (the average number of volunteers in post on a weekly basis in 2020 was 95). The plan is to reintroduce our volunteers early in FY22–23.

# the Design Museum

## Trustees' annual report

### Year ended 31 March 2022

#### FINANCIAL REVIEW

#### Income and Expenditure

	Unrestricted	Unrestricted Designated	Restricted	2022	2021
	£	£	£	£	£
Total income	7,427,605	-	805,815	<b>8,233,420</b>	<b>10,063,962</b>
Total expenditure	(10,282,323)	(401,932)	(853,316)	<b>(11,537,571)</b>	<b>(8,475,369)</b>
Net income/(expenditure) for the year	(2,854,719)	(401,932)	(47,501)	<b>(3,304,152)</b>	<b>1,588,593</b>
Transfer to designated funds	-	-	-	-	-
Net movement of funds	(2,854,719)	(401,932)	(47,501)	<b>(3,304,152)</b>	<b>1,588,593</b>

#### Income

Income between the two years is not directly comparable as, in 2021–22, the museum had fully reopened by the end of the year, although this was done in stages and still with constraints on capacity, limiting income generation. In comparison the cost base returned to its pre-pandemic state, thereby generating a deficit in the year. 2020–21 reflects only 111 open days, and those days with the museum neither fully open nor operating at full capacity. It was also impacted by significant unusual income in the form of £4.6m of government grants, which were fully recognised in the year. Therefore, while the Design Museum has produced nearly £2.0m more of self-generated income in the period, overall income is down year on year, due to the change in the mix of delivery.

	2022	2022	2021	2021
	£	£	£	£
Admissions	1,750,014		804,175	
Trading	3,003,689		1,199,338	
Other charitable activities**	772,184		645,870	
Donations, Gifts & Other income*	779,642		2,190,260	
Grants**	822,119		419,365	
		7,127,648		5,259,008
<b>Exceptional activity:</b>				
ERF/CRF Grants			3,965,745	
CJRS Grant	45,772		605,899	
		45,772		4,571,644
Conran Foundation		1,060,000		233,310
<b>Total Income</b>		<b>8,233,420</b>		<b>10,063,962</b>

\*Includes Design Museum Kensington project income and Investment Income

\*\*Includes a reclassification in 2021 of £59,620 from Other Charitable Income to Grants

## **the Design Museum**

### **Trustees' annual report**

### **Year ended 31 March 2022**

#### **Expenditure**

Expenditure has increased by £3.0m from 2021, primarily due to the higher spend on exhibition delivery as there were four temporary exhibitions instead of the two as per in the curtailed previous year. Throughout the year, cost restraint was applied across all areas of activity, including staffing.

#### **Unrestricted funds**

The unrestricted deficit of £2.9m in the year is from ongoing operations. The museum is refocusing its efforts on growing revenues to achieve operational profitability now that covid restrictions have been lifted. This is part of a planning process which requires improved performance to break even, and then profitability over the next few years.

The museum building is held as a separate designated fund. Building depreciation is recognised as unrestricted expenditure, and any assets purchased in respect of the building are transferred to designated funds in order that the reserves reflect the net book value of the building at the year end.

#### **Restricted funds**

Restricted income comprises income relating to the capital project and ongoing operations. There were no transfers in the year.

#### **Cashflow**

As a matter of sound financial practice, the management regularly reviews its cashflow position to ensure that at all points it has at least six weeks of operating cashflow. Over the covid-19 period this has been happening with increased frequency.

The museum has an investment policy of holding funds in sterling cash deposit accounts, where balances are spread across at least two major UK clearing banks. These deposits ensure that cash is readily available to fund the costs of the Design Museum Kensington project and operations, in line with the museum's cashflow forecasts.

The museum opened a high interest notice account to hold the loan received at a more favourable rate. This has been drawn down against as necessary across the year.

#### **Balance Sheet**

At 31 March 2022 the museum held £31.6m (2021: £32.2m) of unrestricted designated reserves, being the net book value of fixed assets relating to the Design Museum Kensington. As well as these unrestricted funds, £0.6m (2021: £0.5m) of restricted reserves were held, primarily relating to the Design Museum Kensington capital project and development of the museum's IT. Total funds held at 31 March 2022 were £33.0m (2021: £36.3m).

**the Design Museum**  
**Trustees' annual report**  
**Year ended 31 March 2022**

**Reserves**

**31 March 2022**

	Fixed Assets £	Cash £	Loan £	Other assets £	Total £
Unrestricted reserves	813,377	6,722,893	(5,000,000)	(1,853,977)	<b>682,293</b>
Unrestricted designated reserves	31,632,615	-		-	<b>31,632,615</b>
Restricted reserves	-	415,610		235,327	<b>650,937</b>
	<b>32,445,992</b>	<b>7,138,503</b>	<b>(5,000,000)</b>	<b>(1,618,650)</b>	<b>32,965,845</b>

**31 March 2021**

	Fixed Assets £	Cash £	Loan £	Other Assets £	Total £
Unrestricted reserves	390,307	8,561,264	(5,000,000)	(414,560)	<b>3,537,011</b>
Unrestricted designated reserves	32,239,016	-		-	<b>32,239,016</b>
Restricted reserves	-	403,697		90,272	<b>493,969</b>
	<b>32,629,323</b>	<b>8,964,961</b>	<b>(5,000,000)</b>	<b>(324,288)</b>	<b>36,269,996</b>

The total funds are shown in these tables, the SoFA and note 19. The details of these funds are explained above and in note 19.

The Design Museum has a policy target of unrestricted free reserves equal to six months' budgeted future operating costs. Unrestricted free reserves are defined as being total unrestricted reserves less the net book value of unrestricted fixed assets.

The unrestricted free reserves target at 31 March 2022 equates to £5.7m (2021: £5.3m). This target is reviewed annually, based on an assessment of museum risks, the stability of its income streams, and operational cashflow requirements.

Unrestricted free reserves at 31 March 2022 are £Nil (excluding fixed assets) (2021: £3.1m). The Design Museum will continue to strive to achieve the target in the medium term by following the business plan. This includes objectives to continue to grow admissions and other revenue streams, while aiming to keep costs down, to provide financial stability.

# **the Design Museum**

## **Trustees' annual report**

### **Year ended 31 March 2022**

#### **RISK MANAGEMENT**

The executive management team, appointed by the trustees and to whom they report, are responsible for decision making, risk management and the museum's control environment. Pre-pandemic, a summary of risks, maintained and actively managed by the executive team, outlining likely impact and mitigating actions, is reviewed by the Finance and Operations Committee and by the Board at least once a year. The major risks which have reputational and financial impacts relate to the operational performance of the museum. They normally include:

- Admissions and/or commercial income targets are not met.
- Fundraising fails to meet targets across the different funding streams
- Insufficient free reserves and cashflow to cover financial risks.

Committees review policies and procedures annually, which relate to their respective remits. Benchmarking of activities across key areas of operation is undertaken periodically.

Throughout the covid year, a more heightened review process in relation to risk and risk management was introduced. This activity naturally resettled to a more appropriate pattern during 2021–22, and the covid elements which still presented a risk were absorbed into a central summary risk register.

Budgets and cashflows were revised throughout the year and presented to the Board to ensure projections and their supporting assumptions were clearly communicated. These budgets were assessed with the usual rigour by the Finance and Operations committee and scenario modelling to ensure the impact of different outcomes on the projected profile was applied, so the full range of risk could be demonstrated at each key point. As part of the loan requirement, the Director of Finance and Operations and the Interim Director of Development met regularly with the Arts Council England Cultural Recovery Fund loan team to assess performance against the planned financial profile, to keep them updated about current trends and behaviours, and to flag any variations from expected patterns.

Action was taken to maximise income at all reasonable opportunities and, where possible, business as usual income streams adapted to generate alternative income. As part of the risk management, expenditure was closely monitored and managed to a lower target.

To ensure the safety of staff and visitors, covid compliant workplace practises were maintained and adapted as more staff returned to the office and more of the museum opened to the public. The museum moved to an agile working policy where staff split their time on a 60:40 ratio between the office and home (where appropriate for their role). As such, risks around physical and mental wellbeing created by working from home were still a factor, so practises to manage this were also maintained (an adapted workplace assessment was shared with staff, a regular wellness programme was communicated, and an Employee Assistance Programme was introduced as part of our staff benefits.)

#### **GOING CONCERN**

The Design Museum faced a challenging year and, as expected, the imbalance between the immediate return of almost full running costs compared to the slower return of income has meant a deficit of £3.3m was generated. Although this is a lower deficit than forecast, current trading conditions remain challenging given that footfall across London visitor attractions is at 50 per cent of pre-pandemic levels (which also impacts secondary spend on retail and catering) and inflation is impacting both our costs and the public's discretionary spend more generally. As a result of the deficit, the unrestricted reserves show

## **the Design Museum**

### **Trustees' annual report**

### **Year ended 31 March 2022**

a surplus of £0.7m, down significantly on the prior year's £3.5m; cash at hand and bank has reduced to £7.1m from £9.0m.

This business plan lays out in detail the income generation strategies which will return the organisation back to its pre-pandemic position and grows onwards from that point. The strategic changes and workstreams needed to deliver this longer-term business change are already in place, with support and feedback from the wider committee groups. These strategies have been interrogated for their rigour and will continue to be examined as they develop. In the more immediate term, for the purposes of the Going Concern Assessment, the trustees have reviewed updated scenarios drawn from the core of the business plan and consider that the short-term impact of continued disruption can be mitigated in most scenarios. These scenarios assume a slower than planned recovery of footfall and associated and secondary income, as well as a shortfall in fundraising delivery targets. The trustees remain cautious given the propensity of visitors returning to the museum is unknown, as is the appetite of donors for giving and other stakeholders for use of the museum – all factors which will be amplified by wider economic pressures.

The trustees are satisfied that, in most scenarios, the charity will have sufficient funds to continue with its operations for the foreseeable future. Being that the assessment period is at least twelve months from the date of approval of these financial statements, it is therefore appropriate to prepare these financial statements on the going concern basis.

However, there remain plausible but not remote scenarios whereby either admissions and other revenues are insufficient, and/or insufficient funds are raised, to mitigate sufficiently the ongoing impact of covid-19 and wider economic factors. These circumstances represent a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of the Design Museum for the purposes of company law) are responsible for preparing the Trustees' Annual Report (incorporating a directors' report and a strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company 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 charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the

**the Design Museum**  
**Trustees' annual report**  
**Year ended 31 March 2022**

assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**INFORMATION PROVIDED TO THE AUDITOR**

In so far as each of the trustees is aware, there is no relevant audit information of which the charity's auditor is unaware and each of the trustees have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Trustees' report (including strategic report and directors' report) signed by order of the Board of Trustees**

Lord Mandelson, Chairman of the Board

DocuSigned by:  
*Peter Mandelson*  
.....F35FD2C9035D40F..... 17 August 2022

Mike Peck, FCA, AMCT, Trustee

DocuSigned by:  
*Mike Peck*  
.....AA400FFB287D459..... 17 August 2022

# **the Design Museum**

## **The independent auditor's report**

### **Year ended 31 March 2022**

#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DESIGN MUSEUM**

##### **Opinion**

We have audited the financial statements of the Design Museum ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2022 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheet, the Group 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 Financial Reporting Standard 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 group's and the charitable company's affairs as at 31 March 2022 and of the group's 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/group 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.

##### **Material uncertainty relating to going concern**

We draw attention to note 2 in the financial statements, which indicates under going concern that there remain plausible but not remote scenarios whereby either admissions and other revenues are insufficient, and/or insufficient funds are raised, to mitigate sufficiently the ongoing impact of COVID-19 and wider economic factors and that these circumstances represent a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Aside from the impact of the matters disclosed in relation to the material uncertainty relating to going concern, we have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company'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.

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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other

## **the Design Museum**

### **The independent auditor's report**

### **Year ended 31 March 2022**

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to 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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; 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 ..., 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **the Design Museum**

### **The independent auditor's report**

### **Year ended 31 March 2022**

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were the Companies Act 2006, the Charities Act 2011 together with the Charities SORP (FRS 102).

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation, health and safety legislation, employment legislation and taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grants and donations income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance and Operations Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**the Design Museum**  
**The independent auditor's report**  
**Year ended 31 March 2022**

**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 charitable 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
*Andrew Thomas*  
896BF86CBE564D5...

Andrew Thomas  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
London  
Date: 19 August 2022

**the Design Museum**  
**Consolidated Statement of Financial Activities**  
**(including the income and expenditure accounts)**  
**Year ended 31 March 2022**

	Notes	Unrestricted	Unrestricted Designated	Restricted	2022	Unrestricted	Unrestricted Designated	Restricted	2021
		£	£	£	£	£	£	£	£
<b>INCOME</b>									
<b>Donations and legacies</b>									
Donations, gifts and similar income	3	1,637,740	-	177,000	<b>1,814,740</b>	2,096,122	-	288,699	<b>2,384,821</b>
Design Museum Kensington project	19	-	-	7,727	<b>7,727</b>	-	-	34,279	<b>34,279</b>
Grants receivable *	4	246,901	-	620,991	<b>867,892</b>	4,786,058	-	204,951	<b>4,991,009</b>
<b>Charitable activities *</b>	6	2,522,198	-	-	<b>2,522,198</b>	1,450,045	-	-	<b>1,450,045</b>
<b>Other trading activities</b>									
Trading sales	7	3,003,689	-	-	<b>3,003,689</b>	1,199,338	-	-	<b>1,199,338</b>
<b>Investments</b>	5	17,077	-	97	<b>17,174</b>	3,706	-	764	<b>4,470</b>
<b>Total income</b>		<b>7,427,605</b>	-	<b>805,815</b>	<b>8,233,420</b>	<b>9,535,269</b>	-	<b>528,693</b>	<b>10,063,962</b>

\*Includes a reclassification in 2020 of £59,620 from Other Charitable Income to Grants

**the Design Museum**  
**Consolidated Statement of Financial Activities**  
**(including the income and expenditure accounts)**  
**Year ended 31 March 2022**

	Notes	Unrestricted £	Unrestricted Designated £	Restricted £	2022 £	Unrestricted £	Unrestricted Designated £	Restricted £	2021 £
<b>EXPENDITURE</b>									
Raising funds	8	3,803,415	-	60,000	<b>3,863,415</b>	2,704,910	-	-	<b>2,704,910</b>
Charitable activities	8	6,478,908	-	588,847	<b>7,067,755</b>	4,855,840	-	355,443	<b>5,211,283</b>
Design Museum Kensington project	19	-	606,401	-	<b>606,401</b>	-	554,287	4,889	<b>559,179</b>
<b>Total expenditure</b>		<b>10,282,323</b>	<b>606,401</b>	<b>648,847</b>	<b>11,537,571</b>	<b>7,560,750</b>	<b>554,287</b>	<b>360,332</b>	<b>8,475,369</b>
<b>Net income/(expenditure) for the year</b>		<b>(2,854,718)</b>	<b>(606,401)</b>	<b>156,968</b>	<b>(3,304,151)</b>	<b>1,974,519</b>	<b>(554,287)</b>	<b>168,361</b>	<b>1,588,593</b>
Transfer to designated funds	19	-	-	-	-	-	7,649	(7,649)	-
Transfer to unrestricted funds	19	-	-	-	-	1,000,000	(1,000,000)	-	-
<b>Net movement of funds</b>		<b>(2,854,718)</b>	<b>(606,401)</b>	<b>156,968</b>	<b>(3,304,151)</b>	<b>2,974,519</b>	<b>(1,546,638)</b>	<b>160,712</b>	<b>1,588,593</b>
Balances brought forward	20	3,537,011	32,239,016	493,969	<b>36,269,996</b>	562,492	33,785,654	333,257	<b>34,681,403</b>
<b>Balances carried forward</b>		<b>682,293</b>	<b>31,632,615</b>	<b>650,937</b>	<b>32,965,845</b>	<b>3,537,011</b>	<b>32,239,016</b>	<b>493,969</b>	<b>36,269,996</b>

All income and expenditure in the year arises from continuing activity.

*The notes on pages 35 to 51 form part of the financial statements*

**the Design Museum**  
**Consolidated and Charity Balance Sheets**  
**Year ended 31 March 2022**

	Notes	The Group		The Charity	
		2022 £	2021 £	2022 £	2021 £
<b>FIXED ASSETS</b>					
Intangible assets	11	90,774	2,083	90,774	2,083
Tangible assets	12	32,220,709	32,507,786	32,220,709	32,507,786
Heritage assets	13	134,509	119,454	134,509	119,454
Investments	14	-	-	2	2
		<u>32,445,992</u>	<u>32,629,323</u>	<u>32,445,994</u>	<u>32,629,325</u>
<b>CURRENT ASSETS</b>					
Stock		303,586	337,401	-	-
Debtors	15	1,386,847	1,365,993	3,579,768	2,382,721
Cash at bank and in hand	16	7,138,503	8,964,961	4,723,502	8,237,151
		<u>8,828,936</u>	<u>10,668,355</u>	<u>8,303,270</u>	<u>10,619,872</u>
<b>CREDITORS: Amounts falling due within one year</b>	17	(3,309,083)	(2,000,032)	(2,783,519)	(1,951,650)
		<u>5,519,853</u>	<u>8,668,323</u>	<u>5,619,751</u>	<u>8,668,222</u>
<b>NET CURRENT ASSETS</b>					
		<u>5,519,853</u>	<u>8,668,323</u>	<u>5,619,751</u>	<u>8,668,222</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>37,965,845</u>	<u>41,297,646</u>	<u>37,965,746</u>	<u>41,297,547</u>
<b>CREDITORS: Amounts falling over one year</b>	18	(5,000,000)	(5,027,650)	(5,000,000)	(5,027,650)
		<u>32,965,845</u>	<u>36,269,996</u>	<u>32,965,746</u>	<u>36,269,897</u>
<b>TOTAL NET ASSETS</b>					
		<u>32,965,845</u>	<u>36,269,996</u>	<u>32,965,746</u>	<u>36,269,897</u>
<b>FUNDS</b>					
<b>Unrestricted funds</b>					
General Funds	20	682,293	3,537,010	682,193	3,536,912
Designated Funds	19	31,632,615	32,239,016	31,632,615	32,239,016
		<u>32,314,908</u>	<u>35,776,027</u>	<u>32,314,808</u>	<u>35,775,928</u>
<b>Restricted funds</b>					
	19	650,937	493,969	650,937	493,969
		<u>32,965,845</u>	<u>36,269,995</u>	<u>32,965,746</u>	<u>36,269,897</u>

The net income/(expenditure) in the charitable entity for 2022 was a deficit of £3,304,151 (2021 surplus: £1,588,593)

These financial statements were approved by the trustees on 15 August 2022, and are signed on their behalf by:

**Lord Mandelson, Chair of the Board**

**Mike Peck, FCA, AMCT, Trustee**

DocuSigned by:  
  
 F35FD2C9035D40F.....

DocuSigned by:  
  
 AA400FFB287D459.....

*The notes on pages 35 to 51 form part of the financial statements*

Company Registration number 02325092

**the Design Museum**  
**Consolidated Cash Flow Statement**  
**Year ended 31 March 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Net cash (utilised)/provided by operating activities	(a)	(1,286,142)	1,847,182
Interest from investments		17,174	4,470
<b>Cash flows from financing activities</b>			
Cash inflows from new borrowings		-	5,000,000
Cash outflows from repayments		(33,516)	(66,194)
<b>Cash flows from investing activities</b>			
Purchase of property and equipment		(523,975)	(152,468)
Increase/ (Decrease) in cash	(b)	<u>(1,826,459)</u>	<u>6,632,990</u>

**Notes to the cash flow statement**  
**Year ended 31 March 2022**

**(a) Reconciliation of net deficit to net cash flow from operating activities**

Net (deficit)/ surplus for the year	(3,304,152)	1,588,593
Interest from investments	(17,174)	(4,470)
Depreciation	501,629	630,179
Loss on disposal of fixed assets	205,677	-
Decrease/ (Increase) in stock	33,815	(53,886)
(Increase)/ Decrease in debtors	(20,854)	891,271
Increase /(Decrease) in creditors	1,314,917	(1,204,505)
<b>Net cash (outflow)/inflow from operating activities</b>	<u>(1,286,142)</u>	<u>1,847,182</u>

**(b) Analysis of cash and cash equivalents**

	2021 £	Cash flow £	2022 £
Cash at bank and in hand	8,964,961	(1,826,459)	7,138,503
	<u>8,964,961</u>	<u>(1,826,459)</u>	<u>7,138,503</u>

**the Design Museum**  
**Consolidated Cash Flow Statement**  
**Year ended 31 March 2022**

**(c) Analysis of changes in net debt**

	<b>2021</b>	<b>Cashflow outflow</b>	<b>Loan repayments</b>	<b>2022</b>
Cash	8,964,961	(1,826,459)		7,138,503
	<b>8,964,961</b>	<b>(1,826,459)</b>		<b>7,138,503</b>
Loans falling due within one year	(33,515)		5,866	(27,649)
Loans falling due after more than one year	(5,027,650)		27,650	(5,000,000)
<b>Total</b>	<b>3,903,796</b>	<b>(1,826,459)</b>	<b>33,516</b>	<b>2,110,854</b>

*The notes on pages 35 to 51 form part of the financial statements*

## **the Design Museum**

### **Notes to the financial statements for the year ended 31 March 2022**

#### **1. Charitable Status**

The company is limited by guarantee (company registration number 02325092) and is registered as an educational charity in England and Wales (charity registration number is 800630). The address of the registered office is 224–238 Kensington High Street, London, W8 6AG.

#### **2. Accounting policies**

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities SORP (FRS102) and the Companies Act 2006. The statements have been prepared on the basis of a going concern (see below). The principal accounting policies adopted in the preparation of the financial statements are set out below and are consistent with those of the previous year.

The Design Museum meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The individual entity accounts of the Design Museum have taken advantage of the disclosure exemption under FRS 102 not to separately disclose: a company only cashflow statement, categories of financial instruments and the items of income, expenses, gains or losses relating to instruments, as these have been presented on a group basis in the notes to the accounts.

##### **Consolidation**

The Statement of Financial Activities and the Consolidated Balance Sheet consolidate the results of the charity and its wholly-owned subsidiary undertaking, Design Museum Enterprises Limited. The results of the subsidiary are consolidated on a line-by-line basis. Intra group transactions and year-end balances are eliminated on consolidation. In accordance with section 408 of Companies Act 2006 no separate Statement of Financial Activities has been presented for the Design Museum charity.

##### **Going concern**

The Design Museum faced a challenging year and, as expected, the imbalance between the immediate return of almost full running costs compared to the slower return of income has meant a deficit of £3.3m was generated. Although this is a lower deficit than forecast, current trading conditions remain challenging given that footfall across London visitor attractions is at 50 per cent of pre-pandemic levels (which also impacts secondary spend on retail and catering) and inflation is impacting both our costs and the public's discretionary spend more generally. As a result of the deficit, the unrestricted reserves show a surplus of £0.7m, down significantly on the prior year's £3.5m; cash at hand and bank has reduced to £7.1m from £9.0m.

This business plan lays out in detail the income generation strategies which will return the organisation back to its pre-pandemic position and grows onwards from that point. The strategic changes and workstreams needed to deliver this longer-term business change are already in place, with support and feedback from the wider committee groups. These strategies have been interrogated for their rigour and will continue to be examined as they develop. In the more immediate term, for the purposes of the Going Concern Assessment, the trustees have reviewed updated scenarios drawn from the core of the business plan and consider that the short-term impact of continued disruption can be mitigated in most scenarios. These scenarios assume a slower than planned recovery of footfall and associated and secondary income, as well as a shortfall in fundraising delivery targets. The trustees remain cautious given the propensity of visitors returning to the museum is

## **the Design Museum**

### **Notes to the financial statements for the year ended 31 March 2022**

unknown, as is the appetite of donors for giving and other stakeholders for use of the museum – all factors which will be amplified by wider economic pressures.

The trustees are satisfied that in most scenarios the charity will have sufficient funds to continue with its operations for the foreseeable future. Being that the assessment period is at least twelve months from the date of approval of these financial statements, it is therefore appropriate to prepare these financial statements on the going concern basis.

However, there remain plausible but not remote scenarios whereby either admissions and other revenues are insufficient, and/or insufficient funds are raised, to mitigate sufficiently the ongoing impact of covid-19 and wider economic factors. These circumstances represent a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies trustees are required to use appropriate assumptions and estimates to determine the values of assets and liabilities whose values require an element of judgement to be applied. These are based on a combination of historical experience and other relevant factors.

Revisions to accounting estimates are disclosed in the period in which the revision occurs if there is an impact to the financials in that or any subsequent periods.

The trustees hold the view that, of the estimates and assumptions applied in determining the valuation of assets and liabilities at the balance sheet date, none will require a material adjustment to be made to their carrying values in the next financial year.

#### **Income recognition**

Donations, gifts, grants and similar income are recognised as income when the charity has entitlement and the conditions for their receipt have been met.

Membership income is recognised over the period of the membership.

Sponsorship income received for exhibitions taking place in the future is deferred and recognised over the period during which the exhibition runs.

Admissions income is recognised over the period of the exhibition.

Trading sales and fees for service represent amounts invoiced and accrued during the year, exclusive of Value Added Tax. Income is recognised on delivery of goods or provision of the relevant services.

#### **Expenditure**

Expenditure is accounted for on an accruals basis and is allocated between costs incurred in order to raise funds for charitable activities, costs incurred directly in the fulfilment of the charity's objectives (curatorial and learning) and costs incurred on the Design Museum Kensington project.

Direct costs in respect of exhibitions are recognised over the period of the exhibition.

#### **Allocation and apportionment of overhead costs**

Wherever possible, expenditure is allocated specifically to the relevant activities for which it is incurred. Where support and overhead costs cannot be directly attributed, they have been allocated to activity cost categories based on the proportion of staff numbers in each cost category. All costs relating to the Design Museum Kensington project, including directly attributable overheads, have been allocated to other direct costs.

## the Design Museum

### Notes to the financial statements for the year ended 31 March 2022

#### Gifts in kind and donated services

Donated services and gifts in kind to the charity are recognised as income where the benefit to the charity is reasonably quantifiable and measurable. They are valued at open market value, i.e. what it would have cost the organisation to acquire the same or similar products or services on the open market. An equivalent amount is also included as either expenditure under the appropriate heading in the Statement of Financial Activities, or capitalised as fixed assets in the balance sheet. Amounts that cannot be reasonably quantified and measured are excluded from the Statement of Financial Activities. No amounts are included for services donated by volunteers.

#### Irrecoverable VAT

Expenditure includes any VAT which cannot be fully recovered.

#### Tangible fixed assets and depreciation

Fixed assets, with a value of £1,000 or more, are stated at cost or valuation when acquired. Items costing less than £1,000 are expensed in the year of purchase. The cost of acquisition includes all costs (including any irrecoverable VAT) that are directly attributable to bringing the assets into working condition for their intended use.

Tangible fixed assets are depreciated over their estimated useful life on a straight-line basis at the following rates:

Computers, office equipment, fixtures and fittings	over 3 – 5 years, from date of use
Costs of bringing Kensington museum building into use	over length of lease, from date of occupation
Designer Maker User exhibition	over 5 years
Energy Saving battery	over 15 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### Intangible fixed assets and amortisation

Intangible fixed assets represent expenditure on computer software and are amortised on a straight-line basis over their useful life, estimated at 3 years. The cost of acquisition includes all costs (including any irrecoverable VAT) that are directly attributable to bringing the assets into working condition for their intended use.

The carrying values of intangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### Heritage assets

In 2012 a proportion of heritage assets were recognised in the financial statements for the first time, using valuation as an approximation for cost. Additions to the collection are capitalised and recognised in the balance sheet at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Donated objects are capitalised at their deemed value at the date of donation. This value is determined by the keeper of the relevant collection. It is not the museum's policy to revalue items once capitalised. Such items are not depreciated as they are deemed to have indefinite lives.

Only items for which we have reliable information on cost or value have been capitalised. The numbers of objects that have been capitalised represent approximately 1 per cent of the volume of the total collection but

## **the Design Museum**

### **Notes to the financial statements for the year ended 31 March 2022**

would be a higher proportion of the value of the total collection. A valuation of the total collection has not been performed due to the large number of items within the museum's collection and their diverse nature, resulting in a full valuation incurring a disproportionate cost to the museum and given that many items in the collection are not considered to have a significant financial value.

The museum's management policy in respect of its heritage assets is summarised in note 13.

#### **Unrestricted / restricted funds**

Unrestricted funds comprise accumulated surpluses on general funds that are available for use in the furtherance of the general charitable objectives of the charity. Within unrestricted funds, those amounts designated represent funds set aside by trustees for a particular purpose.

Restricted funds are those that can only be used for restricted purposes within the objects of the charity. Restrictions arise when specified by donors or when funds are raised for particular restricted purposes. Where a restricted fund has expended more resources than it has received, a transfer is made from general unrestricted funds to cover any shortfall. Unspent restricted funds are carried forward for spending in future years. Further explanation on the nature and purpose of each of the restricted funds is included in note 19.

#### **Pension costs**

The charity offers employees access to a defined contribution pension scheme and makes contributions to the personal pension arrangements of qualifying employees, who are automatically enrolled into the scheme in the third month of their employment unless they specifically make the choice to opt out. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

#### **Taxation**

The Design Museum is registered as a charity and as such the income arising from and expended on its charitable activities is exempt from corporation tax.

The museum has taken advantage of the exhibitions tax relief made available by the Finance Act 2017. This is shown in accrued income in relation to those exhibitions displayed or toured during the financial year.

#### **Operating leases**

Rentals applicable to operating leases are recognised on a straight-line basis over the period of the lease.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value. In the current year, a decision was made to write off all historic exhibition stock. After a dedicated sales period, many old stock lines would be retained at full or partial value based on current valuation practises, which would be an incorrect reflection of the asset position and a full write off of these items was a more prudent judgment.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are taken into account in arriving at the net surplus for the year.

#### **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

## the Design Museum

### Notes to the financial statements for the year ended 31 March 2022

Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors and accrued income. Financial liabilities held at amortised cost comprise, trade and other creditors, grants payable and accruals. Income arising from financial assets, comprising bank interest is recognised within income and expenditure.

#### 3. Donations, gifts and other income

	Unrestricted	Restricted	2022	2021
	£	£	£	£
Conran Foundation donation	1,000,000	60,000	1,060,000	233,310
Gifts in Kind	177,248	-	177,248	169,206
Other income	-	117,000	117,000	50,500
Other donations	460,493	-	460,493	1,931,805
	<u>1,637,741</u>	<u>177,000</u>	<u>1,814,741</u>	<u>2,384,821</u>

Gifts in kind relate to pro bono professional legal fees. The related expenditure is included in governance.

#### 4. Grants receivable

	Unrestricted	Restricted	2022	2021
	£	£	£	£
Deutsche Bank	-	218,330	218,330	145,331
Arts Council - NPO	173,128	-	173,128	173,128
Arts & Humanities Research Council *	-	333,336	333,336	59,620
Arts Council – ERF & CRF	-	-	-	3,965,745
Royal Borough of Kensington & Chelsea	28,000	-	28,000	41,286
Other grants	-	69,325	69,325	-
Other grants – CJRS income	45,773	-	45,773	605,899
	<u>246,901</u>	<u>620,991</u>	<u>867,892</u>	<u>4,991,009</u>

\*Includes a reclassification in 2021 of £59,620 from Other Charitable Income to Grants

#### 5. Investment income

	Unrestricted	Restricted	2022	2021
	£	£	£	£
Bank interest	17,077	97	17,174	4,470

#### 6. Income from charitable activities

	Unrestricted	Restricted	2022	2021 *
	£	£	£	£
Admissions	1,750,014	-	1,750,014	804,175
Learning	203,064	-	203,064	109,309
Touring	167,000	-	167,000	151,000
Service charges and other	402,120	-	402,120	385,561
	<u>2,522,198</u>	<u>-</u>	<u>2,522,198</u>	<u>1,450,045</u>

\*Includes a reclassification in 2021 of £59,620 from Other Charitable Income to Grants

# the Design Museum

## Notes to the financial statements for the year ended 31 March 2022

### 7. Trading sales

The Design Museum has one wholly-owned subsidiary Design Museum Enterprises Limited (registered in England and Wales (No. 2330977) which has been consolidated. Design Museum Enterprises Limited undertakes trading activities and is incorporated in England. The principal activities of this company are the operation of a shop within the museum, sponsorship services, catering services, publishing partnerships and commercial corporate hospitality events. A summary of the financial performance and position is given below:

#### Profit and loss account of Design Museum Enterprises Limited for the year ended 31 March 2022

	2022	2021
	£	£
<b>Turnover</b>	3,003,689	1,199,338
Cost of sales and administrative expenditure (including management charge)	<u>(3,168,264)</u>	<u>(2,200,928)</u>
<b>Operating (loss)/profit</b>	(164,576)	(1,001,590)
Other income	<u>390,157</u>	<u>1,212,916</u>
<b>Profit for the year</b>	<u><b>225,581</b></u>	<u><b>211,326</b></u>
<b>Retained earnings at start of period</b>	<b>99</b>	<b>99</b>
Profit for the year	225,581	211,326
Gift aid donation	<u>(225,581)</u>	<u>(211,326)</u>
<b>Retained earnings at end of period</b>	<u><b>99</b></u>	<u><b>99</b></u>

#### Balance sheet for Design Museum Enterprises Limited as at 31 March 2022

	2022	2021
	£	£
Assets	3,263,101	1,497,339
Liabilities	<u>(3,263,000)</u>	<u>(1,497,238)</u>
<b>Total Funds</b>	<u><b>101</b></u>	<u><b>101</b></u>

# the Design Museum

## Notes to the financial statements for the year ended 31 March 2022

### 8. Total expenditure

	Staff costs	Depreciation	Other direct costs	Support costs	2022	2021
	£	£	£	£	£	£
Raising funds						
Fundraising	417,246	12,270	75,814	185,189	<b>690,519</b>	503,982
Trading	1,185,912	-	1,285,029	697,323	<b>3,168,264</b>	2,200,928
	1,603,158	12,270	1,360,843	882,512	<b>3,858,783</b>	2,704,910
Charitable activities	2,546,893	87,426	2,862,902	1,575,166	<b>7,072,387</b>	5,211,283
	4,150,051	99,696	4,223,745	2,457,677	<b>10,931,170</b>	7,916,193
Design Museum Kensington Project	-	401,932	204,469	-	<b>606,401</b>	559,176
<b>Total 2022</b>	<b>4,150,051</b>	<b>501,628</b>	<b>4,428,214</b>	<b>2,457,677</b>	<b>11,537,571</b>	<b>8,475,369</b>

#### Breakdown of support costs by activity (non-staff costs)

	Raising funds	Charitable activities	Museum Kensington Project	Total
	£	£	£	£
Building and Operations	659,090	876,517	-	1,535,607
HR, Finance, IT and Management	206,917	325,358	-	532,275
Professional fees and audit	-	255,697	-	255,697
Irrecoverable VAT	16,504	117,594	-	134,098
<b>Total 2022</b>	<b>882,512</b>	<b>1,575,166</b>	<b>-</b>	<b>2,457,677</b>
<i>Total 2021</i>	<i>666,608</i>	<i>1,380,479</i>	<i>4,889</i>	<i>2,051,976</i>

Net income on ordinary activities is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation and amortisation of tangible fixed assets	500,084	628,566
Depreciation and amortisation of intangible fixed assets	1,545	1,613
	<b>501,629</b>	<b>630,179</b>
Operating lease rentals:		
- Land and Buildings	-	-
- Other	-	-

The analysis of auditor's remuneration is as follows:

	2022	2021
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	18,500	17,000
<b>Fees payable to the company's auditor for other services to the Group</b>		
The audit of the company's subsidiaries	6,500	6,000
Prior year fees	-	(300)
<b>Total audit fees</b>	<b>25,000</b>	<b>22,700</b>
<b>Total non-audit fees</b>	<b>7,950</b>	<b>8,435</b>

## the Design Museum

### Notes to the financial statements for the year ended 31 March 2022

#### 9. Governance costs

	Unrestricted	Restricted	2022	2021
	£	£	£	£
Auditor's remuneration	25,000	-	25,000	22,700
Legal and professional fees	53,450	-	53,450	233,611
Legal and other costs donated as Gifts in Kind	177,247	-	177,247	169,206
	<b>255,697</b>	<b>-</b>	<b>255,697</b>	<b>425,517</b>

Governance costs are shown under resources expended for charitable activities and Design Museum Kensington on the SoFA.

#### 10. Staff costs

The aggregate payroll costs were:

	2022	2021
	£	£
Wages and salaries	3,767,328	3,169,334
Social security costs	291,877	251,528
Other pension costs	90,846	83,923
	<b>4,150,051</b>	<b>3,504,785</b>

The average number of staff employed during the financial year amounted to 139 (2021: 132). The average number of full time equivalent museum staff employed during the financial year by activity amounted to:

	2022	2021
	No.	No.
Fundraising	8	6
Commercial	23	22
Exhibitions, Curatorial and Communications	47	42
Learning	9	5
Support	17	17
	<b>104</b>	<b>92</b>

The number of employees included in the above whose emoluments, excluding pension and national insurance contributions, fell within the following ranges were:

	2022	2021
£60,001 to £70,000	2	1
£70,001 to £80,000	1	1
£80,001 to £90,000	1	1
£150,001 to £160,000	-	1
£160,001 to £170,000	1	-

For the above, employer's contributions of £15,156 (2021: £13,560) were made into a defined contribution pension scheme.

## the Design Museum

### Notes to the financial statements for the year ended 31 March 2022

During the year total emoluments (including pension contributions and employers NI) of 5 (2021: 5) key management personnel amounted to £539,459 (2021: £497,068). Redundancy and termination payments in the year totalled £Nil (2021: £32,601)

The contribution of volunteers during the year is detailed in the trustees' report.

#### Trustees' remuneration and expenses

No trustees received or waived any remuneration during the financial year. Insurance to protect the trustees, employees and agents of the charity from loss arising from claims for neglect or default was purchased for an annual premium of £9,284 (2021: £8,724).

No travel or associated expenses incurred by the trustees attending quarterly trustees' meetings were claimed during the year (2021: £Nil).

Donations from trustees totalled £99,700 (2021: £307,614). This is excluding donations made through foundations (the Conran Foundation and the Bakala Foundation)

#### Pension commitments

The company offers employees access to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. There were no unpaid contributions outstanding at the year end. The company makes payments into the pension arrangement of qualifying staff members who are automatically enrolled onto the scheme in their third month of employment with the Design Museum unless they opt out of such arrangements. Contributions paid during the year amounted to £90,846 (2021: £83,923).

## 11. Intangible assets

#### THE GROUP & THE CHARITY

	Computer software	£
<b>COST</b>		
At 1 April 2021	240,405	
Additions	90,236	
At 31 March 2022	<u>330,641</u>	
<b>DEPRECIATION &amp; AMORTISATION</b>		
At 1 April 2021	(238,322)	
Charge for the year	(1,545)	
At 31 March 2022	<u>(239,867)</u>	
<b>NET BOOK VALUE</b>		
At 31 March 2022	<u><u>90,774</u></u>	
At 31 March 2021	<u>2,083</u>	

# the Design Museum

## Notes to the financial statements for the year ended 31 March 2022

### 12. Tangible assets

<b>THE GROUP</b>	<b>Design, Maker, User exhibition</b>	<b>Buildings &amp; leasehold</b>	<b>Computers and office equipment, fixtures and fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>				
At 1 April 2021	1,813,372	32,838,192	1,282,114	<b>35,933,678</b>
Additions			418,684	<b>418,684</b>
Disposals		(211,000)	(3,301)	<b>(214,301)</b>
At 31 March 2022	<u>1,813,372</u>	<u>32,627,192</u>	<u>1,697,497</u>	<u><b>36,138,061</b></u>
<b>DEPRECIATION &amp; AMORTISATION</b>				
At 1 April 2021	(1,599,115)	(823,506)	(1,003,271)	<b>(3,425,892)</b>
Depreciation on disposals		6,531	2,093	<b>8,624</b>
Charge for the year	(214,257)	(187,676)	(98,151)	<b>(500,084)</b>
At 31 March 2022	<u>(1,813,372)</u>	<u>(1,004,651)</u>	<u>(1,099,329)</u>	<u><b>(3,917,352)</b></u>
<b>NET BOOK VALUE</b>				
At 31 March 2022	<u>-</u>	<u><b>31,622,541</b></u>	<u><b>598,168</b></u>	<u><b>32,220,709</b></u>
At 31 March 2021	<u><b>214,257</b></u>	<u><b>32,014,686</b></u>	<u><b>278,843</b></u>	<u><b>32,507,786</b></u>
<b>THE CHARITY</b>				
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>				
At 1 April 2021	1,813,372	32,838,192	1,282,114	<b>35,933,678</b>
Additions			418,684	<b>418,684</b>
Disposals		(211,000)	(3,301)	<b>(214,301)</b>
At 31 March 2022	<u>1,813,372</u>	<u>32,627,192</u>	<u>1,697,497</u>	<u><b>36,138,061</b></u>
<b>DEPRECIATION &amp; AMORTISATION</b>				
At 1 April 2021	(1,599,115)	(823,506)	(1,003,271)	<b>(3,425,892)</b>
Depreciation on disposals		6,531	2,093	<b>8,624</b>
Charge for the year	(214,257)	(187,676)	(98,151)	<b>(500,084)</b>
At 31 March 2022	<u>(1,813,372)</u>	<u>(1,004,651)</u>	<u>(1,099,329)</u>	<u><b>(3,917,352)</b></u>
<b>NET BOOK VALUE</b>				
At 31 March 2022	<u>-</u>	<u><b>31,622,541</b></u>	<u><b>598,168</b></u>	<u><b>32,220,709</b></u>
At 31 March 2021	<u><b>214,257</b></u>	<u><b>32,014,686</b></u>	<u><b>278,843</b></u>	<u><b>32,507,786</b></u>

Disposals in the year consisted of 1,055 ceiling tiles in the upper and lower gallery spaces

# the Design Museum

## Notes to the financial statements for the year ended 31 March 2022

### 13. Heritage assets

Collection assets held at 31 March 2022 were included at cost and valuation per below:

<u>THE GROUP AND THE CHARITY</u>	2022	2021	2020	2019	2018	2017	2016
	£	£	£	£	£	£	£
Opening balance	119,454	109,483	107,483	107,274	107,274	103,559	97,200
Additions	15,055	9,970	2,000	209	-	3,715	6,359
Closing balance	<u>134,509</u>	<u>119,454</u>	<u>109,483</u>	<u>107,483</u>	<u>107,274</u>	<u>107,274</u>	<u>103,559</u>

The brought forward valuation was produced by Phillips, external valuers, on 14 April 2013 by reviewing and researching each object selected to determine its market value. The objects were selected by the museum director as the higher value items within the collection.

#### Description of the Collection

The Design Museum acquires objects which demonstrate the impact of design on people's lives. The collection is made up of approximately 5,000 objects, including examples of furniture, product design, graphic design and communications technology. Objects in the collection date from 1859 to 2021 and form an important record of designs that have helped to shape the modern world. Of these approximately 1 per cent of the total number of items has been included in the balance sheet per the table above.

The collection was awarded full Accreditation under the MLA scheme for UK museums in November 2011.

#### Preservation and Management

All objects are recorded and managed by the museum's Collection department via a Collections Management System for the documentation of these objects. The museum has a Collections Policy, including an Acquisition and Disposal policy, which is approved by the trustees.

To be considered for acquisition, an object must be innovative in one of the following areas: it is design led; it was or is influential; it delivered change; it enabled access. All acquisitions are measured against these criteria and must be approved by the museum directors. If a potential acquisition is deemed to have significant financial impact due to long term conservation needs and storage requirements, the acquisition must be approved by the Curatorial Committee. Disposal of an object will only be considered if the object is a duplicate, the condition of the object is such that it cannot be conserved to a displayable standard or the retention of the object is inconsistent with the museum's Acquisition and Collection Policies. In exceptional cases, the disposal may be motivated principally by financial reasons.

### 14. Investments

#### THE CHARITY

	2021	2021
	£	£
Shares in subsidiary undertaking	2	2

The fixed asset investment represents the historical cost of the investment in the ordinary share capital of the wholly-owned subsidiary, Design Museum Enterprises limited, a company registered in England and Wales

## the Design Museum

### Notes to the financial statements for the year ended 31 March 2022

whose registered office is the same as the Design Museum. Financial results for the trading subsidiary are shown in note 7.

#### 15. Debtors

	The Group		The Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade Debtors	415,925	342,205	219,240	170,060
Amounts owed by Subsidiary	-	-	2,500,519	1,199,131
Taxation and Social Security	76,415	8,879	-	-
Prepayments	230,574	111,850	230,574	111,399
Accrued Income	509,935	896,387	475,437	895,459
Prepaid Exhibition Costs	147,326	-	147,326	-
Other debtors	6,672	6,672	6,672	6,672
	<b>1,386,847</b>	<b>1,365,993</b>	<b>3,579,768</b>	<b>2,382,721</b>

#### 16. Cash and bank

	The Group		The Charity	
	2022	2021	2022	2021
	£	£	£	£
Design Museum Operations	4,307,892	7,833,454	4,307,892	7,833,454
Design Museum Kensington project	415,610	403,697	415,610	403,697
Design Museum Enterprises	2,415,001	727,810	-	-
	<b>7,138,503</b>	<b>8,964,961</b>	<b>4,723,502</b>	<b>8,237,151</b>

#### 17. Creditors: Amounts falling due within one year

	The Group		The Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade Creditors	672,209	25,221	565,963	959
Bank Loan	27,650	33,516	27,650	33,516
Taxation and Social Security	84,536	82,157	321,453	331,882
Accruals	1,580,928	1,082,323	1,299,893	946,768
Accrued Exhibition Costs	-	81,445	-	81,445
Deferred income	943,760	695,370	568,560	557,080
	<b>3,309,083</b>	<b>2,000,032</b>	<b>2,783,519</b>	<b>1,951,650</b>

Accruals relate to general accruals across the Group.

Deferred income relates mainly to income received in advance and recognised over the course of the term it relates too. This includes annual membership fees of £188,377 (2021: £169,464), fees for higher education courses of £51,245 (2021: £49,840), sponsorship income for a learning programme £72,832 (2021: £72,666), sponsorship income for exhibitions £26,296 (2021: £12,500), payment for future touring exhibitions £84,935 (2021: £57,982), payments for exhibitions tickets £144,875 (2021: £207,128), payments for future events £375,200 (2021: £125,790).

#### 18. Creditors: Amounts falling over one year

	The Group		The Charity	
	2022	2021	2022	2021
	£	£	£	£
Arts Council England loan	5,000,000	5,000,000	5,000,000	5,000,000
Bank Loan	-	27,650	-	27,650
	<b>5,000,000</b>	<b>5,027,650</b>	<b>5,000,000</b>	<b>5,027,650</b>

## the Design Museum

### Notes to the financial statements for the year ended 31 March 2022

The Arts Council England loan is repayable over a period of 20 years; the first repayment being after four years. Interest is payable at the rate of 2 per cent per annum. The secured bank loan has an outstanding balance of £27,650, all of which is due within one year (see Note 17).

#### 19. Restricted and designated funds

	Balance at 1 April 2021	Income	Expenditure	Transfer to designated funds	Balance at 31 March 2022
	£	£	£	£	£
Design Museum Kensington project					
Conran Foundation (DMU purchases)	5,602	-	-	-	5,602
Other Funding	209,085	7,727	-	-	216,812
Interest & gifts in kind	764	97	-	-	861
<b>Total Design Museum Kensington project</b>	<b>215,451</b>	<b>7,824</b>	<b>-</b>	<b>-</b>	<b>223,275</b>
Design Ventura learning programme	36,876	218,330	(191,737)	-	63,469
Conran Foundation – CRM	144,000	-	-	-	144,000
Conran Foundation – Material Tales	14,310	-	(14,310)	-	-
Conran Foundation – Founders Feast	-	60,000	(60,000)	-	-
Fidelity UK Foundation	78,132	-	(54,140)	-	23,992
Ardagh Packaging	-	67,000	(67,000)	-	-
Arts & Humanities Research Council	-	333,336	(178,660)	-	154,676
Other	-	119,325	(83,000)	-	36,325
<b>Total Charitable activities</b>	<b>273,318</b>	<b>797,991</b>	<b>(648,847)</b>	<b>-</b>	<b>422,462</b>
Kaplicky Internship	5,200	-	-	-	5,200
	<b>493,969</b>	<b>805,815</b>	<b>(648,847)</b>	<b>-</b>	<b>650,937</b>
<b>Unrestricted Designated funds</b>	<b>Balance at 1 April 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer from restricted funds</b>	<b>Balance at 31 March 2022</b>
	£	£	£	£	£
Design Museum Kensington Project	32,239,016	-	(606,401)	-	31,632,615
<b>Total designated funds</b>	<b>32,239,016</b>	<b>-</b>	<b>(606,401)</b>	<b>-</b>	<b>31,632,615</b>

# the Design Museum

## Notes to the financial statements for the year ended 31 March 2022

### Comparatives

	Balance at 1 April 2020	Income	Expenditure	Transfer to designated funds	Balance at 31 March 2021
	£	£	£	£	£
Design Museum Kensington project					
Conran Foundation (DMU purchases)	5,602	-	-	-	5,602
Other Funding	182,455	34,279	-	(7,649)	209,085
Interest & gifts in kind		5,653	(4,889)		764
<b>Total Design Museum Kensington project</b>	<b>188,057</b>	<b>39,932</b>	<b>(4,889)</b>	<b>(7,649)</b>	<b>215,451</b>
Design Ventura learning programme	-	145,331	(108,455)	-	36,876
Conran Foundation – Exhibition G1 shop	-	75,000	(75,000)	-	-
Conran Foundation – CRM	-	144,000	-	-	144,000
Conran Foundation – Material Tales purchases	-	14,310	-	-	14,310
Ardagh Group	-	50,000	(50,000)	-	-
Arts & Humanities Research Council	-	59,620	(59,620)	-	-
Marcho Partners Foundation	-	500	(500)	-	-
Fidelity UK Foundation	140,000	-	(61,868)	-	78,132
<b>Total Charitable activities</b>	<b>140,000</b>	<b>488,761</b>	<b>(355,443)</b>	<b>-</b>	<b>273,318</b>
Kaplicky Internship	5,200	-	-	-	5,200
	<b>333,257</b>	<b>528,693</b>	<b>(360,332)</b>	<b>(7,649)</b>	<b>493,696</b>

Unrestricted Designated funds	Balance at 1 April 2020	Income	Expenditure	Transfer from restricted funds	Transfer to unrestricted funds	Balance at 31 March 2021
	£	£	£	£	£	£
Design Museum Kensington Project	32,785,654	-	(554,287)	7,649	-	32,239,016
Design Museum Reserves campaign	1,000,000	-	-	-	(1,000,000)	-
<b>Total designated funds</b>	<b>33,785,654</b>	<b>-</b>	<b>(554,287)</b>	<b>7,649</b>	<b>(1,000,000)</b>	<b>32,239,016</b>

### Purposes of restricted funds

#### Design Museum Kensington Project

The Design Museum received donations from a variety of sources towards funding the project to relocate and expand the museum in Kensington.

The total cost of the project, excluding donated land and buildings, is expected to be a maximum of £48.1m. Any further income pledged will be recognised as income in future financial years in accordance with the relevant income recognition policies, as conditions of the funding are fulfilled.

#### Design Ventura Learning programme

Design Ventura engaged its highest numbers ever (20,167 secondary school students in the main programme and a further 3,000 through the Online Mini Challenge) a phenomenal feat in a year of school closures, remote learning and lockdowns.

#### Conran Foundation

Supporting fundraising activity based around a celebration of the life of Sir Terence Conran. The CRM build project was completed in the current fiscal year and the fund will be written off as it is depreciated on 'Go Live' in the upcoming year.

## **the Design Museum**

### **Notes to the financial statements for the year ended 31 March 2022**

#### **Ardagh Packaging**

Successful first year of the Ardagh Young Creatives, the pathway for young people from underrepresented backgrounds into the design industries, and planning for regional expansion in Barnsley.

#### **Arts & Humanities Research Council**

Future Observatory, including Designers Researchers in Residence exhibition and learning programme. The annual Designers in Residence programme provides a platform to celebrate new and emerging designers at an early stage in their career. This has been brought into the Future Observatory programme of activity and refocused to Design Researchers in Residence. The Future Observatory pilot year focused on a range of activities to disseminate core research to a wider audience.

#### **Other**

Supporting the museum's exhibitions and learning programme, funding Family and Young Audience, Schools, and Access Programmes.

#### **Fidelity UK Foundation**

For development of the museum's international touring programme, supporting capacity building in the Exhibitions department.

#### **Kaplicky Internship**

The Kaplicky Internship is a program funded by the Bakala Foundation providing future and recent architecture graduates from Czech universities an opportunity to spend three months on a paid internship in a prestigious London studio. They have the chance to work on projects under the auspices of renowned architects and gain valuable work experience.

#### **Purposes of designated funds**

In 2017–18 the trustees designated the value of the museum as a separate fund. Therefore, the building depreciation is an unrestricted expense, and any assets purchased in respect of the building are transferred to designated funds in order that the reserves reflect the net book value of the building at the year end.

During the year £606,401 (2021: £554,287) being the reduction in net book value of the Design Museum Kensington project fixed assets, was expended from unrestricted designated funds.

The reserves fund represents funds raised as part of the capital campaign designated to building reserves capacity in the museum, and the museum hopes to add to these funds through further fundraising in the coming years in order to achieve its strategic objective in delivering a sustainable operation.

# the Design Museum

## Notes to the financial statements for the year ended 31 March 2022

### 20. Analysis of group net assets between funds

<b><u>THE GROUP</u></b>	Restricted	Unrestricted Designated	Unrestricted General	<b>Total 31 March 2022</b>
	£	£	£	£
Fixed Assets	-	31,632,615	813,377	<b>32,445,992</b>
Cash and Bank	415,610	-	6,722,893	<b>7,138,503</b>
Other Net Assets	235,327	-	(6,853,977)	<b>(6,618,650)</b>
	<b>650,937</b>	<b>31,632,615</b>	<b>682,293</b>	<b>32,965,845</b>

<b><u>THE CHARITY</u></b>	Restricted	Unrestricted Designated	Unrestricted General	<b>Total 31 March 2022</b>
	£	£	£	£
Fixed Assets	-	31,632,615	813,379	<b>32,445,994</b>
Cash and Bank	415,610	-	4,307,892	<b>4,723,502</b>
Other Net Assets	235,327	-	(4,439,077)	<b>(4,203,750)</b>
	<b>650,937</b>	<b>31,632,615</b>	<b>682,194</b>	<b>32,965,746</b>

### Comparatives

<b><u>THE GROUP</u></b>	Restricted	Unrestricted Designated	Unrestricted General	<b>Total 31 March 2021</b>
	£	£	£	£
Fixed Assets	-	32,239,016	390,307	<b>32,629,323</b>
Cash and Bank	403,697	-	8,561,264	<b>8,964,961</b>
Other Net Assets	90,272	-	(5,414,560)	<b>(5,324,288)</b>
	<b>493,969</b>	<b>32,239,016</b>	<b>3,537,011</b>	<b>36,269,996</b>

<b><u>THE CHARITY</u></b>	Restricted	Unrestricted Designated	Unrestricted General	<b>Total 31 March 2021</b>
	£	£	£	£
Fixed Assets	-	32,239,016	390,309	<b>32,629,325</b>
Cash and Bank	403,697	-	7,833,454	<b>8,237,151</b>
Other Net Assets	90,272	-	(4,686,851)	<b>(4,596,579)</b>
	<b>493,969</b>	<b>32,239,016</b>	<b>3,536,912</b>	<b>36,269,897</b>

## **the Design Museum**

### **Notes to the financial statements for the year ended 31 March 2022**

#### **21. Operating leases**

At 31 March 2022 the Design Museum had no lease payment commitments under non-cancellable operating leases.

#### **22. Capital commitments**

At the balance sheet date, there were capital commitments of £0.2m (2021: £Nil)

#### **23. Related party transactions**

##### **The Conran Foundation**

The directors consider that The Conran Foundation, a charity of which Sebastian Conran and Nicholas Bull are also directors, is a related party. During the year, the Design Museum received donations of £1.06m (2021: £0.2m) from the Foundation of which £0.06m was in the form of restricted grants.

##### **Conran Octopus Limited**

The directors consider that Conran Octopus Limited is a related party. During the year, the Design Museum received £1,360 (2021: £927) in publishing royalties from Conran Octopus Limited from the sales of books and other publishing material.

##### **Design Museum Enterprises Limited**

The Design Museum charged a management fee of £1.1m in the year (2021: £0.9m) to Design Museum Enterprises Limited. It received a donation under gift aid of £0.2m (2021: £0.2m). At the year end, the Design Museum was owed £2.5m (2021: £1.2m) by Design Museum Enterprises Limited. This balance was primarily made up of the donated profit for the year and a VAT amount paid to HMRC.

#### **24. Subsequent events**

There have been no subsequent events to note, post year-end.