

V&A

the FRIENDS OF THE V&A

(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED

31 MARCH 2011

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This annual review is available online and has been designed to be printed off in part or whole as per user requirements. It has been designed to minimise ink usage with the exception of the full page photographic images.

the FRIENDS OF THE
V&A REFERENCE AND
ADMINISTRATIVE
INFORMATION FOR
THE YEAR ENDED
31 MARCH 2011

President

HRH Princess Alexandra,
The Hon Lady Ogilvy,
KG, GCVO

Committee Members

Marina Vaizey *Chairman*
Bernadette Barber
John Benson
Tricia Bey (*elected 24 January 2011*)
John Deards
Kenneth Draper (*elected 24 January 2011*)
John Everett *Treasurer*
Vivek Nanda
Prudence Skene (*until 24 January 2011*)
Sarah Tytherleigh

Ex Officio Members

The Director of the Museum or his appointed nominee
The Director of Public Affairs or his appointed nominee
The Director of Collections
The Director of Development

Company Secretary

Philippa Ouvry

Registered Charity Number

272056

Registered Company Number

1267122

Registered address

Victoria and Albert Museum
South Kensington
London SW7 2RL

Auditors

haysmacintyre
Fairfax House
15 Fulwood Place
London WC1V 6AY

Bankers

Coutts & Co.
St Martins Office
44o Strand
London WC2R OQS

CafCash Ltd.
PO Box 289
West Malling
Kent ME19 4TA

Membership Team

Head of Friends and Patrons

Philippa Ouvry

Senior Membership Manager

Mary Willis

Membership Manager

Eleanor Shakeshaft *(to August 2011)*

Membership Events Managers

Rachel Crossley *(to July 2011)*

Alexandra Gibbs *(from April 2010 to August 2011)*

Elizabeth Hipkins *(from September 2011)*

Membership Weekend Officer

Rebecca Thomas *(part time)*

Membership Officer

Elizabeth Hipkins *(to September 2011)*

Financial Accountant

Krissie Chambers *(part time)*

As always, we should like to thank all our volunteers for the immense amounts of time and hard work that they donate to the smooth running of the Friends of the V&A. More than 60% of our new Memberships now come via the Membership Desk, and we also rely on volunteers to assist with our events and a great deal of office administration. We are very grateful to you all.

V&A Membership is run by the Friends of the V&A.

Events Committee

Bernadette Barber *Chairman*

Greta Chaffer

Elizabeth Hamilton

Sarah Tytherleigh

Marina Vaizey

Joseph Watson

Event Leaders and Event Ideas Group

Susannah Harrison *Chairman*

Bernadette Barber

Susie Blundell

Greta Chaffer

Jean Chippindale

Gwenda Constant

Kenneth Draper

Joanna English

Caroline Garvey

Elizabeth Hamilton

Karoline Joiner

Christine Kent

Rosemary Lowe

Naseem Malik-Noor

Jennie Moss

Liz Rogers

Susie Rose

Jacqueline Shimmings

Sarah Tytherleigh

Jeanne Wadvani

Christina Watts

Volunteers

Kenneth Draper *Trustee Representative*

Stefanie Agar

Bernadette Barber

Penny Bardoni

Susan Bell

Sue Bicknell

Derek Bird

Jenny Borthwick

Clare Bowring

Debbie Bransgrove

Marie-Therese Bune

Helen Burnard

Nucia Butterworth

Toni Campbell

Clare Charles

Bel Clarke

Kelly Collins

Gwenda Constant

Anne Cornwell

Stevie Cudlip

Terri Dainty

John Deards

Giles Dimock

Barbara Domanska

Sasiwimol Duque

Zoe Dwek-Adams

Alison Farthing

Hui Feng

Nicky Fenn

Maria Fox

Ruth Gimlette

Brian Govett

Edna Green

Lorna Hanman

Susannah Harrison

Jean Heath

Dana Hepburn

Charlotte Holdsworth Hunt

Tamara Hunt

Annie Hunter

Susan Keenes

Christine Kent

Sarah Kent

Kelly Knapp

Marianne Landau

Kathryn Leaning

William Loschert

Beatriz Lutyens

Fiona MacWatters

Naseem Malik-Noor

Margaret Malone

Jane Medcalf

Karen Morton

Elizabeth Nicholls

Julia Nicholson

Siew Ong

Elizabeth Oyler

Sunila Radhakrishnan

Jayne Ralston

Barry Redhead

Margaret Reynolds

Ann Richards

Joanna Robins

Jacqueline Saville

Jurgen Paul Schmitz

Dinah Shoults

Anjani Singh

Elizabeth Singleton

Ann M Smith

Margaret Stables

Harry Stern

Helen Sumner

Eric Taylor

Jeanne Wadvani

Christina Watts

Rodney Welham

Patricia Williams



From Left:

Orla Kiely discussed her vibrant prints at the V&A © Orla Kiely / Octopus Publishing Group

Frederic Leighton, *Pavonia*, 1858–59. Private Collection c/o Christie's

The Cult of Beauty: Aestheticism 1860 – 1900, from 2 April – 17 July 2011

Adam Fuss *Invocation*, 1992. Dye destruction print, Victoria and Albert Museum, London © Courtesy of Adam Fuss/V&A Images

Lydia Sokolova, Anton Dolin, Bronislava Nijinska, and Léon Woizikowsky in costumes for *Le Train Bleu* designed by Chanel. Photo: Sasha1924

Yinka Shonibare, *Climate S*** Drawing 1*, 2008 © Yinka Shonibare

the FRIENDS OF THE V&A (A Company Limited by Guarantee) REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, have pleasure in submitting their annual report and the audited financial statements for the year ended 31 March 2011

OBJECTIVES
AND
ACTIVITIES

The object of the Friends of the V&A is to encourage, foster, assist and promote the charitable work and activities of the Victoria and Albert Museum or of any other art gallery or museum (which is not conducted for private profit and to which the public have access as of right) selected by the Committee of Association, for the benefit of the public at large

The Trustees have agreed three principal aims and objectives:

- To support the V&A and its branch museums through grants of money
- To increase loyalty and visits to the V&A and its branch museums
- To increase and spread knowledge of the V&A (and branch museums) and its work

In supporting the V&A, the Friends of the V&A support its mission, and its own strategic objectives:

V&A Mission

As the world’s leading museum of art and design, the V&A enriches people’s lives by promoting the practice of design and increasing knowledge, understanding and enjoyment of the designed world

V&A key strategic objectives

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



*Joe Cesare Colombo, Model 4801, 1963 © V&A Images
From the Members’ Week event
Creating the Furniture Galleries*

The Trustees have had due regard to the Charity Commission guidance on public benefit in developing an ongoing strategy to maximise support, loyalty and knowledge of the Victoria and Albert Museum, and, in particular, they have considered how the charity's activities will contribute to its charitable aims and objectives

The fulfilment of the aims and objectives relies on the support and loyalty of our Members. At the end of this financial year, Membership numbers were at their highest ever: 28,232 Members (16,024 Memberships), and continue to increase. Members' Week was introduced in May 2010 as

a new initiative to highlight the benefits of Membership to a wider audience. An extensive programme of talks, craft demonstrations, tours and other activities filled the Week – for a taster, have a look at our film online on V&A Channel. We hoped that the Week would thank our Members for

their support and encourage them to try different Members' activities, and also that it would show non-Members what they were missing and encourage them to join. The inaugural Members' Week was a great success, and led to a second which ran from 14 – 20 May 2011.



The inaugural Members' Week was a great success, and led to a second which ran from 14 – 20 May 2011

28,232

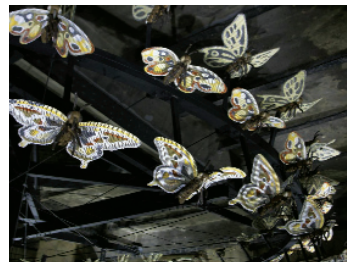
At the end of this financial year, Membership numbers were at their highest ever: 28,232 Members (16,024 Memberships), and continue to increase

ACHIEVEMENTS
AND
PERFORMANCE

Support

The Friends of the V&A were able to increase their support this year, giving £301,304 as grants in 2010/11 and designating a further £291,795. As always, the Friends of the V&A have prioritised support for acquisitions, scholarships, research and the V&A public programme.

During 2010/11, the Friends of the V&A agreed grants towards



Exhibitions and Capital Projects

£150,000 in support of Postmodernism (designated funds)

£10,000 in support of Ai Weiwei exhibition

Installations

£100,000 Up to £100,000 to fund Magic Lantern by Mat Collishaw, a new commission for the V&A's crown cupola and John Madejski garden (designated funds)

Scholarships and research

£21,000 Funding for a student undertaking the V&A / RCA MA in the History of Design of £21,000

Ongoing support for a curatorial exchange between the V&A and the Metropolitan Museum in New York

Ongoing support for a student scholarship at the Attingham Summer School (www.attinghamtrust.org)

Residencies

£20,494 Photography residency in the Sackler Centre for arts education – fully funded, with a grant of £20,494

Top: Ai Weiwei, Han Dynasty Urn with Coca Cola logo, 1994. Private Collection USA
Centre: Mat Collishaw, Magic Lantern, 2010 © Mat Collishaw
Bottom: Mat Collishaw, Magic Lantern, 2010 © V&A Images

£30,000

Sakuhi by Yagi Kazuo – £30,000 towards the total



£27,946

A very rare gem-set Ottoman jade tankard – £27,946 towards the total



Acquisitions

£154,160 Total allocated to acquisitions. Further sums of money were designated towards future acquisitions, for details, see note 14 to the accounts, on page 37. Pieces acquired by the V&A are available for the benefit of the general public, either on open display or through the V&A's archive facility at Blythe House.

£3,100

Odette fruit bowl and Isotta bowl by Bořek Šípek – fully funded, with a grant of £3,100



£25,103

Concrete Stereo by Ron Arad – fully funded, with a grant of £25,103



£10,000

Pieces from COLLECT - £10,000 for the Museum to make their choice of acquisitions from the fair

£43,038

Totem by Ettore Sottsass – fully funded, with a grant of £43,038



£3,816

Swan Lake costume worn by Rudolf Nureyev – fully funded, with a grant of £3,816



£11,157

Pratt Chair by Gaetano Pesce – fully funded, with a grant of £11,157

Reconciliation of Operational Result to Statement of Financial Activities

£301,304

The Friends of the V&A were able to increase their support this year, giving £301,304 as grants in 2010/11 and designating a further £291,795

Resources expended (<i>extract</i>)	Supported in 2010-11	Unused Grants	Designated in 2009-10 and now paid	Total Activity as per SOFA	Designated in 2010-11
Charitable activities:					
Supporting the V&A Museum					
Exhibitions & Capital Projects	10,000	-	100,000	110,000	150,000
Installations	-	-	-	-	100,000
Acquisitions	154,160	-	-	154,160	-
Scholarships and research	21,000	(4,350)	-	16,650	-
Residencies	20,494	-	-	20,494	-
	£205,654	£(4,350)	£100,000	£301,304	£250,000



William Powell Frith, Charles Dickens, 1859.
This painting of Charles Dickens can be found in the British Galleries, room 122c.

We are also hugely grateful to all those Members who supported the V&A's successful Charles Dickens appeal with a personal donation and to all of you who have chosen to remember the Museum with a legacy in your Wills. If you would like more information about how to support the V&A in this way, please contact Roger Cooper, Legacies and Appeals Manager, on 020 7942 2716 or legacies@vam.ac.uk

Loyalty and knowledge

V&A Members receive the V&A Magazine, which – together with film website V&A Channel, also produced by Cultureshock Media – updates on V&A exhibitions, developments and events. All new Members are invited to join us for a free Welcome Tour of the Museum, to learn more about its varied

collections and public programme. We hope that, together with the extensive programme of Members' events, these enable all Members to feel involved with and knowledgeable about the Museum.

Looking to the future

Membership numbers are at their highest-ever level. We

hope to maintain these high numbers and the resulting high levels of support for the V&A. Our future strategy plans to capitalise on the V&A's successful programmes and to ensure loyalty of existing Members during quieter periods. We aim to make V&A Membership a must-have cultural membership for London.

The Trustees of the Friends of the V&A would like to thank all V&A Members for their ongoing support of the Museum

Postmodernism: Style and Subversion 1970 to 1990

“When the exhibition 'Postmodernism: Style and Subversion, 1970 to 1990' opens in September 2011, the Museum and its visitors will have ample reason to thank the Friends of the V&A. In addition to providing lead support for the project, the Friends have also supported the acquisition of five key works which will be included in the displays. First up is a ceramic Totem by the Italian designer Ettore Sottsass. This unique handmade object is an early investigation into postmodern symbolism, ornament and pattern, anticipating Sottsass's groundbreaking work with the design group Memphis by over fifteen years. The section of the exhibition entitled 'Apocalypse Then' - about post-industrial design in the early 1980s - will include two

further recent acquisitions supported by the Friends: a 'Concrete Stereo' by Britain's most famous designer, Ron Arad; and a version of the 'Pratt Chair' by another Italian, Gaetano Pesce. Though using very different materials - smashed reinforced concrete and poured plastic resin - the two pieces are similar in their energetic destructive aesthetic. Finally, two designs by the Czech emigre Bořek Šípek, one in glass and the other a silver-mounted ceramic bowl, will demonstrate the proliferation of postmodern ideas. Taken together these five objects tell the history of postmodernism in miniature, charting the progression from early explorations of colour to vivid, confrontational objects to a more luxurious style appropriate to the boom times of the 1980s.”

**Glenn Adamson, Co-curator,
Postmodernism: Style and
Subversion 1970-1990**



Totem by Ettore Sottsass. Purchase funded by the Friends of the V&A

Metropolitan Museum exchange programme

The Friends of the V&A have supported this valuable programme since its inception in 2002, since when 7 V&A curators and 6 Metropolitan Museum curators have benefited from its unique opportunities. The Friends grant covers the living expenses for the V&A curator while in New York. Here's what some previous recipients have to say about their experience

"I am enormously grateful for having had the opportunity to spend more than a month working in libraries (something I have not done for a very long time). While much of my research [on the history of plywood] will sit in the background of my exhibition, it is essential for providing the foundation for this under-researched subject. My sincere thanks to the Friends of the V&A for having supported my exchange and for the support of my colleagues, which made my participation on the exchange possible."

Christopher Wilk, Keeper, Furniture, Textiles and Fashion, exchange participant 2010

"Being the fortunate recipient of the V&A / Metropolitan Museum of Art curatorial exchange fellowship in 2007, I was able to make a start on the necessary revision and marshalling of the material for the first volume of a new catalogue of the V&A's medieval ivory carvings. Thanks to the invaluable support of the Friends of the V&A, this has now come to fruition, being published in August 2010."

Paul Williamson, Keeper, Sculpture, Metalwork, Ceramics and Glass, exchange participant 2007

"The Met exchange gave me the chance to have a dedicated time and space to focus on the research for my book, *Islamic Arts from Spain* (V&A Publishing, 2010). Though I had been taking a research day a week, this month in New York really allowed me to focus on the book without any other distractions, to use the fantastic resources of the Watson Library to chase up publications I could not easily find in London, and to start to plan my chapters and image selection in detail. I also used the Met as a base from which to visit other important museum collections and meet with American colleagues, to make and renew professional acquaintances. It was a fantastic opportunity, and a real privilege."

Mariam Rosser-Owen, Curator, Asian Department, exchange participant 2008



Photography residency

This year, the Friends' trustees have chosen to direct more support towards the V&A's Learning programmes, particularly those based in the state-of-the-art Sackler Centre for arts education. This year's recipient of Friends funding was Bettina von Zwehl.

"Being the V&A's first photography - artist in resident was a special honor, I was able to extensively research the collection of portrait miniatures which had a profound impact on my practice. Thanks to the invaluable support of the Friends of the V&A, this has been the most wonderful experience in my artistic career to date."

You can hear more about Bettina's work online: visit www.vam.ac.uk/channel and search under her name.



STRUCTURE, GOVERNANCE AND MANAGEMENT

The Friends of the V&A is a charitable company limited by guarantee, set up in 1976. It is an independent charity established with its main object, as stated above, to assist the Victoria and Albert Museum by providing financial donations and through voluntary work. It is governed by a Memorandum and Articles of Association which were last amended at the AGM in December 2007

Applications for Trusteeship, that is membership of the Executive Committee, are sought through advertisement in the V&A Magazine or through special introduction, and considered by a designated nominations sub-committee in the first instance.

Candidates are sought for their specific skills and experience. Trustees serve as Executive Committee members for a three-year period and may be re-elected for a further three-year period. The Trustees meet quarterly, or as required,

overseeing the objectives set out above. In order to inform Trustees of their responsibilities, Trustees are circulated with the Charity Commission booklet 'Responsibilities of Trustees CC3' and a Trustees' Handbook prepared by the Membership Office. In view of the size of the trust and its resources, the Trustees are wary of devoting funds to expensive training programmes, but keep the need for trustee training under review and respond to any particular request that a trustee may have in this regard. The Committee is composed of a minimum of four members and four ex-officio members from the Museum: the Director of the V&A (or representative), the Director of Public Affairs (or representative), the Director of Collections, and the Director of Development, plus the Head of Friends and Patrons (Company Secretary).



Enjoying the Madejski Garden

Our current trustees are

Marina Vaizey, Chairman Marina Vaizey read history at Harvard and Cambridge, and has been an art critic for over forty years for various publications, including four years for the Financial Times and eighteen for the Sunday Times. She edited the Art Quarterly and annual review for the National Art Collections Fund, and has been a member of the Arts Council, the Crafts Council and the Visual Arts Advisory Committee of the British Council, a school and art college governor, a judge for the Turner Prize, and a trustee of National Museums Liverpool, the South Bank, London Open House, the Geffrye Museum, the National Army Museum, and the Imperial War Museum. She is currently on the Council of the Friends of the Imperial War Museum, a trustee of new educational charity The Musical Brain, and continuing to write and lecture. Marina has curated several exhibitions and written several books. She was awarded a CBE in the 2009 Birthday Honours list.

John Everett, Treasurer John Everett is a graduate in economics from University of London and an accountant. As a management consultant at Deloitte, John worked in Europe, the USA, Japan and Australia. He was appointed a partner in 1985, Managing Partner of the UK consultancy in 1992 and was appointed to the UK and Global Boards of Deloitte in 1994. John was senior partner from 1999 and retired from the firm in 2005. He is a trustee of three charities, non executive director of an advisory company, and chairs one pension fund. John is Treasurer of the Friends of the V&A.

Bernadette Barber Bernadette Barber worked for many years in Human Resources for several advertising agencies and as a freelance Consultant specialising in Graduate Recruitment and Training. Most recently she has joined the Board of the Diocese of Westminster Art and Architectural Affairs Committee. As a trustee of the Friends of the V&A, Bernadette has specific responsibility for Membership Events.

John Benson John Benson is a graduate of Art History from Edinburgh University and has worked in business to business publishing for over 20 years. John has lived and worked in the United States, Asia and the UK and in 2000 he founded and became CEO of an internet publishing business which now operates in 23 markets around the world. John is particularly interested in Indian art of the 17th and 18th centuries, Chinese Art between 1949-1976 and post war British art.

Tricia Bey In her early career Tricia worked in the pre-internet world of patent information, researching patenting activity and patenting trends for global clients. She later spent 14 years with Deloitte Consulting building and leading different practice areas including two years as the Managing Partner of the Dutch consulting practice. She was later Managing Director of a London-based management development school. She now lives in Scotland running her own cheese making business. Tricia has an Engineering Science degree from Durham and an MBA from The London Business School.

John Deards During the many years John Deards worked in advertising agencies his responsibilities included overseeing the creation of advertising in both Europe and the UK and the worldwide coordination of a global packaged good business. Then in 2005 he completed his MA in the Material Culture of European Society. As a Trustee of the Friends of the V&A, John has specific responsibility for the marketing sub-group.

Kenneth Draper Kenneth Draper is a retired architect, following a career spent in private practice, becoming a partner and subsequently chairman of BDP the multi-disciplinary design consultancy. He worked primarily in London but also in West Africa, Korea, France, and Germany; projects included educational, cultural, commercial and corporate buildings. He lives in London, enjoys the Cinema, walking, a range of music, and watching his local football team. He is a volunteer at the V&A, helping on the desk, in the office and with Members' Events. As a Trustee of the Friends of the V&A, Kenneth represents the Volunteers.

Vivek Nanda Dr Vivek Nanda is a partner at Alan Baxter & Associates. He leads various projects covering strategic planning, urban design and urban heritage, and sustainability. Over the last decade as a practitioner, design champion and advisor, his project expertise has ranged from strategic level planning policy (addressing the government's housing growth agenda), major transport projects, urban regeneration, masterplanning of urban extensions, also including, historic town centres and the design of public spaces. He has authored good practice guidance in urban design and transport and pioneered new approaches towards understanding city regions. As an international consultant he has advised several agencies and practices in the US, Europe, Central Asia, the Balkans and India. He has taught and led major research projects at the University of Cambridge and University College London. He is visiting faculty and lectures extensively at several key institutions in the UK, USA, Europe and South Asia.

Sarah Tytherleigh Sarah Tytherleigh originally qualified as a lawyer but for a long time has been organising events for charity. Because of her considerable interest in history and the arts (and Victorian art in particular) she has been a volunteer at the V&A for over twenty years, many of them as a member of the Friends Events Committee.

The day to day running of the organisation is delegated to the Head of Friends and Patrons and her team, with strategic and financial decisions being considered and agreed by the Committee. The Friends of the V&A is grateful for ongoing assistance from many V&A departments, notably Finance, Public Affairs and Development.

Risk management



The Friends of the V&A's systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A strategic plan and an annual budget prepared by the Trustees;
- Regular consideration by the Trustees of financial results, variance from budget, non-financial performance indicators and benchmarking reviews;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The Trustees have implemented a formal risk management process designed to assess risks and implement risk management strategies. The risk register is formally reviewed annually, with the risk register being considered by the Trustees periodically.

FINANCIAL REVIEW

Total income for the year amounted to £1,020,589 (2010 £806,046) and consists mainly of subscriptions and income from events.

Resources expended amounted to £847,738 (2010 £645,393), including £301,304 for grants to the Museum and scholarships and £540,734 supporting the Members.

When appraising performance, the Committee considers Membership numbers ('Members') which it regards as the number of people in a position to visit the V&A through Membership. This figure therefore counts plus-guest memberships as two, family memberships as four, etc. The Committee also reviews 'Memberships' by which is meant the number of individual subscriptions.



Reserves

The Trustees do not in general regard it as necessary or desirable to hold substantial reserves but to make donations to the V&A to assist it to purchase items or undertake projects as soon as requested. However, for reasons of prudence, the Trustees' opinion is that reserves should currently be held at around 25% of

income, with a minimum of £150,000. The reserves policy is reviewed on a yearly basis. Reserves are also increased temporarily as necessary to meet known future funding requests from the Museum. Reserves at the end of March 2011 stood at £619,961, of which £411,795 has been designated for the Postmodernism exhibition, the Magic Lantern

installation, future acquisitions, the Norfolk House Music Room concerts, the Metropolitan Museum of Art exchange programme, a Designer / Maker Collective residency, and a future V&A project.

Investment policy

The major part of the surplus funds is held in interest-bearing bank accounts, as are amounts waiting distribution to the Museum once approved by the Committee. The aim is to obtain as high an interest rate as is possible with minimum risk. Accounts with relatively speedy access are used, as funds for purchases are sometimes required at short notice. The Trustees consider it appropriate to retain a portion of the reserves in units of the M&G Charifund, a unit trust designed for and widely used by charities. This policy is regularly reviewed. The value of the units increased by 5% during the year.

PLANS FOR THE FUTURE

- one* To continue in our aims and objectives by working to increase and consolidate Membership numbers
- two* To continue our extensive and involving programme of events
- three* To ensure that all Members enjoy a fulfilling relationship with the V&A and the V&A Museum of Childhood
- four* To encourage Members to continue and extend their support of the Museum, whether financial, as volunteers, or as ambassadors for the V&A and the V&A Museum of Childhood

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing their Trustees' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing these financial statements the Trustees are required to:

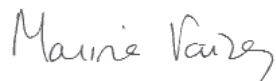
- Select suitable accounting policies and apply them consistently
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and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

The Trustees are also responsible for keeping proper 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 assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Trustees



Lady Vaizey of Greenwich
Chairman
9th June 2011

INDEPENDENT
AUDITORS' REPORT
TO THE MEMBERS
OF THE FRIENDS OF
THE V&A

We have audited the financial statements of The Friends of the V&A for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Richard Weaver
Senior Statutory Auditor
for and on behalf of haysmacintyre
Statutory Auditors and Chartered Accountants

Fairfax House
15 Fulwood Place
London
WC1V 6AY

THE FRIENDS OF
THE V&A STATEMENT
OF FINANCIAL ACTIVITIES
(including Income and
Expenditure Account)
FOR THE YEAR ENDED
31 MARCH 2011

INCOME AND EXPENDITURE		2011	2010
	Notes	£	£
Incoming resources			
Incoming resources from generated funds:			
Voluntary income - donations and legacies		9,978	20,080
Investment income	2	6,088	4,993
Incoming resources from charitable activities			
Supporting members	3	1,004,523	780,973
Total Incoming Resources		1,020,589	806,046
Resources expended			
Costs of generating income		-	-
Charitable activities:			
Supporting the V&A Museum	4	301,304	192,519
Supporting Members	5	540,734	448,424
Governance costs	6	5,700	4,450
Total resources expended		847,738	645,393
Net incoming resources for the year		172,851	160,653
Other recognised gains and losses:			
Unrealised gain/(loss) on investments		3,946	20,640
Net incoming resources		176,797	181,293
Balance brought forward at 1 April 2010		443,164	261,871
Balance carried forward at 31 March 2011		619,961	443,164

The notes on pages 32 to 37 form part of these accounts.
All gains and losses arising in the year are included in the Statement of Financial Activities and arise from continuing operations.

THE FRIENDS
OF THE V&A
BALANCE SHEET AT
31 MARCH 2011

		2011		2010	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	9		7,644		10,701
Investments	10		83,327		79,381
			<u>90,971</u>		<u>90,082</u>
CURRENT ASSETS					
Debtors	11	36,109		38,302	
Cash at bank and in hand	12	626,084		491,697	
			<u>662,193</u>		<u>529,999</u>
CREDITORS: amounts falling due within one year					
	13	(133,203)		(176,917)	
NET CURRENT ASSETS			<u>528,990</u>		<u>353,082</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>619,961</u>		<u>443,164</u>
FUNDS					
Unrestricted funds (Including revaluation reserve £34,119 2010: £30,173)	14		619,961		443,164

The financial statements were approved and authorised for issue by the Committee on 9th June 2011 and were signed below on its behalf by:

John Everett
Trustee

The notes on pages 32 to 37 form part of these accounts.

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, and in accordance with the Statement of Recommended Practice “Accounting and Reporting by Charities” (SORP 2005), applicable accounting standards and the Companies Act 2006

Incoming resources

Subscriptions and donations

All subscriptions and donations, including life subscriptions, are accounted for on a receipts basis.

Investment income

Dividends and interest are included in the accounts on a receipts basis.

Other income

Other income is accounted for in the period in which it falls due. Income received in advance for events is treated as deferred income and included in creditors.

Resources expended

Resources expended are included in the Statement of Financial Activities (SOFA) on an accruals basis, inclusive of any VAT which cannot be recovered. Costs are allocated directly to functional headings wherever possible.

Cost of generating funds

Costs of generating funds are all costs involved in obtaining generated funds.

Charitable activities

Charitable activities are those costs relating to the core purposes of the charity.

Governance costs

Governance costs are those costs relating to the strategic direction of the charity and of regulatory compliance.

Support costs

Support costs are those costs which are common to the range of charitable activities. These have been allocated on the basis of time spent by staff in each area.

Pension costs

Pension costs are paid under a defined contribution scheme. The assets of the scheme are invested and managed independently of the finances of the Organisation. The pension costs charge represents contributions paid in the year.

Grants and Scholarships

Grants and scholarships are accounted for at the time they are approved.

Fixed assets

Individual fixed assets costing more than £250 are capitalised at cost.

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life. The estimated life used is 4 years for each asset.

Investments

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

Stocks

Stocks of goods for resale are included at the lower of their cost or net realisable value.

Funds

Unrestricted funds may be applied to any of the charitable objects at the discretion of the trustees. Designated funds are unrestricted funds which have been set aside by the trustees for particular purposes.

	2011	2010
	£	£
2. Investment Income		
Interest receivable	1,992	905
Dividends received	4,096	4,088
	<u>6,088</u>	<u>4,993</u>
3. Income from Supporting Members		
Subscriptions	912,620	690,594
Friends events	91,903	90,379
	<u>1,004,523</u>	<u>780,973</u>
4. Supporting the Victoria and Albert Museum		
Grants to the Victoria and Albert Museum (10 awards; 2010:15)	264,160	174,492
Scholarships and grants to Museum staff (2 awards; 2010:3)	37,144	18,027
	<u>301,304</u>	<u>192,519</u>
The Friends board met in April 2011 instead of March this financial year so funds were designated for additional awards.		
5. Supporting Members		
Direct costs		
Member support	88,671	68,905
Magazine/newsletter	103,881	80,550
Friends events	38,241	36,520
	<u>230,793</u>	<u>185,975</u>
Support costs		
Staff costs (note 7)	237,697	205,021
Other costs (note 8)	72,244	57,428
	<u>540,734</u>	<u>448,424</u>

	2011	2010
	£	£
6. Governance Costs		
Audit fee	5,700	5,450
Legal fees (2010: release of overaccrual)	–	(1,000)
	<u>5,700</u>	<u>4,450</u>

No committee member was reimbursed for any expenses (2010: None) or received any remuneration from the charity.

7. Staff Costs		
Staff recharged by the V&A Enterprises Ltd	237,697	205,021
Temporary staff	–	–
	<u>237,697</u>	<u>205,021</u>

The average number of employees during the year was 8 (2010: 6), all of whom were recharged from the Museum.
No member of staff received remuneration in excess of £60,000 (2010: £Nil)

8. Other Support Costs		
Depreciation	3,057	3,226
Bank and related charges	10,813	8,376
Printing, postage, stationery and telephone	36,647	21,366
Other costs	21,727	24,460
	<u>72,244</u>	<u>57,428</u>

9. Fixed Assets	£
Cost	
At 1 April 2010	83,937
Additions	-
Disposals	(36,957)
At 31 March 2010	46,980
Depreciation	
At 1 April 2010	73,236
Charge for the year	3,057
On Disposals	(36,957)
At 31 March 2010	39,336
Net Book Value	
At 31 March 2011	7,644
At 31 March 2010	10,701

All assets are used by the charity in pursuance of its charitable objectives.
There were no capital commitments at 31 March 2011.

	2011	2010
	£	£
10. Investments		
Quoted investments		
Market value at 1 April 2010	79,381	58,739
Unrealised investment gain/(loss)	3,946	20,642
Market value at 31 March 2011	83,327	79,381
Historical costs as at 31 March 2011	49,208	49,208
Total unrealised gains included in unrestricted funds	34,119	30,173
Investments consist of M&G Charifund Units.		
11. Debtors		
Prepayments and accrued income	5,468	4,632
Recoverable taxes	30,641	33,670
	36,109	38,302
12. Cash and Bank Balances		
Interest bearing accounts	624,633	491,017
Current account and cash	1,451	680
	626,084	491,697
13. Creditors: amounts falling due within one year		
Trade creditors	65,343	103,756
Accruals and advances received	67,860	73,161
	133,203	176,917

14. Movement in Funds

	At 1 April 2010 £	Movement In Funds £	Transfers £	At 31 March 2011 £
Unrestricted funds				
General	223,164	276,797	(291,795)	208,166
Designated - Quilts Exhibition	100,000	(100,000)	-	-
Designated - Postmodernism Exhibition	100,000	-	50,000	150,000
Designated - McQueen collection items	20,000	-	(20,000)	-
Designated - Magic Lantern light installation	-	-	100,000	100,000
Designated - Collect acquisitions	-	-	10,000	10,000
Designated - Future acquisition	-	-	10,000	10,000
Designated - Norfolk House Music Room Concerts	-	-	2,695	2,695
Designated - Metropolitan Museum of Art Exchange	-	-	6,500	6,500
Designated - Designer/Maker Collective Residency	-	-	32,600	32,600
Designated - Future V&A project	-	-	100,000	100,000
	443,164	176,797	-	619,961

During the year £291,795 was transferred from general funds to the following designated funds - Magic Lantern light installation, a future acquisition, Collect acquisitions, Norfolk House Music Room concerts, Metropolitan Museum of Art exchange programme, Designer/Maker Collective residency and a Future V&A project.

The £20,000 for the late Alexander McQueen collection items designation was not needed and therefore released. The £100,000 for the Quilts Exhibition was paid over in the year. £50,000 was added to the Postmodernism exhibition designation.

15. Commitments

No commitments have been made in respect of future periods.

16. Related Party

The Friends of the V&A have a very close working relationship with the Victoria and Albert Museum. During the year the Friends incurred liabilities to the Museum for management charges and other expenses totalling £31,049 and made sales of £7,478. In addition the Friends paid over £321,154 of grants to the Museum (which included accrued awards from 2009-10). At 31 March 2011 a total of £7,356 was owed to the Museum. In addition, £24,875 was owed to V&A Enterprises, a subsidiary of the Victoria and Albert Museum, in respect of staff salaries.