

2008 V&A and you?

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

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(A Company Limited by Guarantee)
REPORT AND FINANCIAL
STATEMENTS FOR THE
YEAR ENDED 31 MARCH

2008

President

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

Committee Members

Michael Steen, Chairman (retired 14 December 2007)

Marina Vaizey, Chairman (from 14 December 2007)

Bernadette Barber

John Deards (elected 14 December 2007)

John Everett, Treasurer (elected 14 December 2007)

Edwina Sassoon (retired 14 December 2007)

Sarah Tytherleigh

Prudence Skene

Pat Turner (elected 14 December 2007)

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

The Committee Members are directors as defined by the Companies Act.

The Company is a company limited by guarantee whereby every Member's liability is limited to £1.

Company Secretary

Philippa Ouvry

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

440 Strand

London WC2R 0QS

CafCash Ltd.

PO Box 289

West Malling

Kent ME19 4TA

Charity Number: 272056

Company Number: 1267122

MEMBERSHIP TEAM VOLUNTEERS

Head of Friends and Patrons

Philippa Ouvry

Senior Membership Manager

Karen Perry (part time)

Membership Manager

Mary Willis

Senior Membership Events Manager

Sonya Harvey (from January 2008)

Membership Events Manager

Talya Nowell (to December 2007)

Joseph Watson (from July 2008)

Membership Weekend Assistant

Tina Whitlow (to June 2008; part time)

Membership Officer

Rachel Crossley (from September 2007)

Finance Officer

Janet Stone (from July 2007 to December 2007; part time)

Events Committee

Sarah Tytherleigh

Chairman

Bernadette Barber

Greta Chaffer

Elizabeth Hamilton

Joanna English

Annabel Hickox

Edda Irvine

Pauline Lawson-Smith

Susie Rose

Alison Maurin

Pat Turner

Marina Vaizey

Event Leaders

Jean Chippindale

Chairman to June 2008

Elizabeth Hamilton

Chairman from June 2008

Bernadette Barber

Janet Bouri

Greta Chaffer

Gwenda Constant

Anne Day

Caroline Garvey

Susannah Harrison

Karolina Joiner

Christine Kent

Rosemary Lowe

Alexandra Macpherson

Naseem Malik-Noor

Jennie Moss

Liz Rogers

Susie Rose

Jacqueline Shimmings

Sarah Tytherleigh

Jeanne Wadvani

Christina Watts

Volunteers

Bernadette Barber

Trustee representative

Susan Bell

Sue Bicknell

Derek Bird

Jenny Borthwick

Clare Bowring

Debbie Bransgrove

Regine Brimicombe

Fiona Brittain

Marie-Therese Bune

Nucia Butterworth

Toni Campbell

Bel Clarke

Leonora Collins

Gwenda Constant

Stevie Cudlip

Terri Dainty

Rachel Daley

John Deards

Giles Dimock

Barbara Domanska

Kenneth Draper

Carolyn Dunn

Zoe Dwek-Adams

Nadia Farronato

Alison Farthing

Ruth Gimlette

Kaye B Gray

Edna Green

Lorna Hanman

Susannah Harrison

Jean Heath

Dana Hepburn

Charlotte Holdsworth Hunt

Anita Hopkinson

Fay Horn

Tamara Hunt

Annie Hunter

Stephen Jones

Christine Kent

Marianne Landau

Kathryn Leaning

Yodia Lo

William Loschert

Beatriz Lutyens

Naseem Malik-Noor

Margaret Malone

Jane Medcalf

Karen Morton

Elizabeth Nicholls

Verity Onions

Elizabeth Oyler

Alva Patton

Elizabeth Phillips

Sunila Radhakrishnan

Jayne Ralston

Barry Redhead

Margaret Reynolds

Ann Richards

Joanna Robins

Betty Saunders

Jacqueline Saville

Jurgen Paul Schmitz

Lynne Sinclair

Anjani Singh

Ann M Smith

Margaret Stables

Jacqueline Stone

Eric Taylor

Katie Thornton

Jeanne Wadvani

Kate Watson

Christina Watts

Rodney Welham

Varla West

Patricia Williams

Ann Withnell

We have calculated that time given by volunteers represents 6,008 hours per year, at an estimated value of £71,075 to the Friends of the V&A. This is an extraordinary level of in-kind support. The Chairman and Trustees would like to thank very much indeed all those who give up their time on behalf of the Friends of the V&A, whether as staff, committee members, or volunteers in any capacity.

V&A Membership is run by the Friends of the V&A.
Registered Charity Number: 272056
Registered Company Number: 1267122

ANNUAL REPORT

The Trustees, who are also directors of the charity for the purposes of the Companies Act 1985, have pleasure in submitting their annual report and the audited financial statements for the year ended 31 March 2008.

OBJECTIVES AND ACTIVITIES

2008

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 therefore 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

To continue our financial support, we rely on the generosity of V&A Members, and work to increase membership numbers and renewal rates. At the end of financial year 2007/2008, we had 12,387 Memberships, an increase of almost 14%, giving a total reach of 21,408 Members. This increase is

largely attributable to the popularity of the V&A exhibition *The Golden Age of Couture: Paris and London 1947-1957* (22 September 2007 - 6 January 2008). The last weekend in particular saw a surge of new Members, particularly Student Members. A major strength of the V&A is its variety, in its collections and especially in its exhibition programming. We hope that Members continue to enjoy this variety, seeing old favourites and taking advantage of your Membership to try something new.

The Friends of the V&A runs one of London's biggest Membership events programmes, and aims in this programme to increase Members' knowledge of the V&A and related collections, and also to encourage renewal by increasing Membership involvement in the life of the Museum. Highlights this year included sell-out talks by Lindsay Evans Robertson (on Coco Chanel), Michael Wood and Kaffe Fassett, a three-day trip to Glasgow to see many examples of outstanding Charles Rennie Mackintosh architecture, and trips to Wilton House,

Sandhurst Military Academy and Eton College. Membership event listings can be found in the V&A Magazine, and we would always advise booking early.

The V&A is broadening its horizons beyond the physical space of the South Kensington site. More and more resources are being added to the website (www.vam.ac.uk), which is achieving record numbers of visitors. The V&A Magazine is another way to experience the Museum offsite, and we hope that you find it interesting and informative. From June 2008, the cover sheet was expanded into a Membership newsletter, carrying news and information on events, offers and other Membership issues. If you have not already done so, you may also like to sign up for the Members' e-newsletter ([visit www.vam.ac.uk/membership](http://www.vam.ac.uk/membership)) which is sent monthly and which also includes news, reminders and special offers.



HMP Wandsworth Quilt

The V&A has been working closely with the charity Fine Cell Work (www.finecellwork.co.uk) to commission a quilt designed and made by the prisoners of HMP Wandsworth for a major V&A exhibition to be held in 2010. The quilt will focus on individuals' experience of prison life and include fine embroidery, applique and patchwork, incorporating prison fabric and materials. The quilt will be made entirely in cells and will take approximately two years to complete. There are currently fifteen men involved in the project but as inmates come and go it is anticipated that at least forty individuals will contribute to the quilt throughout the duration of the project. Fine Cell Work trains prisoners to undertake craft work of the highest quality, pays them for the products and markets these to the outside world. Money from the sale is divided between the prisoners and Fine Cell Work so that the charity can continue to provide as many prisoners as possible with the opportunity to learn new skills.

Sue Prichard, Curator, Contemporary Textiles

ACHIEVEMENTS AND PERFORMANCE

2008

Support

Our first aim is financial support, and we are delighted to have helped the V&A to make a number of interesting and important acquisitions this year. £90,990 was given as grants in 2007/2008, with additional funds from the surplus being directed towards our reserves, bringing them back up to strength. In addition, a grant-in-kind worth £60,000 from Google was passed on from the Friends of the V&A to the V&A to promote the V&A website.

The Trustees, having consulted the V&A on their priorities and needs, have identified three main areas in which the Friends of the V&A should aim to support the Museum:

1. Supporting acquisitions, following applications by curatorial departments.
2. Supporting scholarships and research.
3. Longer-term support towards capital projects.

In order to fulfil aim 3, it is the intention of the Trustees to set aside funds over an agreed period of time in order to make larger gifts to the V&A. The V&A is entering phase 2 of its

FuturePlan and the necessity for capital funding is likely to increase over the coming years. Aims 1 and 2 are more short-term, and the Trustees will continue to consider all applications from the Museum here on a case-by-case basis.

Support during 2007/08: Acquisitions

- The 'Scandal' Relief by Charles Sargeant Jagger
- A design for a chessboard by A W N Pugin
- Drawings by John Bacon the Elder
- A quilt designed and made by prisoners from HMP Wandsworth, through Fine Cell Work
- Cloisonné vessel by Naoki Takeyama
- Stoneware vessel by Ken Mihara
- At End of Day textile by Natasha Kerr
- Silverware bowl by Julie Blyfield
- Ring and earrings by Nora Fok
- Ring by Peter Chang

All the above have been acquired by the Museum with assistance from grants from the Friends of the V&A. The last six items listed were all acquired at Collect 2008, the

international art fair for contemporary objects presented by the Crafts Council at the V&A, by means of the additional support provided by our Contributing Members. The V&A was delighted to have the opportunity to acquire such a selection of pieces, particularly as 2008 was Collect's last year at the Museum.

Scholarships and research

- Curatorial exchange between the V&A and the Metropolitan Museum in New York
- Support for the Attingham Summer School (www.attinghamtrust.org)
- The Royal College of Art / V&A Postgraduate Conservation Programme and travel bursaries
- Students on the Royal College of Art / V&A History of Design course

Longer-term support

- £50,000 was ring-fenced to begin a fund towards V&A capital projects

Individual members also contributed to a special appeal from the V&A in support of the Museum's photography acquisition fund, in



Design for Chess Board byAWN Pugin

A rare design, signed with the initials 'AWP' for Augustus Welby Northmore Pugin. There is a convincing argument for this design being made at an early date in Pugin's career - the brass label (of later date) with an inscription states that it was the Bristol & Clifton Chess Association's first prize won by J. Burt in 1872, and raises the question whether Pugin's design was commissioned in or around 1830 to mark the foundation of the Bristol & Clifton Chess Association. This design enriches the V&A's collection of over 1,000 designs by the Pugin family because it is an uncommon design for a domestic utility subject. It is particularly relevant to the V&A's collection because it includes other designs for chess tables and chess boards of which the most notable is one by E. W. Godwin. Indeed, there is a special category in the online Prints and Drawings catalogue for 'Sports and Pastimes: Chess' with sub-divisions for designs for chess-men and boards, and representations of chess players. This design, with its medieval style of decoration, is to be hung in the 'Love of the Medieval' section of the Gothic Revival rooms in the British Galleries.

Mor Thunder, Curator, Word and Image

Two drawings by John Bacon the Elder (1740-1799)

Bacon was a talented and prolific sculptor, but also a commercial designer who worked for Josiah Wedgwood and Matthew Boulton. He was also for 35 years the chief designer and manager of Mrs Coade's famous Coade Artificial Stone Company. The two drawings are designs for Bacon's statue of Charles, 1st Marquess Cornwallis, best known in America for his defeat in the Battle of Yorktown in the American War of Independence, but commemorated in Britain as the first Governor General of India and victor over Tipu Sultan. The sculpture itself, executed in 1793, is on display in the Foreign and Commonwealth Office in Whitehall.

Christopher Marsden, Senior Archivist, Word and Image



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particular donating towards the acquisition of 'Ike Cole, 38 years old, Los Angeles, CA, \$25' by Philip-Lorca diCorcia.

We should also like to thank all of you who are remembering the V&A or the Friends of the V&A in your Wills. For more information on legacy gifts, including the V&A's regular programme of legacy events (where you can hear more about how to support the Museum in this vital way) please contact **Roger Cooper** on **020 7942 2716** or see **www.vam.ac.uk/legacies**.

Loyalty and knowledge

Events continue to be successful, often selling out within a short time of the new programme being released. We try to run repeat events wherever possible so that as many Members as possible can take advantage of our programme, and through it increase their knowledge of the V&A and related collections. All new Members are also invited to join us for a free welcome tour of the Museum. If you have not been on a

Welcome Tour and would like to do so, please contact the office to book your place.

Looking to the future

It has been over five years since subscriptions were increased, and so new price levels for Membership were introduced in September 2008. We have introduced a new two-tier system whereby a lower fee applies after the first year. The discount applicable to those Members who pay by Direct Debit has also been increased under the new system. Automatic renewal by Direct Debit is easier for us and for you, and saves us money which can go to support the Museum, as well as making membership even better value. If you do not yet pay by Direct Debit please fill in the form at your next renewal. Currently, 68% of Members pay by Direct Debit.

From April 2011 Gift Aid will drop, in line with the reduction in tax rate from 22% to 20% announced in the 2008 Budget; this will reduce

the amount we can claim from 28p in the £1 to 25p in the £1 from that date onwards. More than half of our Members currently Gift Aid, but if we can increase that in the next 3 years it will offset the drop in what we can reclaim. If you have not signed a Gift Aid declaration for us and are eligible for Gift Aid, please do so at your next renewal or phone us so that we can complete an oral declaration for you. If you have any questions about Gift Aid in relation to your membership, please do not hesitate to contact us.

We hope that you will continue to enjoy your V&A Membership - your support is so important. The Friends of the V&A continues our aim to provide an interesting, enjoyable and involving experience for all our Members and to maximise support to the Museum. We look forward to seeing you at the V&A again soon.



Julie Blyfield, Acacia Oraria, 2007

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. 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).

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.

Company and charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity. In preparing those financial statements, the Trustees have:

- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The Trustees have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the safeguarding of the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide assurance that:

- the charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition; and
- the charity complies with relevant laws and regulations.

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.

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.

Financial Review

Total income for the year amounted to £685,193 (2007 £617,836) and consists mainly of subscriptions and income from events.

Resources expended amounted to £540,482 (2007 £798,417), including £90,990 for grants to the Museum and scholarships and £440,139 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. At the end of financial year 06/07, the Friends of the V&A had drawn heavily on reserves following two difficult years. Financial year 07/08 has been far more successful, and we have therefore taken the opportunity to rebuild reserves in a far shorter time than anticipated. Reserves at the end of March 08 stood at £207,328.

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 decreased by 20% during the year.

Plans for the Future

- To continue in our aims and objectives by increasing and consolidating Membership numbers.
- To continue our extensive and involving programme of events.
- To ensure that all Members enjoy a fulfilling relationship with the V&A and its branch museums.
- To encourage Members to continue and extend their support of the Museum, whether financial, as volunteers, or as ambassadors for the V&A and its branch museums.

On behalf of the Trustees



Lady Vaizey of Greenwich
Chairman

15 October 2008

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 2008 which comprise the Statement of Financial Activities, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Trustees are also directors of The Friends of the V&A for the purposes of company law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the Trustees' Report is consistent with the financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.

haysmacintyre
Chartered Accountants
Registered Auditors

Fairfax House
15 Fulwood Place
London WC1V 6AY

THE FRIENDS OF THE V&A

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2008

	Notes	Total 2008 £	Total 2007 £
INCOME AND EXPENDITURE			
Incoming resources			
Incoming resources from generated funds:			
Voluntary income			
Donations and legacies		15,357	32,811
Investment income	2	13,491	13,720
Incoming resources from charitable activities:			
Supporting members	3	656,345	571,305
Total Incoming Resources		685,193	617,836
Resources expended			
Costs of generating income	4	1,549	269
Charitable activities:			
Supporting the V&A Museum	5	90,990	278,410
Supporting members	6	440,139	511,239
Governance costs	7	7,804	8,499
Total resources expended		540,482	798,417
Net outgoing resources for the year		144,711	(180,581)
Other recognised gains and losses:			
Unrealised gains on investments		(22,882)	9,778
Net movement in funds		121,829	(170,803)
Balance brought forward at 1 April 2007		85,499	256,302
Balance carried forward at 31 March 2008		£207,328	£85,499

The notes on pages 20 to 28 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 2008

	Notes	2008		2007	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		2,828		11,277
Investments	11		93,921		116,803
			96,749		128,080
CURRENT ASSETS					
Debtors	12	87,953		93,501	
Cash at bank and in hand	13	315,479		169,954	
		403,432		263,455	
CREDITORS: amounts falling due within one year	14	(292,853)		(306,036)	
NET CURRENT (LIABILITIES) / ASSETS			110,579		(42,581)
TOTAL ASSETS LESS CURRENT LIABILITIES			£207,328		£85,499
FUNDS					
Unrestricted funds (Including revaluation reserve £44,713 2007: £67,595)	15		207,328		85,499
			£207,328		£85,499

Approved by the Committee on 15 October 2008 and signed on its behalf by

John Everett
Treasurer

The notes on pages 20 to 28 form part of these accounts.

THE FRIENDS OF THE V&A NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

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 1985.

The charity has availed itself of paragraph 3(3) of schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

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 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.



2. INVESTMENT INCOME	2008	2007
	£	£
Interest receivable	8,385	9,057
Dividends received	5,106	4,663
	£13,491	£13,720

3. INCOME FROM SUPPORTING MEMBERS	2008	2007
	£	£
Subscriptions	566,097	515,303
Friends events	90,248	56,002
	£656,345	£571,305

4. COSTS OF GENERATING INCOME	2008	2007
	£	£
Other fundraising expenses	1,549	269
	£1,549	£269

5. SUPPORTING THE V&A	2008	2007
	£	£
Grants to the Victoria and Albert Museum (10 awards; 2007: 6)	39,507	244,950
Scholarships and grants (4 awards; 2007: 4)	51,483	33,460
	£90,990	£278,410

6. SUPPORTING MEMBERS	2008	2007
	£	£
Direct costs		
Member support	75,612	181,767
Magazine / newsletter	73,908	87,394
Friends events	34,970	36,751
	£184,490	£305,912
Support costs		
Staff costs (note 9)	177,521	166,631
Other costs (note 10)	78,128	38,696
	£440,139	£511,239

7. GOVERNANCE COSTS	2008	2007
	£	£
Audit fee	5,250	8,004
Other fees paid to the auditors	-	59
Legal fees	2,554	436
	£7,804	£8,499

No committee member was reimbursed for any expenses (2007: None).
 No committee members received any remuneration from the Organisation.

8. STAFF COSTS

	2008	2007
Staff recharged by the museum	163,226	142,357
Temporary staff	14,295	24,274
	<u>£177,521</u>	<u>£166,631</u>

The average number of employees during the year was 4 (2007: 4), all of whom were recharged from the Museum. No member of staff received remuneration in excess of £60,000 (2007: None).

9. OTHER SUPPORT COSTS

	2008	2007
	£	£
Depreciation	8,449	7,883
Bank and related charges	7,891	7,388
Printing, postage, stationery and telephone	44,104	12,391
Other costs	17,684	11,034
	<u>£78,128</u>	<u>£38,696</u>

10. FIXED ASSETS

	Office Equipment
	£
Cost	
At 1 April 2007 and 31 March 2007	<u>£71,707</u>
Depreciation	
At 1 April 2007	60,430
Charge for the year	8,449
At 31 March 2008	<u>£68,879</u>
Net Book Value	
At 31 March 2008	£2,828
At 31 March 2007	<u>£11,277</u>

All assets are used by the charity in pursuance of its charitable objectives. There were no capital commitments at 31 March 2008.

11. INVESTMENTS

	2008	2007
	£	£
Quoted investments		
Market value at 1 April 2007	116,803	107,025
Unrealised investment gain/(loss)	(22,882)	9,778
Market value at 31 March 2008	<u>£93,921</u>	<u>£116,803</u>
Historical cost as at 31 March 2008	<u>£49,208</u>	<u>£49,208</u>
Total unrealised gains included in unrestricted funds	<u>£44,713</u>	<u>£67,595</u>

Investments consist of M&G Charifund Units.

12. DEBTORS

	2008	2007
	£	£
Prepayments and accrued income	34,308	35,191
Recoverable taxes	53,645	58,310
	£87,953	£93,501

13. CASH AND BANK BALANCES

	2008	2007
	£	£
Interest bearing accounts	314,722	172,888
Current account and cash	757	(2,934)
	£315,479	£169,954

14. CREDITORS: amounts falling due within one year

	2008	2007
	£	£
Trade creditors	240,896	207,353
Accruals and advances received	51,957	98,683
	£292,853	£306,036

15. MOVEMENT IN FUNDS

	At 1 April 2007	Movement In funds	At 31 March 2008
	£	£	£
Unrestricted Funds			
General	85,499	71,829	157,328
Designated - V&A Capital Projects	-	50,000	50,000
	£85,499	£121,829	£207,328

16. COMMITMENTS

No commitments have been made in respect of future periods.

17. 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 salaries, management charges and other expenses totalling £169,682. In addition the Friends made grants to the Museum of £39,507. At 31 March 2008 a total of £213,139 was owed to the Museum.