

Charity Registration No. 1139466

Company Registration No. 07277251 (England and Wales)

CHINA ART FOUNDATION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

CHINA ART FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Minglu Gao Ms P Lam
Charity number (England and Wales)	1139466
Company number	07277251
Registered office	3rd Floor 114a Cromwell Road London SW7 4AG
Independent examiner	Ahsan Mirja BGM Helmores Limited 3rd Floor 114a Cromwell Road Kensington London SW7 4AG

CHINA ART FOUNDATION

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CHINA ART FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 30 JUNE 2024*

The Trustees present their annual report and financial statements for the year ended 30 June 2024.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's Memorandum and Articles of Association dated 8 June 2010, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The objectives of the China Art Foundation, as set out in its governing document are as follows:

- The development and advancement of knowledge and understanding among the public of Chinese art, culture and heritage.
- The advancement of education of the public in the subject of the history of the development of Chinese traditions and culture.

In planning their activities and developing the Trustees paid due regard to the Charity Commission's guidance on public benefit and section 17 (5) of the 2011 Charities Act and they are satisfied that the charity meets the criteria in full.

The Foundation's policy is to seek donations and grants from organisations to cover costs and meet ongoing liabilities.

CHINA ART FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2024

Achievements and performance

Activities, Achievements During the Year, Objectives & Future Developments

The aims of the Foundation remain constant, but the means of realising them will develop through partnerships.

The Foundation aims to help nurture knowledge about the history of Chinese traditions of art and culture within China, Europe and the US, and especially within the contemporary cultural community – understood in its broadest sense to include practitioners, educators, critics and museum professionals.

Internationalise knowledge to ensure that the West has opportunities to understand the extraordinary and complex history of Chinese culture and that China has access to the culture, historical and contemporary, of the West and to the knowledge that can make it comprehensible and to provide opportunities for practising artists in all fields, in China and the West, to explore each other's cultures and traditions.

Whilst it has been a quiet year for the Foundation, we are proud to have facilitated Zhu Jinshi's exhibit at the Venice Biennale through a generous donation from The Hsieh Family Foundation.

Zhu Jinshi's large-scale rice paper installation Rice Paper Pagoda was exhibited at the 60th Venice International Art Biennale's China Pavilion exhibition project, Atlas: Harmony in Diversity, curated by Professor Wang Xiaosong of Zhejiang University and independent curator Jiang Jun.

Rice Paper Pagoda consists of thousands of sheets of rice paper, thin bamboo, cotton thread, LED light strips, and metal infrastructures. The hand-crumpled, lightweight rice paper forms countless subtle creases, evoking an ever-changing rock wall. The neatly arranged airy material resembles the eaves and tiles of an ancient temple, reinterpreting the sense of material thickness/patina brought on by centuries of weathering, achieved through the white rice paper. The work was first completed in Chengdu with the nearby former residence of Du Fu, a renowned poet from the Tang Dynasty, sparking inspiration for the artist. Du Fu's famous line 'If I could get a mansion with a thousand, ten thousand rooms...' resonates with the essence of the work.

Zhu Jinshi started to use rice paper in his installations in the late 1980s to improve his conceptual expression and spatial morphology. His major monumental rice paper installations include Wave of Materials, co-collected by the Los Angeles County Museum of Art and Smart Museum of Art at the University of Chicago; Tao of Xuan Paper, collected by the Vancouver Art Gallery; and Boat, which has been exhibited in Shanghai, Hong Kong, London, Miami, San Francisco, and San Antonio.

Atlas: Harmony in Diversity ran from 20 April to 24 November 2024 at the Arsenale in Venice.

Financial review

The result are set out in pages 6-13 of these accounts.

	2024	2023
Total income for the year	£74,316	£40
Direct charitable payable	£71,271	£60
Other costs	£3136	£2115
Total costs	(£74,407)	(£2175)
Net Income (deficit) for the year	(£91)	(£2,135)

Reserves

The reserves held by China Art Foundation amount to -£1,505 (2023 - £1,414) of which £nil is restricted (2023 – £nil). The purpose of these reserves is to allow it to continue to maintain and develop the Charity. At the Balance Sheet date the charity has negative reserves, the trustees are aware and are taking steps to ensure this will be rectified.

CHINA ART FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 30 JUNE 2024

Risk Assessment

The Trustees has assessed the major risks to which the Foundation is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The risks considered relate to the operational performance of the charity and achievement of its aims and objectives and are summarised as governance risks, operational risks, financial risks, external risks and compliance with laws and regulations.

In order to identify relevant risks and appropriate controls the following matters were considered;

- The charities objectives and strategies;
- The nature and scale of the charity's activities;
- External legislation and regulations;
- The operating structure of the charity; and
- Comparison with other similar size charities or those working in the same sector.

In particular the Trustees confirm that the major risk to which they believe the charity is exposed is as follows;

- That the interest in Chinese art among major western institutions might lead to the marginalisation of a small 'actor' such as the China Art Foundation. The strategy now is less to mount the Foundation events independently and instead to partner with major institutions that can help the Foundation realise its objectives.

Structure, governance and management

The Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 8 June 2010 and registered as a charity with the Charity Commission on 22 December 2010. The address of the principal office of the Foundation is 3rd Floor, 114a Cromwell Road, London, SW7 4AG.

A company limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

The Trustees, who are also the directors for the purpose of company law, undertake the day-to-day activities of the charity. Those who served during the year were:

Mr Minglu Gao

Ms P Lam

The appointment and induction of new Trustees is reviewed regularly to cover areas of expertise required by the charity. The Foundation may by ordinary resolution of its members or the consent of the majority of the board of directors, appoint new trustees. The training requirement of current Trustees is reviews regularly at Trustees meetings.

The organisational structure of China Art Foundation consists of a Board of Trustees which consults and/or meets on a regular basis to consider and review the charity's activities, general progress and current financial position. Decisions are then made on matters as appropriate in order to meet the objective of the charity.

CHINA ART FOUNDATION

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 30 JUNE 2024*

The Trustees' report was approved by the Board of Trustees.

Ms P Lam
Trustee

Dated: 28 April 2025

CHINA ART FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHINA ART FOUNDATION

I report to the Trustees on my examination of the financial statements of China Art Foundation (the Foundation) for the year ended 30 June 2024.

Responsibilities and basis of report

As the Trustees of the Foundation (and also its directors for the purposes of company law), you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006.

Having satisfied myself that the financial statements of the Foundation are not required to be audited under Part 16 of the Companies Act 2006 and are eligible for independent examination, I report in respect of my examination of the Foundation's financial statements carried out under section 145 of the Charities Act 2011. In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1 accounting records were not kept in respect of the Foundation as required by section 386 of the Companies Act 2006.
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the Companies Act 2006 other than any requirement that the financial statements give a true and fair view, which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Ahsan Miraj
Independent Examiner
BGM Helmores Limited

3rd Floor
114a Cromwell Road
Kensington
London
SW7 4AG

Dated: 28 April 2025

CHINA ART FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £
Income from:					
Donations and legacies	3	3,115	71,191	74,306	-
Investments	4	10	-	10	40
Total income		3,125	71,191	74,316	40
Expenditure on:					
Charitable activities	5	3,216	71,191	74,407	2,175
Total expenditure		3,216	71,191	74,407	2,175
Net expenditure and movement in funds		(91)	-	(91)	(2,135)
Reconciliation of funds:					
Fund balances at 1 July 2023		(1,414)	-	(1,414)	721
Fund balances at 30 June 2024		(1,505)	-	(1,505)	(1,414)

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

CHINA ART FOUNDATION

BALANCE SHEET

AS AT 30 JUNE 2024

	Notes	2024 £	£	2023 £	£
Current assets					
Debtors	11	71,191		-	
Cash at bank and in hand		3,131		3,258	
		<u>74,322</u>		<u>3,258</u>	
Creditors: amounts falling due within one year	12	(75,827)		(4,672)	
		<u></u>		<u></u>	
Net current liabilities			(1,505)		(1,414)
			<u></u>		<u></u>
The funds of the Foundation					
Unrestricted funds	14		(1,505)		(1,414)
			<u>(1,505)</u>		<u>(1,414)</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2024. The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 28 April 2025

Ms P Lam

Trustee

Company registration number 07277251 (England and Wales)

CHINA ART FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1 Accounting policies

Charity information

China Art Foundation is a private company limited by guarantee in England and Wales. The registered office is 3rd Floor 114a Cromwell Road, London, SW74AG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Foundation's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Foundation is a Public Benefit Entity as defined by FRS 102.

The Foundation has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The accounts are prepared in sterling, which is the functional currency of the Foundation. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements. At the Balance Sheet date the charity has negative reserves, the trustees are aware and are taking steps to ensure this will be rectified.

1.3 Charitable funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the Foundation without further specified purpose and are available as general funds. All income is included when receivable.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

1.4 Incoming resources

Income is recognised when the Foundation is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Resources expended

CHINA ART FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

1 Accounting policies

(Continued)

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Resources expended are recognised in the period in which they are incurred. Resource expended include attributable VAT which cannot be recovered.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Foundation's balance sheet when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Foundation's contractual obligations expire or are discharged or cancelled.

CHINA ART FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

2 Critical accounting estimates and judgements

In the application of the Foundation's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There were no critical accounting judgements and estimates made by the Trustees in the preparation of these financial statements.

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	3,115	71,191	74,306	-	-	-

4 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	10	40

CHINA ART FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

5 Expenditure on charitable activities

	Charitable Expenditure 2024 £	Charitable Expenditure 2023 £
Direct costs		
Exhibition Costs	71,191	-
Sundry Expenses	3	60
Website Hosting	77	-
	<u>71,271</u>	<u>60</u>
Share of support and governance costs (see note 6)		
Governance	3,136	2,115
	<u>74,407</u>	<u>2,175</u>
Analysis by fund		
Unrestricted funds	3,216	2,175
Restricted funds	71,191	-
	<u>74,407</u>	<u>2,175</u>

6 Support costs

	Support costs £	Governance costs £	2024 Support costs £	Governance costs £	2023 £
Accountancy and Independent Examination fees	-	3,136	3,136	-	2,115
	<u>-</u>	<u>3,136</u>	<u>3,136</u>	<u>-</u>	<u>2,115</u>
Analysed between Charitable activities	-	3,136	3,136	-	2,115
	<u>-</u>	<u>3,136</u>	<u>3,136</u>	<u>-</u>	<u>2,115</u>

7 Net movement in funds

The net movement in funds is stated after charging/(crediting):

	2024	2023
Fees payable to the charity's independent examiner: - for other financial services	<u>3,136</u>	<u>2,115</u>

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Foundation during the year. No trustee expenses were incurred during the reporting period.

CHINA ART FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

9 Employees

The average head count and monthly number of employees during the year was:

	2024 Number	2023 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	71,191	-

12 Creditors: amounts falling due within one year

	2024 £	2023 £
Other creditors	3,136	-
Accruals and deferred income	72,691	4,672
	75,827	4,672

13 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 July 2023 £	Incoming resources £	Resources expended £	At 30 June 2024 £
Zhu Jinsh's exhibit at the Venice Biennale	-	71,191	(71,191)	-

CHINA ART FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

14 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 July 2023	Incoming resources	Resources expended	At 30 June 2024
	£	£	£	£
General funds	(1,414)	3,125	(3,216)	(1,505)
	=====	=====	=====	=====
Previous year:	At 1 July 2022	Incoming resources	Resources expended	At 30 June 2023
	£	£	£	£
General funds	721	40	(2,175)	(1,414)
	=====	=====	=====	=====

15 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).