

# THE MUSEUM OF EAST ASIAN ART

England & Wales · Charity number 328725

## Details

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**Other names** THE MUSEUM OF FAR EASTERN ANTIQUITIES

**Status** Registered

**Legal form** Charitable company

**Company number** [02499752](#)

**Registered** 1990-07-27

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Museum Of East Asian Art  
12 Bennett Street  
Bath  
BA1 2QJ

**Phone** 01225464640

**Email** [info@meaa.org.uk](mailto:info@meaa.org.uk)

**Website** [www.meaa.org.uk](http://www.meaa.org.uk)

## Activities

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**Objects:** 1. THE ADVANCEMENT OF EDUCATION OF THE PUBLIC IN THE UNITED KINGDOM & ELSEWHERE. 2. THE ADVANCEMENT, PROMOTION & DEVELOPMENT OF & ASSISTANCE WITH RESEARCH & EDUCATION OF THE PUBLIC IN THE UNITED KINGDOM & ELSEWHERE IN THE FIELDS OF FINE ART, HISTORY & ARCHAEOLOGY & THE PUBLICATION OF THE USEFUL RESULTS OF SUCH RESEARCH. 3. ANY OTHER PURPOSE OR PURPOSES WHICH ARE CHARITABLE ACCORDING TO THE LAW OF ENGLAND AND WALES.

**Activities:** We are the only museum in the UK solely dedicated to the understanding and appreciation of East and Southeast Asian arts and cultures. We collect, preserve and exhibit artefacts from this region. We strive to be accessible to as wide an audience as possible through encouraging education, creativity, dialogue and research, and delivering a wide programme of rich learning and cultural experiences.

## Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People With Disabilities, The General Public/mankind

## Geography

- **Area of benefit:** UNITED KINGDOM AND ELSEWHERE
- Bath And North East Somerset

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£464,934	£456,420	-	-
2024-03-31	£416,470	£402,589	-	-
2023-03-31	£395,063	£382,024	-	-
2022-03-31	£410,394	£360,859	-	-
2021-03-31	£339,613	£299,852	-	-

## Trustees

Name	Role	Appointed
<b>ANNE Elizabeth SHEPHERD</b>	Chair	2012-09-10
ANNE HSIU-CHI PERNG		2023-03-06
Anthony Nigel Clifton Griffiths		2013-12-02
Bethany Sarah Neilson Main		2024-10-24
Christine Mary Gore		2005-12-14
Dr Theresa Frances Munford		2019-06-17
Rosemary Elspeth Scott		2019-06-17
Stuart Duncan Balmer		2015-09-28

**THE MUSEUM OF EAST ASIAN ART**

England & Wales - Charity number 328725

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# Accounts

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**Charity Registration No. 328725**

**Company Registration No. 02499752 (England and Wales)**

**THE MUSEUM OF EAST ASIAN ART  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

# THE MUSEUM OF EAST ASIAN ART

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## LEGAL AND ADMINISTRATIVE INFORMATION

<b>Directors</b>	C Gore A Shepherd A Griffiths S Balmer J Higgins (resigned 24 <sup>th</sup> March 2025) Dr T Munford R Scott A Perng B Main (appointed 24 <sup>th</sup> October 2024)
<b>Secretary</b>	A Shepherd
<b>Charity number</b>	328725
<b>Company number</b>	02499752
<b>Registered office</b>	12 Bennett Street Bath BA1 2QJ
<b>Website</b>	<a href="https://meaa.org.uk">https://meaa.org.uk</a>
<b>Auditor</b>	Ferguson Maidment & Co. 8 <sup>th</sup> Floor 167 Fleet Street London EC4A 2EA
<b>Bankers</b>	Lloyds Bank 47 Milsom Street Bath BA1 1DN
<b>Investment Managers</b>	Brewin Dolphin Ltd St James House St James Square Cheltenham GL50 3PR

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# THE MUSEUM OF EAST ASIAN ART

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# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2025

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The directors are pleased to present their report and the audited financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Museum's Memorandum and Articles of Association, the Companies Act 2006 and the provisions of the 'Charities SORP (FRS 102) - '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 (FRS102)' second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

#### Reference and Administrative Details

Legal and administrative details are shown at the front of the annual report, including a full list of the directors who served the Museum during the period up until the date of the signing of this report.

#### Objectives and activities of the Museum

The aims of the Museum are to foster the knowledge and appreciation of East Asian Art. To this end it purchased and converted Circus Lodge at 12 Bennett Street, Bath (a listed building) into The Museum of East Asian Art, which opened its doors to the public on 3<sup>rd</sup> April 1993.

#### The objects of the Museum are:

- 1) The advancement of education of the public in the United Kingdom and elsewhere;
- 2) The advancement, promotion and development of and assistance with research and education of the public in the United Kingdom and elsewhere in the fields of fine art, history and archaeology and the publication of the useful results of such research;
- 3) Any other purpose or purposes which are charitable according to the laws of England and Wales.

#### Public benefit

The directors have carefully reviewed the activities of the Museum and its staff in the light of the Charities Act 2011 and the guidance thereon issued by the Charity Commission and are satisfied that they meet their duties with respect to Section 17 and the public benefit test, that is to say that they advance the knowledge and understanding of the history and culture of East Asia among children and the general public in Bath and they contribute to the knowledge of East Asian artefacts through the medium of the carefully preserved and occasionally enhanced collection.

The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the Museum should undertake.

#### Structure, governance and management

The Museum of East Asian Art is a company limited by guarantee with Memorandum and Articles of Association and is a registered charity. There has been no change in policy since the last report. A Management Committee is elected by the members of the company. The members of the Management Committee, who are the directors of the limited company, have the power under the articles to admit any applicant to membership of the company and to appoint any such member to membership of the Management Committee but any person so appointed has to stand for re-election at the succeeding Annual General Meeting of the company. In exercising such powers, the Management Committee considers carefully the balance of skills required by the board for the effective governance of the Museum and any shortfall in those skills when appointing a director. In addition, the board assesses the personal attributes and professional experience of the person concerned to make a contribution to the pursuit of the objects or the management of the charity. At the year end, the directors were the members of the Management Committee. Incoming members of the Management Committee are taken through the financial affairs of the Museum and given a copy of the Memorandum and Articles of Association and its forward plan.

The Management Committee appoints the staff and approves the annual budget, exhibitions and forward plan and takes any decisions necessary on capital expenditure or major financial matters. Thereafter, the Museum Manager, working with the staff, takes the decisions on the day to day running of the Museum and routine expenditure so long as that expenditure is covered by the annual budget and the limits of authority given to the Museum Manager.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### Achievements and Performance

##### Staffing

Some adjustments to staff roles and responsibilities took place during the year, with the internal recruitment and appointment of the Volunteer & Membership Manager into the role of Exhibition Manager. Further recruitment took place during the summer for a new Volunteer & Membership Manager, bringing the team up to nine full and part-time members of staff. The Communications Manager's job title was changed to Exhibition Design & Communications to reflect the extent of that particular role.

When the Collections Manager was appointed in November 2023 the Museum was not aware of the amount of work that would be required to bring the backlog of collection care and documentation up to the required standard. Once this became apparent, the post was moved from a fixed-term contract to a permanent position.

##### Training

A generous training budget enabled staff to attend various in-person courses or programmes to improve skills and knowledge including: the Association of Independent Museum's Sparks Leadership programme; Museum-ID's Co-created Museum training, and Transforming Youth Engagement in Your Museum study day – both in London; the Collection's Trust Conference – Putting Collections Data to Work; and attending the Museum Association's Conference in Leeds. In addition, numerous opportunities were taken for training through on-line provision including those offered by the Museum Association (MA), Association of Independent Museums (AIM), Museum Development South West (MDSW) and the South West Federation of Museums (SWFed). The resource library was augmented by the purchase of a number of books covering subjects such as interpretation, exhibition design and museum planning.

##### Exhibitions

The Museum hosted three unique exhibitions in 2024.

The landmark 30<sup>th</sup> anniversary exhibition '*From Hong Kong to Bath: A Lifelong Journey of Collecting*' (28 June 2023 – 22 June 2024) continued to draw audiences. This commemorative exhibition gave an extraordinary insight into the life of the Museum's founder, Brian McElney OBE, who donated a large part of his personal collection of East and Southeast Asian objects to establish the Museum in 1993.

'*Dragons, Dragons, Dragons*' (17 January – 18 December 2024) marked the 'Year of the Dragon'. This family-friendly exhibition explored dragon mythology from across the world through 50 objects from our collection and included an interactive 'dragon wall' which, among other things, taught visitors how to say 'Dragon' in Chinese, Japanese and Korean. '*Dragons*' attracted new audiences and a more consistent visitation by family groups.

'*Kimono: The Making of a Cultural Icon*' (5 July 2024 – 14 December 2024) told the history of the kimono through 18 Japanese woodblock prints on loan from the Ezen Foundation, and was complemented by a loan from the Royal Cornwall Museum of 50 exquisite *netsuke* and *inro*, Japanese kimono accessories. These extraordinary, intricately carved objects had never been displayed outside Cornwall before. This popular exhibition showed an increase in 17% in admissions on the same period in 2023.

##### Planned closure from late December 2024 to 31st March 2025

The Museum was awarded a capital grant of £25,000 by the West of England Combined Mayoral Authority (WECA) in 2023 to make substantial improvements to the ground floor and the creation of a Discovery Room which would act as the introduction to the Museum. In order for this work to take place, and to install two new exhibitions, the Museum closed just before Christmas 2024 for three months. In the six months leading up to the closure, meticulous planning took place including the scheduling of service providers and contractors, commissioning contemporary artists for new exhibitions, and a local 'maker of things' to developing a stylised garden pergola and 'story tree' in the Discovery Room. There were also designing and producing new wayfinding, signage and interpretation throughout the Museum.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2025

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During the closure the following capital works took place: removing the alarms and decommissioning a number of display cases in the ground floor gallery; removing the decommissioned cases; removing the hallway carpet and replacing with bamboo flooring to match existing flooring in the gallery and retail area; undertaking remedial electrical work following removal of cases; replastering and making good where a number of cases had been removed; complete redecoration of the ground floor; installing new signage and wayfinding; commissioning new, permanent railing signage and redesigning the website.

Installation of the new exhibition '*In Bloom*' (Launched 1 April – 20 December 2025) took place once the capital refurbishment works were complete. Led by the newly appointed Exhibition Manager alongside the Exhibition Designer & Communications Manager, every other member of staff contributed towards its realisation in one way or another – whether helping to select and arrange objects for display, re-writing, proofreading and mounting new interpretation. The exhibition centres round the theme of nature and showcases a number of contemporary artists who created works inspired by objects from the Museum's collection, bringing a fresh perspective to the Museum.

The capital grant from WECA was supported by Museum funds to ensure the vision and ambitions of this project could be achieved. For example, a late addition to the already advanced planning for the delivery of the WECA-funded capital project was the agreement at the September 2024 Management Committee meeting to fund the complete refurbishment of the admissions/retail area during the planned closure. The Retail Manager approached Cre8 Interior Specialists, who have extensive experience in working with museum and heritage organisations, who quoted around £30,000 to work with the Museum to design and install bespoke shop fittings. Retail is a very important part of the Museum's income generating activities, so benefits of the refurbishment include an attractive and well-designed retail area, the unification of the look and feel of the whole ground floor and a greatly improved visitor experience.

During the closure staff found imaginative ways of continuing to engage the Museum's committed volunteers when many of the roles they would normally fulfil were not available. '*Volunteer Voices*' invited volunteers to select an object from the Museum's collection that they were inspired by and record their personal response to it. These stories are available to visitors through an interactive device called 'Museum in a Box'. This project helped to consolidate our volunteer base through collaborative working and developing social engagement, something the Museum plans to expand on next year.

### Learning, Engagement & Events

A re-focus on the events programme by the Engagement Manager saw a similar number of events to 2023, but delivered in a more sustainable way, concentrating on regular family activities and high-quality experiences, with the vision of 'connecting cultures' running throughout. In 2024-25 the Museum held 15 on-site events attracting 275 visitors, 4 off-site events attracting 107 attendees, and 1 online event, attracting 72 attendees. The Museum also delivered one formal off-site educational activity for 28 participants.

Kimono exhibition events were all over-oversubscribed, with a particularly good turnout for the online talk '*Kimono Chronicles*'. Due to limited space within the Museum, small unique, intimate experiences are delivered within the Museum galleries. The *Unwrapping the Kimono* event attracted 16 attendees, and the hands-on *Nerikiri* Japanese sweet-making workshop, limited to just 8 tickets, also sold out. Japanese Tea Ceremonies are held regularly and, with each one being limited to just 6 participants, also provide an intimate, authentic, cultural experience.

### Volunteers

The number of volunteers supporting the Museum remained stable at 52, helping with front of house, as gallery guides, supporting various learning and engagement activities, and writing social media content. A number of separate volunteer activities were arranged throughout the year including 'Museum Monday' sharing sessions to explore relevant subjects of interest and increase volunteers' knowledge of East Asian art and culture. Volunteers enjoy a training session programme, particularly those delivered by the Curatorial Consultant on understanding the Museum's collection and contextualising this with in-depth explorations of the development of Chinese art in relation to the dynasties.

The gap in support for volunteers during the early part of the year, caused by the shifting of staff roles and difficulty in recruiting a new Volunteer Manager, saw a reduction in volunteering hours at the Museum compared with the previous year. In 2024-25 volunteers contributed 1,064 hours to the Museum with an estimated value of £4,621.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### Friends of the Museum

The Volunteer & Membership Manager worked closely with a highly experienced consultant through the AIM Higher programme to review the Friends programme and develop a model which would be simpler to administer while also generating more income for the Museum. Friends were notified of the changes ahead of its launch on 1<sup>st</sup> April 2025, and the two schemes will run concurrently until all Friends have migrated onto the new scheme.

The new scheme offers individual membership at £35 (previously £18) and a new One-Plus-One membership for £50. It is anticipated that, should membership numbers remain similar to the previous year, income should increase by over 55%, and there will be a concerted drive to attract new Friends to the programme to increase support for the Museum.

#### Collection care

The Collections Manager identified that the collections management system used by the Museum was not Spectrum compliant - Spectrum is the UK collection management standard that sets out all the procedures and policies required for clear and transparent management of a collection. For the Museum to reach this standard, details of every item in the collection, currently stored on iBase, needed to be migrated to the new system, MODES. During this process numerous errors and omissions were identified which are being corrected. This is an ongoing, slow and methodical task requiring careful attention and the Collections Manager has been supported on a temporary basis by a volunteer with collections experience.

#### Storage of the collection

The current storage space for the collection has long been identified as unsuitable: the space is too cramped to work in and it has proved impossible to establish environmental conditions that are appropriate for collection storage. Extensive research had been undertaken to identify suitable and secure off-site storage to rent but nothing was available within close proximity to the Museum. With the collection increasingly at risk from the poor environmental storage conditions, the directors approved research into purchasing an off-site facility that could be refitted into a secure storage space.

In November 2024, newly built premises came on the market, within walking distance of the Museum and, after a number of site visits, Buro Happold, consulting engineers, were commissioned to undertake a feasibility study into the possibility of converting it to meet the Museum's needs. On the basis of the feasibility study, a formal offer was made on the property and Stone King was appointed to handle all legal matters, with completion due in July 2025. Buro Happold will oversee the tendering process for capital works needed to convert and fit out the building to meet the Museum's specifications and an application will be made to the Heritage Lottery Fund to cover these costs.

#### Digital engagement

During this financial year there were 17,058 unique visits to the Museum's website, mostly through direct search. The Museum's main social media accounts (Instagram, Facebook and X) saw an increase in followers from 5,787 in the previous year to 24,345.

#### Admissions and Opening Hours

Following a review of the Museum's admission prices in the previous year, a new, simpler charging structure was introduced on 1<sup>st</sup> April 2024. The increase in pricing had little adverse impact, if any, on those wishing to visit, resulting in admissions income rising from £11,338 to £15,470, an increase of some 36%. In anticipation of the loss of income during the planned closure later in the year, the Museum opened an additional day a week on Tuesdays, instead of just Wednesday to Saturday.

However, admission numbers were impacted as a result of the 3-month closure from late December 2024 to 31<sup>st</sup> March 2025 and dropped down from 4,480 the previous year to those similar to 2022-23 at 3,121 visitors, of which 165 were children.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### **Retail**

Retail plays an important part in both attracting potential audiences into the Museum and generating much-needed income. Retail sales from the Museum shop for 2024-25 were £36,952, just slightly down from the previous year at £38,360 and, like visitor numbers, a consequence of the 3-month closure. The shop is unique in Bath offering a wide selection of cards, books and gifts with an East and Southeast Asian theme, while supporting local independent artists and craftspeople. It is hoped that the refurbishment of the retail area will result in income increasing year on year.

#### **Fundraising**

The Museum generates funds to support its activities and development work through applications to various sources including Trusts and Foundations and specific museum-focused grant giving bodies. Individual donations are also encouraged.

In 2024 a grant of £5,000 was received from the Medlock Charitable Trust to support the work of the Volunteer & Membership Manager, and £1,000 from B&NES Council's Heritage Services to fund the Volunteer Voices digital engagement project in the new Discovery Room.

An application to the Museum Development South West's Small Open Grant programme resulted in a grant of £6,500 to engage consultants to develop an Audience Engagement Plan and Marketing Strategy. Recruitment started in July and was completed by the end January 2025. The main challenge the Museum faced was one of timing. By the time a consultant was appointed, the Museum was already well into its 3-month closure in the first quarter of 2025 for refurbishment, a redisplay and installing new exhibitions. This meant some re-prioritisation of staff workplans and having to opt for a slightly less collaborative approach than we would have liked, to ensure the project was completed on time.

Having completed this project, the Museum applied for the next Small Open Grant award at the end of March 2025 to undertake a review and update of the Museum's governing document, the Memorandum & Articles of Association. Should this be successful, work will take place during the summer of 2025.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### Financial Review

The Museum's PEF investment funds were recorded at a cost of £6,723,400 (inclusive of dealing cash of £3,873) on 31 March 2025 at which date the EEF investment funds had a market value of £534,988 (inclusive of dealing cash of £3,048). The dividends and interest generated by the two Endowment Funds during the year amounted to £345,207. The composition of each Endowment Fund at the year-end is given in the notes to the financial statements attached.

The Museum received £24,997 from the West of England Combined Authority (WECA) Small Museums Capital Grant for the development of a Discovery room, £6,500 from Museum Development South West to work with an Audience Development Consultant, £1,000 from B&NES Council's Heritage Services for Museum in a Box – Community Voices at the Museum project and £5,000 from the Medlock Charitable Trust to improve volunteering at the Museum.

During the year, the Museum received £97 in donations for the Reimagining Project, and £192 in general donations through the donation box with £1,582 being reclaimed through Gift Aid.

The Permanent Endowment Fund (PEF) was started in 1995 as a separate charity trust governed by a trust deed. The capital of the Fund is invested and only the income is available to be paid towards the running expenses of the Museum. The investments are managed by the Investment Management Committee, comprising principally members of the Museum's Management Committee, who form the trustees of the PEF, in conjunction with Brewin Dolphin, the investment advisers. Quarterly statements showing any contributions to the Fund and a summary of the performance of the Fund are provided to the Museum by Brewin Dolphin. The Charity Commission has confirmed that the accounts of the Permanent Endowment Fund can form part of the Museum's accounts, so long as the Funds thereof are kept separate and this requirement is adhered to. Mr John Higgins resigned as a director on 24<sup>th</sup> March 2025 and ceased to be a member of the Investment Management Committee. The co-option to the Investment Management Committee of an individual with investment expertise is being pursued.

During the year, the Museum received the funds that had been escheated to the Treasurer of the State of South Carolina. On their receipt and payment of minor, local expenses incurred in obtaining these funds, the balance of the £4,000 retained at the start of the year was released enabling the Museum to send a further sum of some £203,000 to Brewin Dolphin for investment as part of the PEF. The Emergency Endowment Fund (EEF) was set up in January 2014 by the Museum, which has to be kept separate from the existing PEF. Investment decisions are made by the Investment Management Committee, the members of which will normally be the trustees of the PEF. Capital funds may only be withdrawn by the unanimous vote of the Management Committee.

At 31 March 2025 the trustees of the PEF, who also constitute the Investment Management Committee overseeing the investment of the EEF, are Anthony Griffiths (Chair) and Anne Perng.

#### Investment powers

Under its Memorandum and Articles of Association, the Museum has the power to make any investment which the directors see fit. The policy mandated in the PEF trust deed requires 25% of all additional funds paid into the Permanent Endowment Fund to be invested in bonds and fixed interest stock when first invested. Beyond that requirement, the trustees of the PEF and EEF are delegated the authority to manage the investments and report to the Management Committee.

#### Reserves

It is the practice of the Museum that unrestricted funds, which have not been designated for a specific use, along with any confirmed available support funds, should normally be maintained at a level equivalent to not less than between three and six months' expenditure. The directors consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Museum's current activities while consideration is given to ways in which additional funds may be raised. At 31<sup>st</sup> March 2025, the directors have taken into account the likely impact of varying rates of inflation in the coming 12 months to determine the level of reserves that the Museum should endeavour to have in hand. The directors are cognisant of the need to have sufficient reserves to meet future capital expenditure that they may wish or need to incur. In this regard, capital expenditure projections are made for two years in advance and reviewed annually.

The directors realise the Reimagining Project, anticipated to require several years of planning then implementation, will involve expending substantial sums of money. It is their intention to apply for grants to fund the greater proportion of and possibly all this expenditure. They will also endeavour to build up further unrestricted funds as a contribution towards the sums needed to implement the Reimagining Project

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2025

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At present the Unrestricted Funds (£254,091) are represented by fixed assets of £78,109, the balance being current net assets of £175,982. It is the intention of the directors to continue to build up cash reserves representing a proportion of the Unrestricted Funds over a period of years from annual surpluses of Income. Surplus cash is invested through the EEF, in order to generate a greater amount of additional income for the charity. While the directors would prefer to retain the EEF (£534,988) for use on capital expenditure and major refurbishment or repairs of the building as required, they would draw on that Fund to meet operational outgoings should the need arise. This situation enables the directors to continue to build the general reserves gradually while being confident they hold adequate funds to meet operational outgoings of between three and six months'.

Surplus cash available for the short-term and usually representing reserves is deposited in the COIF Deposit account operated by the CCLA Investment Management Limited in view of the favourable rates being offered currently.

#### Going concern review

The directors have reviewed the impact of the level of inflation rates (occurring and projected) during 2025 and their possible, gradual reduction in 2026 together with changes in the Bank of England base rate as well as their anticipated continuing impact, particularly in the financial environment. They believe the Museum will be able to function satisfactorily during the current year to 31 March 2026. The level of income from investments increased during the year but the directors cannot be certain the same level of income will be received in the coming financial year. Income from admissions, retail sales, exhibitions and other events overall was higher in the year ended 31 March 2025 than in the prior year. The Museum is fortunate to have positive unrestricted reserves and, if required, can utilize the Emergency Endowment Fund, to the extent required. Therefore, the directors have concluded that the Museum is a going concern and will continue to be so for the foreseeable future.

#### Risk review

The risks faced by the charity are reviewed annually and appropriate policies are developed and revised in addition to suitable procedures being taken to eliminate or minimise the risks involved by the implementation of effective internal control procedures, which ensure both appropriate authorisation of all transactions and projects and consistent quality of delivery for all operational aspects of the charity. These policies and procedures are periodically reviewed for their continuing effectiveness.

#### The Directors

The directors who have served during the year and up to the date of signature of the financial statements are:

C Gore  
A Shepherd  
A Griffiths  
S Balmer  
J Higgins (resigned 24<sup>th</sup> March 2025)  
Dr T Munford  
R Scott  
A Perng  
B. Main (appointed 24<sup>th</sup> October 2024)

None of the directors has any beneficial interest in the company. All the directors are members of the company and guarantee to contribute £1 in the event of a winding up. The directors thank John Higgins for the valuable contribution he made to the board and the Museum during his tenure as a director of the Museum.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

**FOR THE YEAR ENDED 31 MARCH 2025**

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### **Auditor**

Messrs Ferguson, Maidment & Co, are the company's auditor and have indicated their willingness to continue to act. They were reappointed at the Annual General Meeting.

### **Disclosure of information to the auditor**

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, which has not been made available to the auditor. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

This directors' annual report was approved on 29<sup>th</sup> September 2025 and signed on behalf of the board of directors by:



**A Shepherd**  
Director

Dated: 29 September 2025

# THE MUSEUM OF EAST ASIAN ART

## STATEMENT OF DIRECTOR'S RESPONSIBILITIES

*FOR THE YEAR ENDED 31 MARCH 2025*

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### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. The directors are required to prepare financial statements for each financial year 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 affairs of the charity and of its incoming resources and the application of resources of the charity for that period. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period.

In preparing these financial statements, the directors are required to:

- 1) Select suitable accounting policies and then apply them consistently;
- 2) Make judgments and estimates that are reasonable and prudent;
- 3) State whether applicable UK Accounting Standards have been followed, subject to any material departures being disclosed and explained in the financial statements, and
- 4) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping proper accounting records that 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 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In addition, the directors confirm that they are happy that the content of the annual review in pages 1 to 7 of this document meet the requirements of both the Trustees' Annual Report under charity law and the Directors' Report under company law. They also confirm that the financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no audit information of which the charity's auditors are unaware; and all directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

# THE MUSEUM OF EAST ASIAN ART

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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#### Qualified opinion

We have audited the financial statements of The Museum of East Asian Art (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities including income and expenditure account, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for qualified opinion

As disclosed in note 1 to the financial statements, investments in the Permanent Endowment Fund are being carried at cost rather than at market value, which practice, in our opinion, is not in accordance with United Kingdom Generally Accepted Accounting Practice. The carrying value of these investments at 31 March 2025 should be £8,520,085 based on the market value at that date. Accordingly, investments should be increased by £1,800,558 which will increase the value of the charity's endowment funds by the same amount.

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

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

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

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

We have nothing to report in this regard.

# THE MUSEUM OF EAST ASIAN ART

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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#### Opinions on other matters prescribed by the Companies Act 2006

- the information given in the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

#### Responsibilities of Directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

#### The extent to which the audit was considered capable of detecting irregularities including fraud

We obtained an understanding of the legal and regulatory frameworks within which The Museum of East Asian Art operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and inappropriate revenue recognition. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, corroborating balances recognised to supporting documentation on a sample basis and ensuring accounting policies are appropriate under the relevant accounting standards.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit

# THE MUSEUM OF EAST ASIAN ART

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

### Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

8<sup>th</sup> Floor  
167 Fleet Street  
London  
EC4A 2EA

29<sup>th</sup> September 2025



Paul Manalo (Senior Statutory Auditor)  
For and on behalf of  
Ferguson Maidment & Co.  
Chartered accountants & statutory auditor

# THE MUSEUM OF EAST ASIAN ART

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds £	Endowment funds £	Restricted funds £	Total 2025 £	Total 2024 £
<b>Income from:</b>						
Donations and legacies	3	1,784	203,982	37,614	243,380	527,056
Charitable activities	4	18,546	-	-	18,546	14,781
Other trading activities	5	37,192	-	-	37,192	38,427
Investments	6	369,798	-	-	369,798	356,206
<b>Total income</b>		<b>427,320</b>	<b>203,982</b>	<b>37,614</b>	<b>668,916</b>	<b>936,470</b>
<b>Expenditures on:</b>						
<u>Raising funds</u>						
Fundraising	7	3,260	-	-	3,260	1,766
Trading costs	7	34,462	-	-	34,462	37,588
Investment management	7	1,511	26,617	-	28,128	24,921
		<b>39,233</b>	<b>26,617</b>	<b>-</b>	<b>65,850</b>	<b>64,275</b>
Charitable activities	8	380,570	-	10,000	390,570	338,314
<b>Total resources expended</b>		<b>419,803</b>	<b>26,617</b>	<b>10,000</b>	<b>456,420</b>	<b>402,589</b>
Net gains/(losses) on investments	12	-	73,121	-	73,121	32,793
<b>Net movement in funds</b>		<b>7,517</b>	<b>250,486</b>	<b>27,614</b>	<b>285,617</b>	<b>566,674</b>
<b>Fund balances at 1 April 2024</b>		<b>246,574</b>	<b>7,896,542</b>	<b>237,321</b>	<b>8,380,437</b>	<b>7,813,763</b>
<b>Fund balances at 31 March 2025</b>		<b>254,091</b>	<b>8,147,028</b>	<b>264,935</b>	<b>8,666,054</b>	<b>8,380,437</b>

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

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 16 to 27 form part of the financial statements.

# THE MUSEUM OF EAST ASIAN ART

## BALANCE SHEET AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		966,370		894,001
Investments at cost value	14	6,723,400		6,481,106	
		<u>534,988</u>		<u>525,614</u>	
			<u>7,258,388</u>		<u>7,006,720</u>
			8,224,758		7,900,721
<b>Current assets</b>					
Stocks	15	13,674		11,830	
Debtors	16	75,541		48,685	
Cash at bank and in hand	17	<u>470,625</u>		<u>477,016</u>	
		559,840		537,531	
<b>Creditors: amount falling due within one year</b>	18	<u>(118,544)</u>		<u>(57,815)</u>	
Net current assets			<u>441,296</u>		<u>479,716</u>
<b>Total assets less current liabilities</b>			<u>8,666,054</u>		<u>8,380,437</u>
<b>Income funds</b>					
Restricted funds	19		264,935		237,321
Endowment funds	20		8,147,028		7,896,542
Unrestricted funds			<u>254,091</u>		<u>246,574</u>
			<u>8,666,054</u>		<u>8,380,437</u>

The financial statements have been prepared in accordance with section 415A of the Companies Act 2006 relating to small companies and FRS 102 Section 1A.

The financial statements were approved and authorised for issue by the board of Directors on September 2025 and signed on their behalf by:



A Shepherd  
Director

Dated: 29 September 2025



A Griffiths  
Director

Dated: 29<sup>th</sup> September 2025

Company Registration No. 02499752

The notes on pages 16 to 27 form part of the financial statements.

# THE MUSEUM OF EAST ASIAN ART

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Restricted/ Unrestricted Funds £	EEF £	PEF £	Notes	2025 £	2024 £
Net Incomings and (Outgoings) from Activities	35,131	9,374	241,112		285,617	566,674
Add: Non-cash item Depreciation	3,251	-	-	8	3,251	8,395
Less: Donations	-	-	(203,982)		(203,982)	(520,000)
Dividends	(369,798)	-	-		(369,798)	(356,206)
Adjustment re gains and other non-cash items	(1,182)	(9,374)	(23,044)		(33,600)	(8,747)
Cash used prior to capital injection, investment and other activities	(332,598)	-	-		(332,598)	(309,884)
Capital injection: Legacy, donation and transfer	-	876	218,068		218,944	525,967
Cash generated from investment activity:						
Dividends	369,798	-	-		369,798	356,206
Sale of investments	-	305,119	529,946		835,065	1,175,442
Purchase of investments	-	(326,982)	(746,406)		(1,073,388)	(1,841,506)
Fees and outgoings	-	-	(31,196)		(31,196)	(27,966)
Total	369,798	(21,863)	(247,656)		100,279	(337,824)
Application of cash in operational activities						
Purchase of tangible fixed assets	(75,620)	-	-	13	(75,620)	-
Decrease/(Increase) in Stock	(1,844)	-	-	15	(1,844)	670
Decrease/(Increase) in Debtors	(26,856)	-	-	16	(26,856)	11,408
Increase/(Decrease) in Creditors	60,729	-	-	18	60,729	10,161
Total	(43,591)	-	-		(43,591)	22,239
Net (decrease)/increase in cash	(6,391)	(20,987)	(29,588)		(56,966)	(99,502)
Cash at 1 <sup>st</sup> April 2024	477,016	24,035	33,461		534,512	634,014
Cash at 31 <sup>st</sup> March 2025	470,625	3,048	3,873		477,546	534,512

The notes on pages 16 to 27 form part of the financial statements.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### Accounting policies

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#### 1. Accounting policies

##### **Charity information**

The Museum of East Asian Art is a private company limited by guarantee incorporated in England and Wales. The registered office is 12 Bennett Street, BATH, BA1 2QJ.

##### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, 'Charities SORP (FRS 102) - 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) second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### **True and fair override**

The directors of the company and the trustees of the PEF have determined that it is appropriate to depart from the United Kingdom General Accepted Accounting Practice of carrying fixed asset investments at market value because the majority of the investments held by the charity form part of the Permanent Endowment Fund, only the income of which can be used for the purposes of the charity. The directors of the company and the trustees of the PEF therefore view carrying the investments of the PEF at market value as being misleading since the assets cannot be realised at the value stated for use by the charity and it misrepresents the net wealth of the charity. Investments in the PEF are instead being held at cost. Note 14 of the accounts discloses the value at which investments in the PEF would be carried if they were stated at market value. The directors have therefore decided to adopt a true and fair override and accept the consequent qualified audit opinion.

##### **Investments at valuation**

The directors of the company have decided that the investments of the EEF should be reported at market value since they are available for use by the charity.

##### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The board of directors is confident that future reserves and future income are more than sufficient to meet current commitments. There are no material uncertainties that impact this assessment.

##### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the directors in furtherance of the charitable objectives unless the funds have been designated for other purposes.

The Permanent Endowment Fund represents those assets which must be held permanently by the charity. Income arising on the Permanent Endowment Fund can be used in accordance with the objects of the charity and is included as unrestricted income. The Emergency Endowment Fund investments are those held by the charity where the directors have discretion to convert funds into income.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2025

#### Accounting policies

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Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure, which meets these criteria, is charged to the funds, together with a fair allocation of management and support costs. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Incoming resources

Income is recognised when the charity 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.

Grant income is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless it relates to a specific future period or event, in which case it is deferred.

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.

Investment income is recognised when notice has been given of receipt by the investment manager.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

#### 1.5 Resources expended

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those incurred directly in support of expenditure on the objects of the charity. Management and administration costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2025

#### Accounting policies

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Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Freehold buildings - no depreciation is provided on the grounds the asset has a very long useful life, a high residual value, is subject to a programme of maintenance and accordingly, annual depreciation would not be material. Freehold land is not depreciated
Assets under construction	Depreciation was provided on the non-structural elements at rates varying between 10% and 20% of cost until such items were fully depreciated.
Fixtures and fittings	Between 2% and 20% per annum of cost
Library	Not depreciated

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Heritage assets

The charity has taken advantage of 18.14 of the Charities SORP (FRS 102) and not recognised heritage assets at valuation. The museum's collection is predominately made up of donations of long held assets of donors. The assets are excluded from the balance sheet as significant costs would be involved in the reconstruction of past accounting records and valuations, which are onerous compared with the additional benefit derived by users of the accounts.

#### 1.8 Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment at the balance sheet date. The SOFA includes the net realised gains and losses arising on disposals throughout the year.

#### 1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises the cost of direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.11 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.

#### 1.12 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2025

#### Accounting policies

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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 charity's contractual obligations expire or are discharged or cancelled.

#### **1.13 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## **2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the directors 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.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

<b>3 Donations and legacies</b>	<b>Unrestricted funds</b>	<b>Endowment funds designated</b>	<b>Restricted funds</b>	<b>Total 2025</b>	<b>Total 2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and gifts	1,784	-	37,614	39,398	7,056
Legacies	-	203,982	-	203,982	520,000
	<u>1,784</u>	<u>203,982</u>	<u>37,614</u>	<u>243,380</u>	<u>527,056</u>
For the year ended 31 March 2024	<u>1,695</u>	<u>520,000</u>	<u>5,361</u>		<u>527,056</u>
 <b>4 Charitable activities</b>				<b>2025</b>	<b>2024</b>
				<b>£</b>	<b>£</b>
Admission Charges				15,470	11,338
Events				2,071	1,728
Education				-	95
Membership subscriptions				1,005	1,620
				<u>18,546</u>	<u>14,781</u>
 <b>5 Other trading activities</b>				<b>2025</b>	<b>2024</b>
				<b>£</b>	<b>£</b>
Shop income				36,065	36,676
Image copyright sales				240	232
Other income				887	1,519
Other trading activities				<u>37,192</u>	<u>38,427</u>
 <b>6 Investments</b>				<b>2025</b>	<b>2024</b>
				<b>£</b>	<b>£</b>
Income from listed investments				345,207	338,857
Interest receivable				24,591	17,349
				<u>369,798</u>	<u>356,206</u>

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 7 Raising funds

	Unrestricted funds	Endowment funds	Restricted funds	Total 2025	Total 2024
	£	£	£	£	£
<u>Fundraising and Publicity</u>					
Staff costs	3,009			3,009	1,766
Fundraising equipment	251	-	-	251	-
	<u>3,260</u>			<u>3,260</u>	<u>1,766</u>
<u>Trading costs</u>					
Other trading activities	21,877	-	-	21,877	20,567
Staff costs	12,585	-	-	12,585	17,021
	<u>34,462</u>			<u>34,462</u>	<u>37,588</u>
<u>Investment management</u>					
	1,511	26,617	-	28,128	24,921
	<u>39,233</u>	<u>26,617</u>		<u>65,850</u>	<u>64,275</u>
<b>For the year ended 31 March 2024</b>					
Fundraising and publicity	1,766	-	-		1,766
Trading costs	37,588	-	-		37,588
Investment management	1,432	23,489	-		24,921
	<u>33,838</u>	<u>23,489</u>			<u>64,275</u>

### 8 Charitable activities

	2025	2024
	£	£
Staff costs	269,118	219,166
Depreciation	3,251	8,395
Advertising and PR	5,003	3,979
Collection care	6,371	21,554
Property costs	40,141	26,786
Travel and expenses	1,927	4,339
Legal and professional	1,698	1,345
Subscriptions	379	533
Training and consultancy	9,887	1,940
Office costs	18,681	14,683
Bank charges	75	83
Education	2,692	4,135
Exhibition	8,390	8,696
Artefact insurance and storage	18,782	18,200
	<u>386,395</u>	<u>333,834</u>
Share of governance costs (see note 9)	4,175	4,480
	<u>390,570</u>	<u>338,314</u>

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 9 Support costs

	Support Costs	Governance Costs	2025	2024	Basis of allocation
	£	£	£	£	
Audit fees	-	4,175	4,175	4,480	
Analysed between Charitable activities	-	4,175	4,175	4,480	Governance

### 10 Directors

During the year, no director received any remuneration (2024: £Nil). No director received reimbursement of expenses (2024: £Nil).

### 11 Employees

Number of employees	2025 Number	2024 Number
	9	8

  

Employment costs	2025 £	2024 £
Wages and salaries	241,740	200,217
Social security costs	17,740	12,483
Other pension costs	12,212	9,711
	<u>271,692</u>	<u>222,411</u>

No employee received employee benefits of more than £60,000 (2024: £Nil).

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 12 Net gains/(losses) on investments

		2025 £	2024 £
Gain/(loss) on sale of investments	PEF	63,747	24,588
	EEF	28,982	(4,238)
Unrealised gains/(losses)	EEF	(19,608)	12,443
		<u>73,121</u>	<u>32,793</u>

### 13 Tangible fixed assets

	Freehold land and buildings £	Assets under construction £	Fixtures and fittings £	Library £	Total £
<b>Cost</b>					
At 1 April 2024	224,239	668,638	568,462	51,250	1,512,589
Acquisitions	-	-	75,620	-	75,620
Disposals	-	-	(29,923)	-	(29,923)
Reclassification by resolution	612,772	(668,638)	-	-	(55,866)
At 31 March 2025	<u>837,011</u>	<u>-</u>	<u>614,159</u>	<u>51,250</u>	<u>1,502,420</u>
<b>Depreciation and impairment</b>					
At 1 April 2024	-	55,866	562,722	-	618,588
Disposals	-	-	(29,923)	-	(29,923)
Depreciation charged in the year	-	-	3,251	-	3,251
Reclassification by resolution	-	(55,866)	-	-	(55,866)
At 31 March 2025	<u>-</u>	<u>-</u>	<u>536,050</u>	<u>-</u>	<u>536,050</u>
<b>Carrying amount</b>					
At 31 March 2025	<u>837,011</u>	<u>-</u>	<u>78,109</u>	<u>51,250</u>	<u>966,370</u>
At 31 March 2024	<u>224,239</u>	<u>612,772</u>	<u>5,740</u>	<u>51,250</u>	<u>902,396</u>

Not included in the above is the Museum's collection of artefacts. The collection, due to its nature, is of most value in terms of its cultural significance and as such no reliable monetary value can be placed upon it.

The directors resolved during the year to transfer the carrying amount of Assets Under Construction to Freehold Land and Buildings because the asset represented improvements to the building undertaken in the early years of the Museum's existence that enhanced its residual value and the provision of such depreciation as was appropriate had been completed several years earlier. The directors consider that this treatment reflects more accurately the proper presentation of the Museum's fixed assets.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 14 Fixed asset investments

	Listed investments	Cash in portfolio	Total
	£	£	£
<b>Permanent Endowment Fund at cost</b>			
At 1 April 2024	6,447,645	33,461	6,481,106
Incoming resources	-	218,068	218,068
Additions	746,406	(746,406)	-
Sales proceeds	(529,946)	529,946	-
Gains/ (Losses)	55,422	-	55,422
Fees and outgoings	-	(31,196)	(31,196)
At 31 March 2025	<u>6,719,527</u>	<u>3,873</u>	<u>6,723,400</u>
At 31 March 2024	<u>6,447,645</u>	<u>33,461</u>	<u>6,481,106</u>
<b>Emergency Endowment Fund at market value</b>			
At 1 April 2024	501,579	24,035	525,614
Incoming resources	-	876	876
Additions	326,982	(326,982)	-
Sales proceeds	(305,119)	305,119	-
Realised Gains/ (Losses)	28,105	-	28,105
Fees and outgoings	-	-	-
Unrealised gains/ (Losses)	(19,607)	-	(19,607)
At 31 March 2025	<u>531,940</u>	<u>3,048</u>	<u>534,988</u>
At 31 March 2024	<u>501,579</u>	<u>24,035</u>	<u>525,614</u>

Incoming resources of the Permanent Endowment Fund comprise a further legacy payment from the Johanna Austin Estate, and reimbursement of the VAT element of PEF management fees.

Fixed asset investments for the Permanent Endowment Fund are carried at cost rather than market value. The reasons for this treatment are disclosed in note 1 of the financial statements.

The market value of the Permanent Endowment Fund investments at 31 March 2025 was £8,520,085 (2024: £8,204,910)

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

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### 15 Stocks

	2025	2024
	£	£
Finished goods and goods for resale	13,674	11,830
Less: Provision for obsolete stock	-	-
	<u>13,674</u>	<u>11,830</u>

### 16 Debtors

	2025	2024
	£	£
<b>Amount falling due within one year:</b>		
Trade debtors	120	-
Other debtors	51,312	24,901
Prepayments and accrued income	24,109	23,784
	<u>75,541</u>	<u>48,685</u>

### 17 Cash at Bank and In Hand

	2025	2024
	£	£
Balance at Bank	25,625	32,016
Balance with CCLA on COIF deposit	445,000	445,000
	<u>470,625</u>	<u>477,016</u>

### 18 Creditors

	2025	2024
	£	£
<b>Amount falling due within one year:</b>		
Trade creditors	84,843	25,430
Social Security and Other Taxes	7,510	-
Accruals and deferred income	25,479	27,706
Other Creditors	712	4,679
	<u>118,544</u>	<u>57,815</u>

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2024	Incoming Resources	Resources Expended	Transfers	Balance at 31 March 2025
	£	£	£	£	£
MEAA Metalware conservation project	24,353	-	-	-	24,353
The Reimaging Project fund	206,512	117	-	2,656	209,285
L.G Harris Trust Security Enhancements	722	-	-	(722)	-
L.G Harris Trust Photography of collection	3,800	-	-	-	3,800
Museum Founder Brian McElney Memorial fund	1,934	-	-	(1,934)	-
WECA Small Museum Capital grant Discovery Room	-	24,997	-	-	24,997
Museum Development South West Audience Development Consultant	-	6,500	(6,500)	-	-
B&NES Heritage services Community Voices at MEAA	-	1,000	(1,000)	-	-
Medlock Charitable Trust Empowering Volunteer	-	5,000	(2,500)	-	2,500
	237,321	37,614	(10,000)	-	264,935

### Incoming funds

The Reimagining Project fund for the redevelopment of whole Museum.

West of England Combined Authority Small Museum Capital Grant for Discovery room.

Museum Development South West Small Grants scheme for Audience Development Consultant.

B&NES Heritage Services for Museum in a Box – Community Voices at MEAA project

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### 20 Endowment funds

The Endowment funds, which are material to the charity's activities, are made up as follows:

	Movement in funds					Balance at 31 March 2025 £
	Balance at 1 April 2024	Incoming Resources	Resources Expended	Transfers	Revaluations gains/losses	
	£	£	£	£	£	
Permanent Endowment fund	6,476,955	203,982	(26,617)	-	63,747	6,718,067
Gift from Franklin Tsu's Estate	884,620	-	-	-	-	884,620
Special capital reserve	9,352	-	-	-	-	9,352
Emergency Endowment fund	525,615	-	-	-	9,374	534,989
	<u>7,896,542</u>	<u>203,982</u>	<u>(26,617)</u>	<u>-</u>	<u>73,121</u>	<u>8,147,028</u>

Incoming Resources of the Permanent Endowment Fund of £203,982 represents a further legacy payment from the Johanna Austin Estate.

The Permanent Endowment Fund exists as a separate charity. The capital of this fund is invested and only the income is available to pay towards the running expenses of the Museum. The investments are managed by a sub-committee of the Museum's Management Committee in conjunction with Brewin Dolphin the investment advisers. Copies of the quarterly statement showing the contributions to the Permanent Endowment Fund and the investments held by it are circulated quarterly to the sub-committee. The Charity Commission has confirmed that the accounts of the Permanent Endowment Fund can form part of the accounts so long as the funds are kept separate.

### 21 Analysis of net assets between funds

	General funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Fund balances at 31 March 2025 are represented by:				
Tangible assets	78,109	-	888,261	966,370
Investments	-	-	7,258,388	7,258,388
Current assets/(liabilities)	<u>175,982</u>	<u>264,935</u>	<u>379</u>	<u>441,296</u>
	<u>254,091</u>	<u>264,935</u>	<u>8,147,028</u>	<u>8,666,054</u>

The Restricted Funds balance consists entirely of current assets/liabilities. The Unrestricted Funds of £254,091 consist of fixed assets of £78,109 and net current assets of £175,982.

### 22 Related party transactions

#### Transactions with related parties

During the year the charity entered into no transactions with related parties.

**THE MUSEUM OF EAST ASIAN ART**

England & Wales - Charity number 328725

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# Accounts

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**Charity Registration No. 328725**

**Company Registration No. 02499752 (England and Wales)**

**THE MUSEUM OF EAST ASIAN ART  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

# THE MUSEUM OF EAST ASIAN ART

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## LEGAL AND ADMINISTRATIVE INFORMATION

<b>Directors</b>	C Gore A Shepherd A Griffiths S Balmer J Higgins Dr T Munford R Scott A Perng
<b>Secretary</b>	A Shepherd
<b>Charity number</b>	328725
<b>Company number</b>	02499752
<b>Registered office</b>	12 Bennett Street Bath BA1 2QJ
<b>Website</b>	<a href="https://meaa.org.uk">https://meaa.org.uk</a>
<b>Auditor</b>	Ferguson Maidment & Co. 8 <sup>th</sup> Floor 167 Fleet Street London EC4A 2EA
<b>Bankers</b>	Lloyds Bank 47 Milsom Street Bath BA1 1DN
<b>Investment Managers</b>	Brewin Dolphin Ltd St James House St James Square Cheltenham GL50 3PR

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# THE MUSEUM OF EAST ASIAN ART

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# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2024

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The directors are pleased to present their report and the audited financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Museum's Memorandum and Articles of Association, the Companies Act 2006 and the provisions of the 'Charities SORP (FRS 102) - '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 (FRS102)' second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

#### Reference and Administrative Details

Legal and administrative details are shown at the front of the annual report, including a full list of the Directors who served the Museum during the period up until the date of the signing of this report.

#### Objectives and activities of the Museum

The aims of the Museum are to foster the knowledge and appreciation of East Asian Art. To this end it purchased and converted Circus Lodge at 12 Bennett Street, Bath (a listed building) into The Museum of East Asian Art, which opened its doors to the public on 3<sup>rd</sup> April 1993.

#### The objects of the Museum are:

- 1) The advancement of education of the public in the United Kingdom and elsewhere;
- 2) The advancement, promotion and development of and assistance with research and education of the public in the United Kingdom and elsewhere in the fields of fine art, history and archaeology and the publication of the useful results of such research;
- 3) Any other purpose or purposes which are charitable according to the laws of England and Wales.

#### Public benefit

The directors have carefully reviewed the activities of the Museum and its staff in the light of the Charities Act 2011 and the guidance thereon issued by the Charity Commission and are satisfied that they meet their duties with respect to Section 17 and the public benefit test, that is to say that they advance the knowledge and understanding of the history and culture of East Asia among children and the general public in Bath and they contribute to the knowledge of East Asian artefacts through the medium of the carefully preserved and occasionally enhanced collection.

The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the Museum should undertake.

#### Structure, governance and management

The Museum of East Asian Art is a company limited by guarantee with Memorandum and Articles of Association and is a registered charity. There has been no change in policy since the last report. A Management Committee is elected by the members of the Company. The members of the Management Committee, who are the directors of the limited company, have the power under the articles to admit any applicant to membership of the Company and to appoint any such member to membership of the Management Committee but any person so appointed has to stand for re-election at the succeeding Annual General Meeting of the Company. In exercising such powers, the Management Committee considers carefully the balance of skills required by the board for the effective governance of the Museum and any shortfall in those skills when appointing a director. In addition, the board assesses the personal attributes and professional experience of the person concerned to make a contribution to the pursuit of the objects or the management of the charity. At the year end, the directors were the members of the Management Committee. Incoming members of the Management Committee are taken through the financial affairs of the Museum and given a copy of the Memorandum and Articles of Association and its forward plan.

The Management Committee appoints the staff and approves the annual budget, exhibitions and forward plan and takes any decisions necessary on capital expenditure or major financial matters. Thereafter, the Museum Manager, working with the staff, takes the decisions on the day to day running of the Museum and routine expenditure so long as that expenditure is covered by the annual budget and the limits of authority given to the Museum Manager.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### Redevelopment of the Museum

One of the Museum's priorities for this financial year was to progress the Reimagining Project by making improvements to the ground floor entrance, gallery and retail area to become a more engaging and welcoming space for visitors. In August 2023 an opportunity arose to apply to the West of England Combined Authority (WECA) for a capital grant through the Government's Levelling Up programme. This grant was specifically aimed at small museums in the area and the Museum was successful in applying for £25,000 to fund the majority of capital improvements identified – these included redecoration throughout the ground floor, refurbishing and unifying the flooring, creating a more open space by removing some of the display cases in the gallery, replacing exposed radiators with low surface temperature ones, creating more storage space, and a complete redisplay of the gallery to provide a semi-permanent introduction to the Museum and the Museum's founder.

#### Achievements and Performance

##### Staffing

For a small Museum with just eight members of staff, there has been an unprecedented level of change in staffing and roles over the last few years. As part of a more strategic review of staff roles and responsibilities, in April 2023 the Museum recruited a part-time Museum Administrator to take on much of the general administration work previously undertaken by the Museum Manager. At the end of November 2023, a Collections Manager was appointed to bring collection documentation up-to-date and improve collection storage conditions. In February 2024, the Learning Manager resigned and the Museum took the opportunity to re-evaluate key areas of operational need, with the creation of a new role of Exhibition Manager. An internal recruitment process led to the Volunteer & Membership Manager being appointed to this position, based on demonstrable skills and abilities. The recruitment process for a new Volunteer Manager will take place in April 2024. In addition to these changes, the Museum Administrator was offered an additional day a week from the start of the next financial year to take responsibility for the engagement programme, again based on keen interest and demonstrable abilities.

Alongside the review of roles and responsibilities the Museum Manager undertook a comprehensive review of all salaries, drawing on the recommendations of the *Museum Association's Salary Review November 2022* and the advice of the Museum Development Officer (MDO) for the South West area. The recommendations put forward were approved by the Board in March 2024, effective from 1 April, bringing staff salaries more in line with those of comparable sectors.

At the beginning of the financial year, April 2023, and in response to the rising cost-of-living, staff were awarded a pay increase of 5%. A one-off Christmas bonus was awarded in recognition of staff achievements during 2023.

##### Training

Staff are encouraged to identify individual training needs and during the year relevant staff attended the following: *Breaking Barriers: Radical Curatorial Practice* run by the Museums Association, a one-day *Exhibition Design and Delivery* course run by Chelsea School of Arts (GB), a six-session online professional development course *The Principles of Exhibition Making* run by the V&A, and an online *Introduction to Touring Exhibitions* run by the Touring Exhibition Group. Online training in *Adobe In Design* run by Udemy was also accessed.

In December 2023, the whole team attended a Cyber Awareness training session delivered by the Museum's IT support provider. Also attended in December 2023 was the training session delivered by the Museum Development South West (MDSW) skills programme *Preparing for your Accreditation Return* as it is likely that the Museum will be invited to re-apply in 2024-25. To this end, the Museum has been drafting a new Forward Plan and Operational Plan and updating all policies.

The Museum participated in the peer network sessions of the MDSW's *Travelling Together* programme in February 2024: *How to create and use an Access Audit to break down the barriers faced by your community*. This was followed in March by *Respond and Plan: Equality, Diversity, and Inclusion* and *Not just ramps and lifts: improving accessibility for busy museums*, a programme led by MDSW and funded by Art's Council England and the National Lottery Heritage Fund.

All staff participated in the MDSW's Organisational Health Check facilitated by the regional MDO in November 2023. Similar work was undertaken in 2019 prior to the pandemic when the National Lottery Heritage Fund's Resilient Health Checker was completed. Both Health Checkers revealed that audience development and marketing remained key areas for improvement.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2024

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This information will be used to inform a future funding application to MDSW to work with an Audience Development Consultant to create an audience development plan and marketing strategy.

In addition to participating in training, the Museum Manager completed the Museum Development England's Skills Needs Survey used to assess future training to be delivered by MDSW for the next financial year, ensuring that the training offered is both relevant and timely for the Museum's needs.

#### Exhibitions

Alongside the display of our permanent collection, temporary exhibitions take place in two galleries, one on the ground floor and one on the first floor.

#### First floor gallery

**1. *Revolution, Propaganda, Art* 12 October 2022 - 3 June 2023**

This exhibition of over 70 Chinese woodblock prints, on loan from the Muban Educational Trust, continued to be very popular, with good exhibition-related shop sales. The Museum was closed for the following three weeks for deinstallation, redecoration and installation of the next exhibition.

**2. *From Hong Kong to Bath – a Lifelong Journey of Collecting* 28 June 2023 – 22 June 2024**

To celebrate the 30<sup>th</sup> anniversary of the founding of the Museum by Mr Brian McElney in 1993, extensive research was done by our Curatorial Consultant on his early life and his collecting life in Hong Kong mainly in the 1960s and '70s. The exhibition consisted of family photographs, archival photographs of the Museum's activities over the decades, images of Hong Kong from the 1930s and 1960s, original receipts for objects purchased at auction in Hong Kong and narrative on the founding of the Museum. Material was collated from a wide range of sources including Mr McElney's memoir: *Collecting China – the Memoirs of a Hong Kong Art Addict*.

Brian McElney's sudden death in April 2023 was a huge loss to the Museum and all who knew him. It had a big impact on the development of the final planning stages of the exhibition, which became more of a commemoration of his life. 30 objects from his collection were selected to complement the exhibition, including the first object he had bought when he was studying to become a solicitor in London, a gilt brass Buddha. Mr McElney was the first serious collector to recognise the beauty of carved bamboo objects, so a selection was made showing the range and skill of these eminent Chinese artisans.

#### Ground Floor Gallery

**1. *Connecting Threads: Fashion Inspired by the MEAA Collection* 21 June – 22 December 2023**

Connecting Threads was a partnership project with fashion students from the Art & Design department of Bath College. The students worked to a brief to produce garments inspired by objects in the Museum's collection which captured their imagination and would appeal to their generation. The exhibition wove together multiple traditions, historical periods and personal journeys of discovery. The garments the students created were displayed alongside the objects that had inspired them.

**2. *Dragons, Dragons, Dragons* 17 January – 18 December 2024**

Launched on 17 January 2024 to celebrate the Chinese Year of the Dragon, this exhibition features some 50 of the 82 objects from the Museum's collection containing dragon symbolism and explores themes of dragon mythology from across the world. This is a particularly family-friendly exhibition with objects displayed at a lower level than previously, with interactive elements and opportunities for children to really engage, including magnifying glasses to reveal intricate detail, colouring sheets and prompts to write dragon stories.

#### Learning and Engagement

The Museum ran 32 adult and family events throughout the year, engaging over 1,500 individuals. Events included a series of on-line and in person talks associated with the exhibitions, seasonal and exhibition-related workshops, traditional Japanese tea ceremonies and an extremely successful Lunar New Year celebration in partnership with the National Trust, held at Bath Assembly Rooms and the Museum. This event attracted nearly 1,000 attendees during the day, participating in craft workshops, trails, story telling, tea tasting, traditional Chinese concerts and a planetary experience in partnership with The Herschel Museum of Astronomy.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2024

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Due to the very limited space in the Museum and larger class sizes, it was not possible to hold school visits within the Museum. However, a number of smaller formal learning sessions were provided in addition to an outreach session at a local educational establishment. In addition, a small number of bookings were received for loan boxes.

Japanese Tea Ceremonies continued to be popular, nine being delivered throughout the year with a total of 31 attendees, including two privately booked events. As the Museum has no dedicated activity space, these are held in the galleries during opening times, which can be somewhat problematic but most visitors respect the tranquillity of these intimate sessions. These sessions are limited to just six participants yet are highly valued and bring in new audiences.

#### Volunteers

The Museum is supported by 52 volunteers who help with front of house, act as gallery guides, support various learning and engagement activities and write social media content. 15 separate volunteer activities were arranged throughout the year including 'Museum Monday' sharing sessions to explore relevant subjects of interest and increase volunteers' knowledge of East Asian art and culture. Volunteers enjoy a training session programme, particularly those delivered by the Curatorial Consultant on understanding the Museum's collection and contextualising this with in-depth explorations of the development of Chinese art in relation to the dynasties. These sessions have proved invaluable in building the confidence of the volunteers to engage with visitors when welcoming them to the Museum or within the gallery setting. They attend briefings on all exhibitions to enable them to guide visitors in an effective and informed way. Regular newsletters keep volunteers informed on Museum activities and the Museum encourages their contributions to its development.

The number of hours volunteers contributed this year increased dramatically: 1,654 hours compared to 555 hours in the previous year. The economic value of the volunteers' contribution to the Museum was between £16,540 at £10 per hour and £41,350 at £25 per hour depending on the volunteer's knowledge and experience. The low volunteer hours for 2022-23 most likely reflect slow recovery post-pandemic and a reduced interest in the early part of the year resulting from a gap in support for the volunteer programme during a change of staff and the recruitment of a new Volunteer Manager.

#### Friends of the Museum

The membership scheme has been quite static for a while, holding at around 77 members. A review was undertaken in the first quarter of 2024 to gain an understanding of the processes involved, income generated and value of benefits. The range of benefits currently includes free entry to the Museum, discounts in the shop and to public events, invitations to Private Views and activities/ visits to other heritage or cultural organisations. Since most members probably join for philanthropic reasons i.e. to support the Museum, the review was focused on return on investment (ROI).

The charge for membership has not changed for many years and generates an income of less than £1,500 p.a. Analysis revealed a very complex administrative, labour-intensive process and the realisation that the programme was not scalable, meaning that a recruitment drive would increase the burden of administration proportionately. The cost of staff time in administering the programme far outweighs any financial benefit the Museum gains from the scheme.

Based on the review, the Museum will be approaching the AIM Higher programme to work with an experienced Membership Consultant to determine the future direction of the Friends' programme and how to operate a more sustainable model.

#### Collection care

The appointment of the Collections Manager to a newly created role in December 2023 has resulted in an analysis and review of both collections management systems and preventative conservation measures. Work is now underway to address some historic shortfalls in both these areas. This work is necessary and timely as the Museum is likely to be invited to re-apply for Accreditation status in 2024-25.

#### Digital engagement

During this financial year there were 17,530 unique visits to the Museum's website, mostly through direct search. On the Museum's main social media accounts, there were 5,787 followers including Instagram, Facebook and X.

#### Admissions

Admission numbers were up nearly 42% on 2022-23 at 4,480 compared with 3,165, with income from admissions at £11,338, an increase of almost 22% from the previous year. The increase partly results from the continued recovery post-pandemic and a more active exhibition programme but is primarily due to the success of the Lunar New Year celebration, which saw unprecedented visits to the Museum on the day. Since the Museum was working in partnership with the National Trust to

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2024

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deliver the event at Bath Assembly Rooms opposite, all activities, including entrance to the Museum, were offered free – hence the difference in the percentage increases of visitor numbers and income.

The Museum was open Wednesday to Saturday and closed for 20 normal trading days (five fewer days than the previous year) necessitated by a combination of maintenance, forward planning, the installation/ deinstallation of exhibitions, Christmas holidays, stocktaking and the coronation of King Charles III on Saturday 6 May.

#### Admissions charges review

In December 2023 the Association of Independent Museums (AIM), working alongside a number of national partners, published the results of a comprehensive review on admission pricing across museums in the UK in a detailed document: *Research into Admissions Pricing Policy in Museums and its Impact*. Since The Museum had not adjusted its admission prices for some years, the research output was used to benchmark current admission prices and undertake a comprehensive review. The resultant recommended increases were approved by the Board at the March 2024 Committee Meeting and will be implemented in April 2024. This will be an important part of the Museum's focus in income-generating activities to help support all Museum operations.

#### Retail and e-commerce

Retail plays an important part in both attracting potential audiences into the Museum and generating much-needed income. The e-commerce platform however, which was set up during the pandemic, never really took off and had just been acting as a 'shop window' that was costly to maintain. A review of its performance led to the decision to close it down, while still offering a shipping service for non-local customers.

Retail sales from the Museum shop for 2023-24 were £38,360 (a 39% increase from the previous year) with new lines added due to an online wholesale company called Faire that supplies products from small independents without having to open new accounts individually – a bit like Etsy for retailers.

#### Fundraising

The Museum generates funds to support its activities and development work through applications to various sources including Trusts and Foundations and specific museum-focused grant giving bodies. Individual donations are also encouraged.

In 2023 a grant was received from the Art Fund's Jonathan Ruffer Curatorial Grants Programme for the freelance Curatorial Consultant to undertake a series of research trips to the Museum and Bristol Museum & Art Gallery to develop two temporary exhibitions at the Museum. The only local authority grant still supporting museums in the area is through B&NES Council's Heritage Services and the Museum received a small grant to help improve its volunteers' digital engagement.

A more substantial grant opportunity arose through the West of England Combined Authority (WECA) for a Small Museums Capital Grant of up to £25,000, with a focus on increasing engagement and footfall. This led to the Museum advancing plans for improvements to the ground floor and turning the temporary exhibition area into a Discovery Room, providing visitors with an introduction to the Museum and helping them to contextualise the collection. The application was successful with the grant awarded in October 2023 with payments to be drawn down on proof of expenditure. Since capital works are planned for early 2025, no expenditure was made in this current financial year.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### Financial Review

The Museum's PEF investment funds were recorded at a cost of £6,481,106 (inclusive of dealing cash of £33,461) on 31 March 2024 at which date the EEF investment funds had a market value of £525,614 (inclusive of dealing cash of £24,035). The dividends and interest generated by the two Endowment Funds during the year amounted to £338,857. The composition of each Endowment Fund at the year-end is given in the notes to the financial statements attached.

The Museum received £970 from the Art Fund's Jonathan Ruffer Curatorial Grants Programme for the Curatorial Consultant, £543 from the Association of Independent Museum Brighter Day Grant scheme for collection care to improve environmental monitoring, and £1,093 from B&NES Council's Heritage Services to help improve its volunteers' digital engagement.

During the year, the Museum received £756 in donations for the Reimagining Project, £1,851 in memory of Museum's founder Mr Brian McElney and £88 in general donations with £1,665 being reclaimed through Gift Aid. In addition, the Museum received £80 in general donations through the donation box.

The Permanent Endowment Fund (PEF) was started in 1995 as a separate charity governed by a trust deed. The capital of the Fund is invested and only the income is available to be paid towards the running expenses of the Museum. The investments are managed by a sub-committee of three of the Museum's Management Committee, who form the trustees of the PEF, in conjunction with Brewin Dolphin, the investment advisers. Quarterly statements showing any contributions to the Fund and a summary of the performance of the Fund are provided to the Museum by Brewin Dolphin. The Charity Commission has confirmed that the accounts of the Permanent Endowment Fund can form part of the Museum's accounts, so long as the Funds thereof are kept separate and this requirement is adhered to. The directors noted that the Royal Bank of Canada was in the process of taking over Brewin Dolphin and are being kept informed by the executives of Brewin Dolphin with whom they deal of what impact, if any, the takeover is having on the contract and arrangements the Museum has with Brewin Dolphin.

The executor of the Johanna Austin Estate sent the Museum a further £44,000 in April 2023 and £40,000 was sent, as part of the PEF, to Brewin Dolphin to be invested. £4,000 was retained to provide for expenses that might be incurred by the Museum in recovering funds of some US\$260,000 that were escheated by the State of South Carolina in 2018. Lawyers in South Carolina were appointed during the year and an Order for payment of the funds was issued by the Probate Division of the Richland County Court in January 2024. The funds are expected to be received in the next financial year.

The Emergency Endowment Fund (EEF) was set up in January 2014 by the Museum, which has to be kept separate from the existing PEF. Investment decisions are made by the appointed sub-committee, the members of which will normally be the three trustees of the PEF. Capital funds may only be withdrawn by the unanimous vote of the Management Committee.

At 31 March 2024 the trustees of the PEF, who also constitute the sub-committee overseeing the investment of the EEF, are Anthony Griffiths (Chair), John Higgins and Anne Perng.

#### Investment powers

Under its Memorandum and Articles of Association, the Museum has the power to make any investment which the directors see fit. The policy adopted by the directors calls for 25% of all additional funds paid into the Permanent Endowment Fund to be invested in bonds and fixed interest stock when first invested. Beyond that requirement, the trustees of the PEF and EEF are delegated the authority to manage the investments and report to the Management Committee.

#### Reserves

It is the practice of the Museum that unrestricted funds, which have not been designated for a specific use, along with any confirmed available support funds, should normally be maintained at a level equivalent to between three and six months' expenditure. The directors consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Museum's current activities while consideration is given to ways in which additional funds may be raised. At 31<sup>st</sup> March 2024, the directors have taken into account the likely impact of varying rates of inflation in the coming 12 months to determine the level of reserves that the Museum should endeavour to have in hand. The directors are cognisant of the need to have sufficient reserves to meet future capital expenditure that they may wish or need to incur. In this regard, capital expenditure projections are made for two years in advance and reviewed annually.

The directors realise the Reimagining Project, anticipated to require several years of planning then implementation, will involve expending substantial sums of money. It is their intention to apply for grants to fund the greater proportion of and

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2024

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possibly all this expenditure. They will also endeavour to build up further unrestricted funds as a contribution towards the sums needed to implement the Reimagining Project

At present the Unrestricted Funds (£246,574) are represented by fixed assets of £5,740, the balance being current net assets of £240,834. It is the intention of the directors to continue to build up cash reserves representing a proportion of the Unrestricted Funds over a period of years from annual surpluses of Income. Surplus cash is invested through the EEF, in order to generate a greater amount of additional income for the charity. While the directors would prefer to retain the EEF (£525,614) for use on capital expenditure and major refurbishment or repairs of the building as required, they would draw on that Fund to meet operational outgoings should the need arise. This situation enables the directors to continue to build the general reserves gradually while being confident they hold adequate funds to meet operational outgoings of between three and six months'.

Surplus cash available for the short-term and usually representing reserves is deposited in the COIF Deposit account operated by the CCLA Investment Management Limited in view of the favourable rates being offered currently.

#### Going concern review

The directors have reviewed the impact of the significant increase in inflation rates (occurring and projected) during 2023 and their gradual reduction in 2024 together with changes in the Bank of England base rate as well as their anticipated continuing impact, particularly in the financial environment. They believe the Museum will be able to function satisfactorily during the current year to 31 March 2025. The level of income from investments increased during the year but the directors cannot be certain the same level of income will be received in the coming financial year. Income from admissions, retail sales, exhibitions and other events overall was higher in the year ended 31 March 2024 than in the prior year. The Museum is fortunate to have positive unrestricted reserves and, if required, can utilize the Emergency Endowment Fund, to the extent required. Therefore, the directors have concluded that the Museum is a going concern and will continue to be so for the foreseeable future.

#### Risk review

The risks faced by the charity are reviewed annually and appropriate policies are developed and revised in addition to suitable procedures being taken to eliminate or minimise the risks involved by the implementation of effective internal control procedures, which ensure both appropriate authorisation of all transactions and projects and consistent quality of delivery for all operational aspects of the charity. These policies and procedures are periodically reviewed for their continuing effectiveness.

#### The Directors

It is with the utmost sadness that the directors report the death of Mr Brian S. McElney, OBE on 26<sup>th</sup> April 2023. Mr McElney founded the Museum, presiding over its opening in April 1993 and donated to it from his personal collection many of the exhibits it currently possesses. A special memorial event was held in London on 1<sup>st</sup> November 2023 that was well attended and resulted in generous donations being made to the Museum in memory and also in honour of Mr McElney.

The remaining directors who have served during the year and up to the date of signature of the financial statements are:

C Gore  
A Shepherd  
A Griffiths  
S Balmer  
J Higgins  
Dr T Munford  
R Scott  
A Perng

None of the directors has any beneficial interest in the company. All the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### Auditor

Messrs Ferguson, Maidment & Co, are the company's auditor and have indicated their willingness to continue to act. They were reappointed at the Annual General Meeting.

#### Disclosure of information to the auditor

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, which has not been made available to the auditor. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This directors' annual report was approved on 30 September 2024 and signed on behalf of the board of directors by:



**A Shepherd**

Director

Dated:

# THE MUSEUM OF EAST ASIAN ART

## STATEMENT OF DIRECTOR'S RESPONSIBILITIES

**FOR THE YEAR ENDED 31 MARCH 2024**

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### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. The directors are required to prepare financial statements for each financial year 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 affairs of the charity and of its incoming resources and the application of resources of the charity for that period. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period.

In preparing these financial statements, the directors are required to:

- 1) Select suitable accounting policies and then apply them consistently;
- 2) Make judgments and estimates that are reasonable and prudent;
- 3) State whether applicable UK Accounting Standards have been followed, subject to any material departures being disclosed and explained in the financial statements, and
- 4) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping proper accounting records that 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 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In addition, the directors confirm that they are happy that the content of the annual review in pages 1 to 7 of this document meet the requirements of both the Trustees' Annual Report under charity law and the Directors' Report under company law. They also confirm that the financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no audit information of which the charity's auditors are unaware; and all directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

# THE MUSEUM OF EAST ASIAN ART

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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#### Qualified opinion

We have audited the financial statements of The Museum of East Asian Art (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities including income and expenditure account, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for qualified opinion

As disclosed in note 1 to the financial statements, investments in the Permanent Endowment Fund are being carried at cost rather than at market value, which practice, in our opinion, is not in accordance with United Kingdom Generally Accepted Accounting Practice. The carrying value of these investments at 31 March 2024 should be £8,204,910 based on the market value at that date. Accordingly, investments should be increased by £1,723,804 which will increase the value of the charity's endowment funds by the same amount.

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

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

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

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

We have nothing to report in this regard.

# THE MUSEUM OF EAST ASIAN ART

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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#### Opinions on other matters prescribed by the Companies Act 2006

- the information given in the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

#### Responsibilities of Directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

#### The extent to which the audit was considered capable of detecting irregularities including fraud

We obtained an understanding of the legal and regulatory frameworks within which The Museum of East Asian Art operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and inappropriate revenue recognition. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, corroborating balances recognised to supporting documentation on a sample basis and ensuring accounting policies are appropriate under the relevant accounting standards.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other

# THE MUSEUM OF EAST ASIAN ART

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

8<sup>th</sup> Floor  
167 Fleet Street  
London  
EC4A 2EA

30<sup>th</sup> September 2024



Paul Manalo (Senior Statutory Auditor)  
For and on behalf of  
Ferguson Maidment & Co.  
Chartered accountants & statutory auditor

# THE MUSEUM OF EAST ASIAN ART

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds	Endowment funds	Restricted funds	Total 2024	Total 2023
	Notes	£	£	£	£	£
<b>Income from:</b>						
Donations and legacies	3	1,695	520,000	5,361	527,056	4,442
Charitable activities	4	14,781	-	-	14,781	12,136
Other trading activities	5	38,427	-	-	38,427	29,775
Investments	6	356,206	-	-	356,206	349,184
<b>Total income</b>		<b>411,109</b>	<b>520,000</b>	<b>5,361</b>	<b>936,470</b>	<b>395,537</b>
<b>Expenditures on:</b>						
<b>Raising funds</b>						
Fundraising	7	1,766	-	-	1,766	1,077
Trading costs	7	37,588	-	-	37,588	31,399
Investment management	7	1,432	23,489	-	24,921	24,701
		<b>40,786</b>	<b>23,489</b>	<b>-</b>	<b>64,275</b>	<b>57,177</b>
Charitable activities	8	331,492	-	6,822	338,314	324,847
<b>Total resources expended</b>		<b>372,278</b>	<b>23,489</b>	<b>6,822</b>	<b>402,589</b>	<b>382,024</b>
Net gains/(losses) on investments	12	-	32,793	-	32,793	81,535
<b>Net movement in funds</b>		<b>38,831</b>	<b>529,304</b>	<b>(1,461)</b>	<b>566,674</b>	<b>95,048</b>
<b>Fund balances at 1 April 2023</b>		<b>207,743</b>	<b>7,367,238</b>	<b>238,782</b>	<b>7,813,763</b>	<b>7,718,715</b>
<b>Fund balances at 31 March 2024</b>		<b>246,574</b>	<b>7,896,542</b>	<b>237,321</b>	<b>8,380,437</b>	<b>7,813,763</b>

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

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The notes on pages 16 to 27 form part of the financial statements.

# THE MUSEUM OF EAST ASIAN ART

## BALANCE SHEET AT 31 MARCH 2024

		2024		2023	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		894,001		902,396
Investments at cost	14	6,481,106		5,960,564	
Investments at value		<u>525,614</u>		<u>517,409</u>	
			<u>7,006,720</u>		<u>6,477,973</u>
			7,900,721		7,380,369
<b>Current assets</b>					
Stocks	15	11,830		12,500	
Debtors	16	48,685		60,093	
Cash at bank and in hand	17	<u>477,016</u>		<u>408,455</u>	
		537,531		481,048	
<b>Creditors: amount falling due within one year</b>	18	<u>(57,815)</u>		<u>(47,654)</u>	
Net current assets			<u>479,716</u>		<u>433,394</u>
<b>Total assets less current liabilities</b>			<u>8,380,437</u>		<u>7,813,763</u>
<b>Income funds</b>					
Restricted funds	19		237,321		238,782
Endowment funds	20		7,896,542		7,367,238
Unrestricted funds			<u>246,574</u>		<u>207,743</u>
			<u>8,380,437</u>		<u>7,813,763</u>

The financial statements have been prepared in accordance with section 415A of the Companies Act 2006 relating to small companies and FRS 102 Section 1A.

The financial statements were approved and authorised for issue by the board of Directors on 30<sup>th</sup> September 2024 and signed on their behalf by:

A Shepherd  
Director



A Griffiths  
Director



Company Registration No. 02499752

The notes on pages 16 to 27 form part of the financial statements.

# THE MUSEUM OF EAST ASIAN ART

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Restricted/ Unrestricted Funds £	EEF £	PEF £	Notes	2024 £	2023 £
Net Incomings and (Outgoings) from Activities	37,370	8,205	521,099		566,674	95,048
Add: Non-cash item Depreciation	8,395	-	-		8,395	11,332
Less: Donations	-	-	(520,000)		(520,000)	
Dividends	(356,206)	-	-		(356,206)	(349,184)
Adjustment re gains and other non-cash items	557	(8,205)	(1,099)		(8,747)	(59,351)
Cash used prior to capital injection, investment and other activities	(309,884)	-	-		(309,884)	(302,155)
Capital injection: Legacy, donation and transfer	-	-	525,967		525,967	6,485
Cash generated from investment activity:						
Dividends	356,206	-	-		356,206	349,184
Sale of investments	-	26,561	1,148,881		1,175,442	453,534
Purchased investments	-	(55,406)	(1,786,100)		(1,841,506)	(328,006)
Fees and outgoings	-	-	(27,966)		(27,966)	(28,435)
Total	356,206	(28,845)	(665,185)		(337,824)	446,277
Application of cash in operational activities						
Decrease/(Increase) in Stock	670			15	670	(256)
Decrease/(Increase) in Debtors	11,408			16	11,408	(8,472)
Increase/(Decrease) in Creditors	10,161			18	10,161	(7,420)
Total	22,239	-	-		22,239	(16,148)
Net (decrease)/increase in cash	68,561	(28,845)	(139,218)		(99,502)	134,459
Cash at 1 <sup>st</sup> April	408,455	52,880	172,679		634,014	499,555
Cash at 31 <sup>st</sup> March	477,016	24,035	33,461		534,512	634,014

The notes on pages 16 to 27 form part of the financial statements.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### Accounting policies

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#### 1. Accounting policies

##### **Charity information**

The Museum of East Asian Art is a private company limited by guarantee incorporated in England and Wales. The registered office is 12 Bennett Street, BATH, BA1 2QJ.

##### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, 'Charities SORP (FRS 102) - 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) second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### **True and fair override**

The directors of the company and the trustees of the PEF have determined that it is appropriate to depart from the United Kingdom General Accepted Accounting Practice of carrying fixed asset investments at market value because the majority of the investments held by the charity form part of the Permanent Endowment Fund, only the income of which can be used for the purposes of the charity. The directors of the company and the trustees of the PEF therefore view carrying the investments of the PEF at market value as being misleading since the assets cannot be realised at the value stated for use by the charity and it misrepresents the net wealth of the charity. Investments in the PEF are instead being held at cost. Note 15 of the accounts contains disclosure of the value at which investments in the PEF would be carried if they were stated at market value. The directors have therefore decided to adopt a true and fair override and accept the consequent qualified audit opinion.

##### **Investments at valuation**

The directors of the company have decided that the investments of the EEF should be reported at market value since they are available for use by the charity.

##### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The board of directors is confident that future reserves and future income are more than sufficient to meet current commitments. There are no material uncertainties that impact this assessment.

##### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the directors in furtherance of the charitable objectives unless the funds have been designated for other purposes.

The Permanent Endowment Fund represents those assets which must be held permanently by the charity. Income arising on the Permanent Endowment Fund can be used in accordance with the objects of the charity and is included as unrestricted income. The Emergency Endowment Fund investments are those held by the charity where the directors have discretion to convert funds into income.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### Accounting policies

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Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure, which meets these criteria, is charged to the funds, together with a fair allocation of management and support costs. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Incoming resources

Income is recognised when the charity 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.

Grant income is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless it related to a specific future period or event, in which case it is deferred.

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.

Investment income is recognised when notice has been given of receipt by the investment manager.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

#### 1.5 Resources expended

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those incurred directly in support of expenditure on the objects of the charity. Management and administration costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### Accounting policies

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Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Freehold buildings - no depreciation is provided on the grounds the asset has a very long useful life, a high residual value, is subject to a programme of maintenance and accordingly, annual depreciation would not be material. Freehold land is not depreciated
Assets under construction	Depreciation was provided on the non-structural elements at rates varying between 10% and 20% of cost until such items were fully depreciated.
Fixtures and fittings	Between 2% and 20% per annum of cost
Library	Not depreciated

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Heritage assets

The charity has taken advantage of 18.14 of the Charities SORP (FRS 102) and not recognised heritage assets at valuation. The museum's collection is predominately made up of donations of long held assets of donors. The assets are excluded from the balance sheet as significant costs would be involved in the reconstruction of past accounting records and valuations, which are onerous compared with the additional benefit derived by users of the accounts.

#### 1.8 Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment at the balance sheet date. The SOFA includes the net realised gains and losses arising on disposals throughout the year.

#### 1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises the cost of direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.11 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.

#### 1.12 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

#### Accounting policies

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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 charity's contractual obligations expire or are discharged or cancelled.

#### **1.13 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## **2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the directors 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.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

<b>3 Donations and legacies</b>	<b>Unrestricted funds</b>	<b>Endowment funds designated</b>	<b>Restricted funds</b>	<b>Total 2024</b>	<b>Total 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and gifts	1,695	-	5,361	7,056	3,968
Legacies	-	520,000	-	520,000	474
	<u>1,695</u>	<u>520,000</u>	<u>5,361</u>	<u>527,056</u>	<u>4,442</u>
For the year ended 31 March 2023	<u>454</u>	<u>474</u>	<u>3,514</u>		<u>4,442</u>
 <b>4 Charitable activities</b>				<b>2024</b>	<b>2023</b>
				<b>£</b>	<b>£</b>
Admission Charges				11,338	9,286
Events				1,728	1,083
Education				95	345
Membership subscriptions				1,620	1,422
				<u>14,781</u>	<u>12,136</u>
 <b>5 Other trading activities</b>				<b>2024</b>	<b>2023</b>
				<b>£</b>	<b>£</b>
Shop income				36,676	28,772
Image copyright sales				232	186
Other income				1,519	817
Other trading activities				<u>38,427</u>	<u>29,775</u>
 <b>6 Investments</b>				<b>2024</b>	<b>2023</b>
				<b>£</b>	<b>£</b>
Income from listed investments				338,857	343,670
Interest receivable				17,349	5,514
				<u>356,206</u>	<u>349,184</u>

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 7 Raising funds

	Unrestricted funds	Endowment funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£	£
<u>Fundraising and Publicity</u>					
Staff costs	1,766	-	-	1,766	1,077
<u>Trading costs</u>					
Other trading activities	20,567	-	-	20,567	15,939
Staff costs	17,021	-	-	17,021	15,460
	37,588	-	-	37,588	31,399
<u>Investment management</u>					
	1,432	23,489	-	24,921	24,701
	40,786	23,489	-	64,275	57,177
<b>For the year ended 31 March 2023</b>					
Fundraising and publicity	1,077	-	-		1,077
Trading costs	31,326	-	73		31,399
Investment management	1,435	23,266	-		24,701
	33,838	23,266	73		57,177

### 8 Charitable activities

	2024	2023
	£	£
Staff costs	219,166	211,003
Depreciation	8,395	11,332
Advertising and PR	3,979	3,661
Collection care	21,554	5,094
Property costs	26,786	30,443
Travel and expenses	4,339	1,266
Legal and professional	1,345	1,967
Subscriptions	533	409
Training and consultancy	1,940	16,191
Office costs	14,683	13,138
Bank charges	83	66
Education	4,135	1,182
Exhibition	8,696	7,219
Artefact insurance and storage	18,200	17,516
	333,834	320,487
Share of governance costs (see note 9)	4,480	4,360
	338,314	324,847

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 9 Support costs

	Support Costs	Governance Costs	2024	2023	Basis of allocation
	£	£	£	£	
Audit fees	-	4,480	4,480	4,360	
Analysed between Charitable activities	-	4,480	4,480	4,360	Governance

### 10 Directors

During the year, no director received any remuneration (2023: £Nil). No member of the Board of Trustees received reimbursement of expenses (2023: £Nil).

### 11 Employees

#### Number of employees

	2024 Number	2023 Number
Curatorial	1	-
Visitor Services	2	2
Administration	3	3
Education	1	1
Security	1	1
	<u>8</u>	<u>7</u>

#### Employment costs

	2024 £	2023 £
Wages and salaries	200,217	183,773
Social security costs	12,483	11,360
Other pension costs	9,711	8,247
	<u>222,411</u>	<u>203,380</u>

No employee received employee benefits of more than £60,000 (2023: £Nil).

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 12 Net gains/(losses) on investments

		2024 £	2023 £
Gain/(loss) on sale of investments	PEF	24,588	116,826
	EEF	(4,238)	11,984
Unrealised gains/(losses)	EEF	12,443	(47,275)
		<u>32,793</u>	<u>81,535</u>

### 13 Tangible fixed assets

	Freehold land and buildings £	Assets under construction £	Fixtures and fittings £	Library £	Total £
<b>Cost</b>					
At 1 April 2023	224,239	668,638	568,462	51,250	1,512,589
Acquisitions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2024	<u>224,239</u>	<u>668,638</u>	<u>568,462</u>	<u>51,250</u>	<u>1,512,589</u>
<b>Depreciation and impairment</b>					
At 1 April 2023	-	55,866	554,327	-	610,193
Disposals	-	-	-	-	-
Depreciation charged in the year	-	-	8,395	-	8,395
At 31 March 2024	<u>-</u>	<u>55,866</u>	<u>562,722</u>	<u>-</u>	<u>618,588</u>
<b>Carrying amount</b>					
At 31 March 2024	<u>224,239</u>	<u>612,772</u>	<u>5,740</u>	<u>51,250</u>	<u>894,001</u>
At 31 March 2023	<u>224,239</u>	<u>612,772</u>	<u>14,135</u>	<u>51,250</u>	<u>902,396</u>

Not included in the above is the Museum's collection of artefacts. The collection, due to its nature, is of most value in terms of its cultural significance and as such no reliable monetary value can be placed upon it.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 14 Fixed asset investments

	Listed investments	Cash in portfolio	Total
	£	£	£
<b>Permanent Endowment Fund at cost</b>			
At 1 April 2023	5,787,885	172,679	5,960,564
Incoming resources	-	525,967	525,967
Additions	1,784,053	(1,786,100)	(2,047)
Sales proceeds	(1,148,881)	1,148,881	-
Gains/ (Losses)	24,588	-	24,588
Fees and outgoings	-	(27,966)	(27,966)
At 31 March 2024	6,447,645	33,461	6,481,106
At 31 March 2023	5,787,885	172,679	5,960,564
<b>Emergency Endowment Fund at market value</b>			
At 1 April 2023	464,529	52,880	517,409
Incoming resources	-	1,043	1,043
Additions	55,799	(55,406)	393
Sales proceeds	(26,561)	26,561	-
Realised Gains/ (Losses)	(4,631)	-	(4,631)
Fees and outgoings	-	(1,043)	(1,043)
Unrealised gains/ (Losses)	12,443	-	12,443
At 31 March 2024	501,579	24,035	525,614
At 31 March 2023	464,529	52,880	517,409

Incoming resources of the Permanent Endowment Fund comprise a further legacy payment from the Johanna Austin Estate, a legacy from the founder of the Museum Brian McElney, and reimbursement of the VAT element of PEF management fees.

Fixed asset investments for the Permanent Endowment Fund are carried at cost rather than market value. The reasons for this treatment are disclosed in note 1 of the financial statements.

The market value of the Permanent Endowment Fund investments at 31 March 2024 was £8,204,910 (2023: £7,280,212)

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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### 15 Stocks

	2024	2023
	£	£
Finished goods and goods for resale	11,830	12,662
Less: Provision for obsolete stock	-	(162)
	<u>11,830</u>	<u>12,500</u>

### 16 Debtors

	2024	2023
	£	£
<b>Amount falling due within one year:</b>		
Other debtors	24,901	36,392
Prepayments and accrued income	23,784	23,701
	<u>48,685</u>	<u>60,093</u>

### 17 Cash at Bank and In Hand

	2024	2023
	£	£
Balance at Bank	32,016	108,455
Balance with CCLA on COIF deposit	445,000	300,000
	<u>477,016</u>	<u>408,455</u>

### 18 Creditors

	2024	2023
	£	£
<b>Amount falling due within one year:</b>		
Trade creditors	25,430	26,030
Accruals and deferred income	32,385	21,624
	<u>57,815</u>	<u>47,654</u>

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2023	Incoming Resources	Resources Expended	Transfers	Balance at 31 March 2024
	£	£	£	£	£
MEAA Metalware conservation project	24,353	-	-	-	24,353
The Reimagining Project fund	205,786	821	(95)	-	206,512
L.G Harris Trust Security Enhancements	2,671	-	(1,949)	-	722
L.G Harris Trust Photography of collection	3,800	-	-	-	3,800
AIM Brighter Day Grant Environmental Monitoring and Improvements	2,172	543	(2,715)	-	-
Art Fund Jonathan Ruffer Curatorial Grants Programme	-	970	(970)	-	-
Museum Founder Brain McElney Memorial fund	-	1,934	-	-	1,934
B&NES Heritage services Improving Audience Engagement	-	1,093	(1,093)	-	-
	<u>238,782</u>	<u>5,361</u>	<u>(6,822)</u>	<u>-</u>	<u>237,321</u>

#### Incoming funds

The Reimagining Project fund for the redevelopment of whole Museum.

AIM Brighter Day Grant for Environmental Monitoring and Improvements project for collection care.

Art Fund Jonathan Ruffer Curatorial Grants Programme for the freelance Curatorial Consultant to develop two temporary exhibitions at the Museum.

Brian McElney Memorial fund for the donations received in memory of the Museum's founder Mr Brian McElney, OBE

B&NES Heritage Services to help improve Museum's volunteers' digital engagement

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 20 Endowment funds

The Endowment funds, which are material to the charity's activities, are made up as follows:

	Movement in funds					Balance at 31 March 2024 £
	Balance at 1 April 2023 £	Incoming Resources £	Resources Expended £	Transfers £	Revaluations gains/losses £	
	£	£	£	£	£	
Permanent Endowment fund	5,955,856	520,000	(23,489)	-	24,588	6,476,955
Gift from Franklin Tsu's Estate	884,620	-	-	-	-	884,620
Special capital reserve	9,352	-	-	-	-	9,352
Emergency Endowment fund	517,410	-	-	-	8,205	525,615
	<u>7,367,238</u>	<u>520,000</u>	<u>(23,489)</u>	<u>-</u>	<u>32,793</u>	<u>7,896,542</u>

Incoming Resources of the Permanent Endowment Fund of £520,000 comprise £40,000 being a further legacy payment from the Johanna Austin Estate and a legacy of £480,000 from the founder of the Museum Mr Brian McElney.

The Permanent Endowment Fund exists as a separate charity. The capital of this fund is invested and only the income is available to pay towards the running expenses of the Museum. The investments are managed by a sub-committee of three of the Museum's Management Committee in conjunction with Brewin Dolphin the investment advisers. Copies of the quarterly statement showing the contributions to the Permanent Endowment Fund and the investments held by it are circulated quarterly to the sub-committee. The Charity Commission has confirmed that the accounts of the Permanent Endowment Fund can form part of the accounts so long as the funds are kept separate.

### 21 Analysis of net assets between funds

	General funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2024 are represented by:				
Tangible assets	5,740	-	888,261	894,001
Investments	-	-	7,006,720	7,006,720
Current assets/(liabilities)	<u>240,834</u>	<u>237,321</u>	<u>1,561</u>	<u>479,716</u>
	<u>246,574</u>	<u>237,321</u>	<u>7,896,542</u>	<u>8,380,437</u>

The Restricted Funds balance consists entirely of current assets/liabilities. The Unrestricted Funds of £246,574 consist of fixed assets of £5,740 and net current assets of £240,834.

### 22 Related party transactions

#### Transactions with related parties

During the year the charity entered into no transactions with related parties.

**THE MUSEUM OF EAST ASIAN ART**

England & Wales - Charity number 328725

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# Accounts

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**Charity Registration No. 328725**

**Company Registration No. 02499752 (England and Wales)**

**THE MUSEUM OF EAST ASIAN ART**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# THE MUSEUM OF EAST ASIAN ART

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## LEGAL AND ADMINISTRATIVE INFORMATION

<b>Directors</b>	C Gore A Shepherd A Griffiths S Balmer J Higgins Dr T Munford R Scott A.Perng
<b>Secretary</b>	A Shepherd
<b>Charity number</b>	328725
<b>Company number</b>	02499752
<b>Registered office</b>	12 Bennett Street Bath BA1 2QJ
<b>Auditor</b>	Ferguson Maidment & Co. 8 <sup>th</sup> Floor 167 Fleet Street London EC4A 2EA
<b>Bankers</b>	Lloyds Bank 47 Milsom Street Bath BA1 1DN
<b>Investment Managers</b>	Brewin Dolphin Ltd St James House St James Square Cheltenham GL50 3PR

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# THE MUSEUM OF EAST ASIAN ART

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# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2023

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The directors are pleased to present their report and the audited financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Museum's Memorandum and Articles of Association, the Companies Act 2006 and the provisions of the 'Charities SORP (FRS 102) - '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 (FRS102)' second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

#### Reference and Administrative Details

Legal and administrative details are shown at the front of the annual report, including a full list of the Directors who served the Museum during the period up until the date of the signing of this report.

#### Objectives and activities of the Museum

The aims of the Museum are to foster the knowledge and appreciation of East Asian Art. To this end it purchased and converted Circus Lodge at 12 Bennett Street, Bath (a listed building) into The Museum of East Asian Art, which opened its doors to the public on 3<sup>rd</sup> April 1993.

#### The objects of the Museum are:

- 1) The advancement of education of the public in the United Kingdom and elsewhere;
- 2) The advancement, promotion and development of and assistance with research and education of the public in the United Kingdom and elsewhere in the fields of fine art, history and archaeology and the publication of the useful results of such research;
- 3) Any other purpose or purposes which are charitable according to the laws of England and Wales.

#### Public benefit

The directors have carefully reviewed the activities of the Museum and its staff in the light of the Charities Act 2011 and the guidance thereon issued by the Charity Commission and are satisfied that they meet their duties with respect to Section 17 and the public benefit test, that is to say that they advance the knowledge and understanding of the history and culture of East Asia among children and the general public in Bath and they contribute to the knowledge of East Asian artefacts through the medium of the carefully preserved and occasionally enhanced collection.

The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the Museum should undertake.

#### Structure, governance and management

The Museum of East Asian Art is a company limited by guarantee with Memorandum and Articles of Association and is a registered charity. There has been no change in policy since the last report. A Management Committee is elected by the members of the Company. The members of the Management Committee, who are the directors of the limited company, have the power under the articles to admit any applicant to membership of the Company and to appoint any such member to membership of the Management Committee but any person so appointed has to stand for re-election at the succeeding Annual General Meeting of the Company. In exercising such powers, the Management Committee considers carefully the balance of skills required by the board for the effective governance of the Museum and any shortfall in those skills when appointing a director. In addition, the board assesses the personal attributes and professional experience of the person concerned to make a contribution to the pursuit of the objects or the management of the charity. At the year end, the directors were the members of the Management Committee. Incoming members of the Management Committee are taken through the financial affairs of the Museum and given a copy of the Memorandum and Articles of Association and its forward plan.

The Management Committee appoints the staff and approves the annual budget, exhibitions and forward plan and takes any decisions necessary on capital expenditure or major financial matters. Thereafter, the Museum Manager, working with the staff, takes the decisions on the day to day running of the Museum and routine expenditure so long as that expenditure is covered by the annual budget and the limits of authority given to the Museum Manager.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### Opportunities for redevelopment

The aims of the Reimagining Project are to develop a Museum that is resilient and responsive to a changing environment by making the best use of the human and physical resources available while continuing to meet the overall aims, objectives and vision of the Museum.

The first phase of developing a more resilient and responsive Museum was delivered through the Workforce Resilience project led by the change management consultant Jane Ginnever between April and December 2022. It resulted in greater clarity over roles needed to further the aims of the Museum, more collaborative working and improved communication within the team.

Discussions have started over making phased improvements to how the space within the Museum is used. A number of successful, pilot, events were held on the ground floor demonstrating that holding activities close to the entrance to the Museum, rather than in the first or second floor galleries, creates a lively and engaging atmosphere drawing more people into the Museum. This reassessment of how the ground floor space could be used is in progress with the aim of achieving an improved visitor experience, enhanced retail product range and display and increased income. Grant funding for these changes is being considered.

#### Staff Changes

Following a number of unsuccessful attempts to recruit an in-house Curator, the Museum contracted a Curatorial Consultant in May 2022 to work two to three days a week, mainly remotely but at the Museum on an as-needs basis. The initial curatorial priorities included making improvements to digital asset management systems and object interpretation in the galleries, assessment and recommendations on accepting and accessioning donations and training for staff and volunteers on the collection.

With a PhD in History of Art & Archaeology from SOAS and a thesis on 'Collecting Chinese Art in Hong Kong from 1949 to 1997: Collectors, Museums and the Art Market', the Curatorial Consultant researched and provided content for the Museum's 30th anniversary exhibition that opened in June 2023 focusing on the Museum's founder, Brian McElney. He was one of the most knowledgeable and respected collectors in Hong Kong during the 1960s and '70s. The Consultant also researched archival material and produced a summary of the Museum's activities and engagement with audiences over the last 30 years.

In June 2022 two members of staff were recruited: the Membership & Volunteer Manager to replace a recently vacated post and the Retail, Ecommerce & Social Media Assistant (a new position) to support retail and social media and promote ecommerce, which had been set up as a way of generating income during the pandemic.

Shortly after these two appointments were made the Communications Manager went on a long-term leave of absence, eventually leaving employment with the Museum in March 2023. This led to a period of other members of staff adjusting their priorities and working patterns to fill the gap, with the Retail, Ecommerce & Social Media Assistant eventually taking on the role of Communications having demonstrated skills and experience in this area.

#### Achievements and performance

##### Exhibitions

##### 1. Judo: A Cultural History of Martial Art – Ground Floor Gallery

This partnership project with the University of Bath, which opened on 17 July 2021, was extended until 14 May 2022 to coincide with the end date of the Global Sino Photo Awards.

##### 2. Global Sino Photo Awards – First Floor Gallery

The 17 award winning photographs from this international competition were displayed at the Museum from February to May 2022. This visually attractive exhibition was successful in attracting new audiences, particularly younger people. Deinstallation of this, and the Judo exhibition, was followed by a period of closure for planning, with the Museum re-opening following the Platinum Jubilee Bank Holiday.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 3. Eastern Voices in the West Country – First Floor Gallery

The re-display of the 'Eastern Voices in the West Country' exhibition ran from early June until early July 2022 as a short 'filler' between other planned exhibitions. This oral history project was initiated by the Museum in 2014, and consists of exhibition panels and filmed interviews with Chinese immigrants to the local area. The exhibition and events programme attracted previous and new audiences, raising awareness of the important role the Museum can play in connecting with the growing Asian diaspora in the local area.

#### 4. Line & Texture: The Photography of Nancy Sheung - First Floor Gallery

This exhibition offered a rare opportunity to view the work by Hong Kong photographer, Nancy Sheung, and was only the second time that her work had been shown in the UK. It was curated by Dr Michael Pritchard, Director of Programmes at the Royal Photographic Society, Bristol. Again, the exhibition attracted new audiences into the Museum who might not have otherwise visited to see our collection. The exhibition ran from 6 July until 8 October 2022.

#### 5. Revolution, Propaganda, Art: Printmaking in Modern China – Ground Floor and First Floor Galleries

Planning for this partnership project with the Muban Educational Trust (MET) started in May 2022 with a selection of 70 Chinese woodblock prints made from the 200 originally included in their recent exhibition 'Lu Xun's Legacy' curated by Mary Ginsberg and held at the Brunei Gallery, SOAS.

The exhibition opened on 12 October with much of the existing interpretation being re-written from 'Lu Xun's Legacy' to reflect the different focus around the themes of Generations, New China, Portraits and Techniques. The exhibition was supported by a 'concertina' leaflet summarising the themes and, due to its popularity, was reprinted.

Both Mary Ginsberg and Haiyao Zheng from MET put forward names of those willing to give online and in-person talks on the subject of Chinese woodblock prints and a full programme of events was established running from October 2022 through to May 2023. The exhibition ended on 3 June 2023.

The planning and execution of this exhibition was very much a collaborative experience with the whole staff team involved being illustrative of one of the outcomes of the Workforce Resilience project. While evaluation of this exhibition is ongoing, it was one of the most visually attractive, popular, and well-attended exhibitions of recent years.

#### Audience Engagement

The number and range of exhibitions throughout the year provided the opportunity for the Museum to host a variety of events with a total of 406 people attending formal and informal talks and events online and in person at the Museum throughout the year.

The most substantial programme of events was planned around the 'Revolution, Propaganda, Art: Printmaking in Modern China' (RPA) exhibition with 8 online and in-house talks attended by 159 people online and 40 in person at the Museum.

Two online talks, held in support of the 'Line & Texture' exhibition, were attended by 19 people.

To further the Museum's vision of 'Connecting Cultures' a series of 14 Japanese Tea Ceremonies were held in the galleries throughout the summer and, in order to provide a meaningful experience, numbers were strictly limited. These events proved popular attracting 48 bookings, with 5 sessions fully booked.

Lunar New Year activities in January were particularly successful with drop-in workshops taking place on the ground floor over two consecutive Saturdays. Of the 98 visitors on both days over half took part in the workshops suggesting that they were very well received and added value to a visitor's experience. There were also family trails, adult object trails and redisplay in the galleries.

#### Digital Engagement

During this financial year 37,284 people visited the Museum's website, mostly through direct search. On the Museum's main social media accounts, there were 2,010 Instagram followers, 1800 Facebook followers and 1783 Twitter followers.

#### Learning Programme

School visits were not actively advertised during the year due to the reallocation of roles as a result of the extended staff absence. However, approaches were responded to and a number of bespoke experiences created.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2023

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The Museum has a long-running partnership with a local public school and in November 2022 the Learning Manager delivered a talk at the school on the collection and the Chinese woodblock print exhibition, with around 27 attendees including students, parents and school staff. This was followed in January 2023 with a visit by pupils to the Museum which included tours, activities and a trail around the city. A visit to the Museum by another local public school was arranged but unfortunately cancelled by the school at the last minute.

In August 2022, discussions took place with another long-running formal education partner, Bath College, on creating a temporary exhibition of garments made by students on the Applied Extended Diploma course in General Art & Design (Fashion & Textiles Pathway). In September, 25 students visited the Museum for a tour with the Learning Manager. This was followed by a number of visits to the College to talk about the collection and the Chinese woodblock print exhibition. Four of the students were selected to participate in an exhibition at the Museum of their garments, alongside the objects from the Museum's collection that had inspired them. This exhibition, called Connecting Threads, was aimed at the Museum's core audience as well as younger audiences, and is running from June to December 2023.

#### Volunteers

A review of how volunteers engage with the Museum revealed that many of the previously reported 63 volunteers had been inactive for years and a more realistic figure was around 30. The support provided by these volunteers is invaluable. Many volunteers are drawn from the locality and are attracted to working with the Museum through an interest in or knowledge of East Asian art and culture. Changes as a result of coming out of the pandemic showed that far fewer volunteers were interested in creating content remotely for the Museum's social media channels: in person activities were valued, including engaging with visitors in the galleries, supporting Front of House, and attending training and sharing sessions to increase knowledge of the collection. Over the year volunteers contributed 555 hours which, depending on the volunteer's knowledge and experience, equates to an economic contribution to the Museum of between £5,500 at £10 per hour to £13,750 at £25 per hour.

#### Friends of the Museum

There was a short gap in provision for the Friends programme at the beginning of the financial year as a result of recruiting a new member of staff to manage this area. Despite this, membership shows a slight overall increase from the previous year with 49 single, 22 double memberships, 1 family, and 5 lifetime memberships. A number of activities were held specifically for Friends, and benefits include free entrance to the Museum, a discount on any purchases in the shop and invitations to Private Views. The potential to develop the Friends programme is being considered and will be included in future planning.

#### Admissions

During the year the Museum was closed for 25 trading days necessitated by a combination of maintenance, forward planning, the installation/ deinstallation of exhibitions, Christmas holidays and stocktaking.

Despite this, admission numbers were up 20% on 2021-22 at 3,165, with income from admissions at £9,320, an increase of just over 15% from the previous year. The increase is likely due to the visitor market bouncing back post-pandemic, and the draw of the very popular exhibition 'Revolution, Propaganda, Art: Printmaking in Modern China'.

#### Retail and Ecommerce

Net retail sales have risen year on year to £29,200, an increase of nearly 7% from the previous year, which reflects a conscious effort to source and promote more exhibition-related merchandise. The Museum also benefited from 'opportunistic' sales associated with events such as the Mozartfest taking place in the Assembly Rooms opposite and a busy period in the run-up to Christmas. The Museum shop brings in many local people as a result of the high quality and diverse range of products on offer. It also attracts many passers-by to come into the Museum who may then become curious about seeing the collection.

Ecommerce generated very few sales and while the platform is refreshed seasonally, it acts more like a 'shop window' for products sold directly from the shop. Income for 2022-23 was £322, down £66 from the previous year.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2023

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#### Financial Review

The Museum's PEF investment funds were recorded at a cost of £5,960,564 (inclusive of dealing cash of £172,679) on 31 March 2023 at which date the EEF investment funds had a market value of £517,409 (inclusive of dealing cash of £52,880). The dividends and interest earned by the two Endowment Funds during the year amounted to £343,670. The composition of both Endowment Funds at the year-end is given in the notes to the financial statements attached.

The Museum received a grant of £1,055 from B&NES for improving audience engagement and was awarded a grant of £2,715 from the Association of Independent Museums (AIM) for collection care to improve environmental monitoring during the year.

During the year, the Museum received £287 in donations for the Reimagining Project and £188 in general donations with £207 being reclaimed through Gift Aid. In addition, the Museum received £59 in general donations through the donation box.

The Permanent Endowment Fund (PEF) was started in 1995 as a separate charity governed by a trust deed. The capital of the Fund is invested and only the income is available to be paid towards the running expenses of the Museum. The investments are managed by a sub-committee of four of the Museum's Management Committee, who form the trustees of the PEF, in conjunction with Brewin Dolphin, the investment advisers. Quarterly statements showing any contributions to the Fund and a summary of the performance of the Fund are provided to the Museum by Brewin Dolphin. The Charity Commission has confirmed that the accounts of the Permanent Endowment Fund can form part of the Museum's accounts, so long as the Funds thereof are kept separate and this requirement is adhered to. The directors noted that the Royal Bank of Canada was in the process of taking over Brewin Dolphin and are being kept informed by the executives of Brewin Dolphin with whom they deal of what impact, if any, the takeover will have on the contract and arrangements the Museum has with Brewin Dolphin.

During the year the executor of the Johanna Austin Estate prepared to send the Museum a further £44,000. This sum was received from the executor in April 2023 and will be dealt with in the Directors Report for the current year ending 31 March 2024. The first steps were taken during the year by the executor to recover funds of some US\$260,000 that were escheated by the State of South Carolina in 2018. The claim had been acknowledged by the office of the State Treasurer of South Carolina prior to 31 March 2023 and lawyers in South Carolina were appointed after that date.

The Emergency Endowment Fund (EEF) was set up in January 2014 by the Museum, which has to be kept separate from the existing PEF. Investment decisions are made by the appointed sub-committee, the members of which will normally be the four trustees of the PEF. Capital funds may only be withdrawn by the unanimous vote of the Management Committee.

At 31 March 2023 the trustees of the PEF, who also constitute the sub-committee overseeing the investment of the EEF, were Anthony Griffiths (Chair), Brian McElney, John Higgins and Mrs Anne Perng.

#### Investment powers

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the directors see fit. The policy adopted by the directors calls for 25% of all additional funds paid into the Permanent Endowment Fund to be invested in bonds and fixed interest stock when first invested. Beyond that requirement, the trustees of the PEF and EEF are delegated the authority to manage the investments and report to the Management Committee.

#### Reserves

It is the practice of the Museum that unrestricted funds, which have not been designated for a specific use, along with any confirmed available support funds, should normally be maintained at a level equivalent to between three and six months' expenditure. The directors consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Museum's current activities while consideration is given to ways in which additional funds may be raised. At 31<sup>st</sup> March 2023, the directors have taken into account the likely impact of rising rates of inflation in the coming 12 months to determine the level of reserves that the Museum should endeavour to have in hand. The directors are cognisant of the need to have sufficient reserves to meet future capital expenditure that they may wish or need to incur. In this regard, capital expenditure projections are made for two years in advance and reviewed annually.

The directors realise the redevelopment of the Museum, anticipated to require several years of planning then implementation, will involve expending substantial sums of money. It is their intention to apply for grants to fund the greater proportion of and possibly all this expenditure.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2023

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At present the Unrestricted Funds (£207,743) are represented by fixed assets of £14,135, the balance being current net assets of £193,608. It is the intention of the directors to continue to build up cash reserves representing a proportion of the Unrestricted Funds over a period of years from annual surpluses of Income. Surplus cash is invested through the EEF, in order to generate a greater amount of additional income for the charity. While the directors would prefer to retain the EEF (£517,409) for use on capital expenditure and major refurbishment or repairs of the building as required, they would draw on that Fund to meet operational outgoings should the need arise. This situation enables the directors to continue to build the general reserves gradually while being confident they hold adequate funds to meet operational outgoings of between three and six months'.

#### Going concern review

The directors have reviewed the impact of significant increase in inflation rates (occurring and projected) during 2023 and beyond together with changes in the Bank of England base rate as well as their anticipated continuing impact, particularly in the financial environment. They believe the Museum will be able to function satisfactorily during the current year to 31 March 2024. The level of income from investments increased during the year but the directors cannot be certain the same level of income will be received in the coming financial year. Income from admissions, retail sales, exhibitions and other events overall were higher in the year ended 31 March 2023 than in the prior year. The Museum is fortunate to have positive unrestricted reserves and, if required, can utilize the Emergency Endowment Fund, to the extent required. Therefore, the directors have concluded that the Museum is a going concern and will continue to be so for the foreseeable future.

#### Risk review

The risks faced by the charity are reviewed annually and procedures are taken to eliminate or minimise the risks involved by the implementation of effective internal control procedures, which ensure both appropriate authorisation of all transactions and projects and consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed for their continuing effectiveness.

#### The Directors

It is with the utmost sadness that the directors report the death of Mr Brian S. McElney, OBE on 26<sup>th</sup> April 2023. Mr McElney founded the Museum, presiding over its opening in April 1993 and donated to it from his personal collection many of the exhibits it currently possesses.

The directors also report with sadness the death of Mr Ian Hay Davison on 20 September 2022, who served as a director from 19<sup>th</sup> January 2009 until 9<sup>th</sup> September 2019.

The remaining directors who have served during the year and up to the date of signature of the financial statements are:

C Gore  
B Hutton (resigned 31<sup>st</sup> December 2022)  
A Shepherd  
A Griffiths  
S Balmer  
J Higgins  
Dr T Munford  
R Scott  
A Perng (appointed 6<sup>th</sup> March 2023)

None of the directors has any beneficial interest in the company. All the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### Auditor

Messrs Ferguson, Maidment & Co, are the company's auditor and have indicated their willingness to continue to act. They were reappointed at the Annual General Meeting.

### Disclosure of information to auditor

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, which has not been made available to the auditor. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This directors' annual report was approved on 4<sup>th</sup> September 2023 and signed on behalf of the board of directors by:



**A Shepherd**

Director

Dated:

# THE MUSEUM OF EAST ASIAN ART

## STATEMENT OF DIRECTOR'S RESPONSIBILITIES

### *FOR THE YEAR ENDED 31 MARCH 2023*

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#### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. The directors are required to prepare financial statements for each financial year 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 affairs of the charity and of its incoming resources and the application of resources of the charity for that period. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period.

In preparing these financial statements, the directors are required to:

- 1) Select suitable accounting policies and then apply them consistently;
- 2) Make judgments and estimates that are reasonable and prudent;
- 3) State whether applicable UK Accounting Standards have been followed, subject to any material departures being disclosed and explained in the financial statements, and
- 4) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping proper accounting records that 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 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In addition, the directors confirm that they are happy that the content of the annual review in pages 1 to 7 of this document meet the requirements of both the Trustees' Annual Report under charity law and the Directors' Report under company law. They also confirm that the financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

#### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no audit information of which the charity's auditors are unaware; and all directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

# THE MUSEUM OF EAST ASIAN ART

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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#### Qualified opinion

We have audited the financial statements of The Museum of East Asian Art (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities including income and expenditure account, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for qualified opinion

As disclosed in note 1 to the financial statements, investments in the Permanent Endowment Fund are being carried at cost rather than at market value, which practice, in our opinion, is not in accordance with United Kingdom Generally Accepted Accounting Practice. The carrying value of these investments at 31 March 2023 should be £7,280,212 based on the market value at that date. Accordingly, investments should be increased by £1,492,327 which will increase the value of the charity's endowment funds by the same amount.

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

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

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

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

We have nothing to report in this regard.

# THE MUSEUM OF EAST ASIAN ART

## INDEPENDENT AUDITOR'S REPORT (Continued)

### TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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#### Opinions on other matters prescribed by the Companies Act 2006

- the information given in the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

#### Responsibilities of Directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

The extent to which the audit was considered capable of detecting irregularities including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation.

# THE MUSEUM OF EAST ASIAN ART

## INDEPENDENT AUDITOR'S REPORT (Continued) TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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### Auditor's responsibilities for the audit of the financial statements (*continued*)

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur; by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- obtaining an understanding of the legal and regulatory framework applicable to the Charity and how the Charity is complying with that framework;
- obtaining an understanding of the charity's policies and procedures and how the entity has complied with these, through discussions and sample testing;
- obtaining an understanding of the charity's risk assessment process, including the risk of fraud; and
- designing our audit procedures to respond to our risk assessment;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

### Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Paul Manalo (Senior Statutory Auditor)**  
for and on behalf of Ferguson Maidment & Co.  
Chartered Accountants and Statutory Auditor

4<sup>th</sup> September 2023  
8<sup>th</sup> Floor  
167 Fleet Street  
London  
EC4A 2EA

# THE MUSEUM OF EAST ASIAN ART

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Endowment funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b><u>Income from:</u></b>						
Donations and legacies	3	454	474	3,514	4,442	118,063
Charitable activities	4	12,136	-	-	12,136	10,522
Other trading activities	5	29,775	-	-	29,775	28,670
Investments	6	349,184	-	-	349,184	310,328
Insurance claim proceeds		-	-	-	-	28,363
Government grant	7	-	-	-	-	18,918
<b>Total income</b>		<b>391,549</b>	<b>474</b>	<b>3,514</b>	<b>395,537</b>	<b>514,864</b>
<b><u>Expenditures on:</u></b>						
<b><u>Raising funds</u></b>						
Fundraising	8	1,077	-	-	1,077	2,078
Trading costs	8	31,326	-	73	31,399	29,861
Investment management	8	1,435	23,266	-	24,701	26,005
Insurance claim expenses	8	-	-	-	-	1,145
		<b>33,838</b>	<b>23,266</b>	<b>73</b>	<b>57,177</b>	<b>59,089</b>
Charitable activities	9	320,816	-	4,031	324,847	301,770
<b>Total resources expended</b>		<b>354,654</b>	<b>23,266</b>	<b>4,104</b>	<b>382,024</b>	<b>360,859</b>
Net gains/(losses) on investments	13	-	81,535	-	81,535	56,288
Net (outgoing)/incoming resources before transfers		36,895	58,743	(590)	95,048	210,293
Transfer		(834)	834	-	-	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>36,061</b>	<b>59,577</b>	<b>(590)</b>	<b>95,048</b>	<b>210,293</b>
<b>Fund balances at 1 April 2022</b>		<b>171,682</b>	<b>7,307,661</b>	<b>239,372</b>	<b>7,718,715</b>	<b>7,508,422</b>
<b>Fund balances at 31 March 2023</b>		<b>207,743</b>	<b>7,367,238</b>	<b>238,782</b>	<b>7,813,763</b>	<b>7,718,715</b>

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

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE MUSEUM OF EAST ASIAN ART

## BALANCE SHEET AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14		902,396		913,728
Investments at cost value	15	5,960,564		5,865,922	
		<u>517,409</u>		<u>552,700</u>	
			<u>6,477,973</u>		<u>6,418,622</u>
			7,380,369		7,332,350
<b>Current assets</b>					
Stocks	16	12,500		12,244	
Debtors	17	60,093		51,621	
Cash at bank and in hand		<u>408,455</u>		<u>377,574</u>	
		481,048		441,439	
<b>Creditors: amount falling due within one year</b>	18	<u>(47,654)</u>		<u>(55,074)</u>	
Net current assets			<u>433,394</u>		<u>386,365</u>
<b>Total assets less current liabilities</b>			<u>7,813,763</u>		<u>7,718,715</u>
<b>Income funds</b>					
Restricted funds	19		238,782		239,372
Endowment funds	20		7,367,238		7,307,661
Designated funds	21		-		-
Unrestricted funds			<u>207,743</u>		<u>171,682</u>
			<u>7,813,763</u>		<u>7,718,715</u>

The financial statements were approved and authorised for issue by the board of Directors on 4<sup>th</sup> September 2023 and signed on their behalf by:



A Shepherd  
Director



A Griffiths  
Director

Company Registration No. 02499752

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### Accounting policies

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#### 1. Accounting policies

##### Charity information

The Museum of East Asian Art is a private company limited by guarantee incorporated in England and Wales. The registered office is 12 Bennett Street, BATH, BA1 2QJ.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, 'Charities SORP (FRS 102) - 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) second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### True and fair override

The directors of the company and the trustees of the PEF have determined that it is appropriate to depart from the United Kingdom General Accepted Accounting Practice of carrying fixed asset investments at market value because the majority of the investments held by the charity form part of the Permanent Endowment Fund, only the income of which can be used for the purposes of the charity. The directors of the company and the trustees of the PEF therefore view carrying the investments of the PEF at market value as being misleading since the assets cannot be realised at the value stated for use by the charity and it misrepresents the net wealth of the charity. Investments in the PEF are instead being held at cost. Note 15 of the accounts contains disclosure of the value at which investments in the PEF would be carried if they were stated at market value. The directors have therefore decided to adopt a true and fair override and accept the consequent qualified audit opinion.

##### Investments at valuation

The directors of the company have decided that the investments of the EEF should be reported at market value since they are available for use by the charity.

##### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The board of directors is confident that future reserves and future income are more than sufficient to meet current commitments. There are no material uncertainties that impact this assessment and the ongoing COVID-19 pandemic has had no material impact on this assessment

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

The Permanent Endowment Fund represents those assets which must be held permanently by the charity. Income arising on the Permanent Endowment Fund can be used in accordance with the objects of the charity

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### Accounting policies

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and is included as unrestricted income. The Emergency Endowment Fund investments are those held by the charity where the directors have discretion to convert funds into income.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure, which meets these criteria, is charged to the funds, together with a fair allocation of management and support costs. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Incoming resources

Income is recognised when the charity 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.

Grant income is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless it related to a specific future period or event, in which case it is deferred.

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.

Investment income is recognised when notice has been given of receipt by the investment manager.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

#### 1.5 Resources expended

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those incurred directly in support of expenditure on the objects of the charity. Management and administration costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### Accounting policies

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Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Freehold buildings - no depreciation is provided on the grounds the asset has a very long useful life, a high residual value, is subject to a programme of maintenance and accordingly, annual depreciation would not be material. Freehold land is not depreciated
Fixtures and fittings	Between 2% and 20% per annum of cost
Library	Not depreciated

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Heritage assets

The charity has taken advantage of 18.14 of the Charities SORP (FRS 102) and not recognised heritage assets at valuation. The museum's collection is predominately made up of donations of long held assets of donors. The assets are excluded from the balance sheet as significant costs would be involved in the reconstruction of past accounting records and valuations, which are onerous compared with the additional benefit derived by users of the accounts.

#### 1.8 Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment at the balance sheet date. The SOFA includes the net realised gains and losses arising on disposals throughout the accounting period.

#### 1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.11 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.

#### 1.12 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity 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

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### Accounting policies

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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 charity's contractual obligations expire or are discharged or cancelled.

#### **1.13 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## **2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the directors 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.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 3 Donations and legacies

	Unrestricted funds	Endowment funds designated	Restricted funds	Total 2023	Total 2022
	£	£	£	£	£
Donations and gifts	454	-	3,514	3,968	13,593
Legacies	-	474	-	474	104,470
	<u>454</u>	<u>474</u>	<u>3,514</u>	<u>4,442</u>	<u>118,063</u>
For the year ended 31 March 2022	<u>398</u>	<u>104,470</u>	<u>13,195</u>		<u>118,063</u>

### 4 Charitable activities

	2023	2022
	£	£
Admission Charges	9,286	8,066
Events	1,083	882
Education	345	-
Membership subscriptions	1,422	1,574
	<u>12,136</u>	<u>10,522</u>

### 5 Other trading activities

	2023	2022
	£	£
Shop income	28,772	26,927
Image copyright sales	186	830
Other income	817	913
Other trading activities	<u>29,775</u>	<u>28,670</u>

### 6 Investments

	2023	2022
	£	£
Income from listed investments	343,670	310,197
Interest receivable	5,514	131
	<u>349,184</u>	<u>310,328</u>

### 7 Government grant income

	2023	2022
	£	£
Coronavirus Job Retention Scheme Grant	-	8,251
Coronavirus Government Business support	-	10,667
	<u>-</u>	<u>18,918</u>

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 8 Raising funds

	Unrestricted funds £	Endowment funds £	Restricted funds	Total 2023 £	Total 2022 £
<u>Fundraising and Publicity</u>					
Staff costs	1,077	-	-	1,077	2,078
<u>Trading costs</u>					
Other trading activities	15,866	-	73	15,939	16,957
Staff costs	15,460	-	-	15,460	12,904
	31,326	-	73	31,399	29,861
<u>Investment management</u>					
	1,435	23,266	-	24,701	26,005
<u>Insurance claim expenses</u>					
	-	-	-	-	1,145
	33,838	23,266	73	57,177	59,089
<b>For the year ended 31 March 2022</b>					
Fundraising and publicity	2,078	-			2,078
Trading costs	29,861	-			29,861
Investment management	1,511	24,494			26,005
Insurance claim expenses	1,145	-			1,145
	34,595	24,494			59,089

### 9 Charitable activities

	2023 £	2022 £
Staff costs	211,003	185,607
Depreciation	11,332	11,512
Advertising and PR	3,661	1,467
Collection care	5,094	3,136
Property costs	30,443	40,736
Travel and expenses	1,266	1,192
Legal and professional	1,967	1,216
Subscriptions	409	505
Training and consultancy	16,191	11,714
Office costs	13,138	14,662
Bank charges	66	143
Education	1,182	1,543
Exhibition	7,219	4,938
Artefact insurance and storage	17,516	19,594
	320,487	297,965
Share of governance costs (see note 10)	4,360	3,805
	324,847	301,770

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 10 Support costs

	Support Costs	Governance Costs	2023	2022	Basis of allocation
	£	£	£	£	
Audit fees	-	4,360	4,360	3,805	Governance
	-	4,360	4,360	3,805	
Analysed between Charitable activities	-	4,360	4,360	-	

### 11 Directors

None of the directors (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 12 Employees

#### Number of employees

	2023 Number	2022 Number
Curator	-	1
Visitor Services	2	1
Administration	3	4
Education	1	1
Security	1	1
	<u>7</u>	<u>8</u>

#### Employment costs

	2023 £	2022 £
Wages and salaries	183,773	180,865
Social security costs	11,360	11,230
Other pension costs	8,247	8,494
	<u>203,380</u>	<u>200,589</u>

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

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 13 Net gains/(losses) on investments

		2023 £	2022 £
Gain/(loss) on sale of investments	PEF	116,826	17,685
	EEF	11,984	(1,068)
Unrealised gains/(losses)	EEF	(47,275)	39,671
		<u>81,535</u>	<u>56,288</u>

### 14 Tangible fixed assets

	Freehold land and buildings £	Assets under construction £	Fixtures and fittings £	Library £	Total £
<b>Cost</b>					
At 1 April 2022	224,239	668,638	568,462	51,250	1,512,589
Acquisitions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 March 2023	<u>224,239</u>	<u>668,638</u>	<u>568,462</u>	<u>51,250</u>	<u>1,512,589</u>
<b>Depreciation and impairment</b>					
At 1 April 2022	-	55,866	542,995	-	598,861
Disposals	-	-	-	-	-
Depreciation charged in the year	-	-	11,332	-	11,332
At 31 March 2023	<u>-</u>	<u>55,866</u>	<u>554,327</u>	<u>-</u>	<u>610,193</u>
<b>Carrying amount</b>					
At 31 March 2023	<u>224,239</u>	<u>612,772</u>	<u>14,135</u>	<u>51,250</u>	<u>902,396</u>
At 31 March 2022	<u>224,239</u>	<u>612,772</u>	<u>25,467</u>	<u>51,250</u>	<u>913,728</u>

Not included in the above is the Museum's collection of artefacts. The collection, due to its nature, is of most value in terms of its cultural significance and as such no reliable monetary value can be placed upon it.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 15 Fixed asset investments

	Listed investments	Cash in portfolio	Total
	£	£	£
<b>Permanent Endowment Fund at cost</b>			
At 1 April 2022	5,765,283	100,639	5,865,922
Incoming resources	-	6,485	6,485
Additions	301,986	(301,986)	-
Sales proceeds	(395,976)	395,976	-
Gains/ (Losses)	116,826		116,826
Fees and outgoing	(234)	(28,435)	(28,669)
At 31 March 2023	<u>5,787,885</u>	<u>172,679</u>	<u>5,960,564</u>
At 31 March 2022	<u>5,765,283</u>	<u>100,639</u>	<u>5,865,922</u>
<b>Emergency Endowment Fund at market value</b>			
At 1 April 2022	531,358	21,342	552,700
Incoming resources	-	-	-
Additions	26,020	(26,020)	-
Sales proceeds	(57,558)	57,558	-
Realised Gains/ (Losses)	11,984	-	11,984
Fees and outgoing	-	-	-
Unrealised gains/ (Losses)	(47,275)		(47,275)
At 31 March 2023	<u>464,529</u>	<u>52,880</u>	<u>517,409</u>
At 31 March 2022	<u>531,358</u>	<u>21,342</u>	<u>552,700</u>

Incoming resources of the Permanent Endowment Fund comprise a further legacy payment from the Johanna Austin Estate, the funds arising from the correction of a misallocation to Unrestricted Funds in previous years and reimbursement of the VAT element of PEF management fees.

Fixed asset investments for the Permanent Endowment Fund are carried at cost rather than market value. The reasons for this treatment are disclosed in note 1 of the financial statements.

The market value of the Permanent Endowment Fund investments at 31 March 2023 was £7,280,212 (2022: £7,870,624)

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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### 16 Stocks

	2023 £	2022 £
Finished goods and goods for resale	12,662	12,406
Less: Provision for obsolete stock	(162)	(162)
	<u>12,500</u>	<u>12,244</u>

### 17 Debtors

	2023 £	2022 £
<b>Amount falling due within one year:</b>		
Other debtors	36,392	27,508
Prepayments and accrued income	23,701	24,113
	<u>60,093</u>	<u>51,621</u>

### 18 Creditors

	2023 £	2022 £
<b>Amount falling due within one year:</b>		
Other taxation and social security	-	5,067
Trade creditors	26,030	25,775
Accruals and deferred income	21,624	24,232
	<u>47,654</u>	<u>55,074</u>

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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### 19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2022	Incoming Resources	Resources Expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£
MEAA Metalware conservation project	24,353		-	-	24,353
MEAA Emergency Appeal	10,158	201	-	(10,359)	-
The Reimaging Project fund	195,476	86	(135)	10,359	205,786
L.G Harris Trust Security Enhancements	5,269	-	(2,598)	-	2,671
L.G Harris Trust Photography of collection	3,800	-	-	-	3,800
Medlock Charitable Trust Flexible display space at Museum galleries	316	-	(316)	-	-
B&NES Heritage services Improving Audience Engagement	-	1,055	(1,055)	-	-
AIM Brighter Day Grant Environmental Monitoring and Improvements	-	2,172	-	-	2,172
			-		-
	239,372	3,514	(4,104)	-	238,782

#### Incoming funds

MEAA Emergency Appeal – Fundraising appeal after the burglary in April 2018 for the redevelopment of the museum, which was merged with the Reimagining Project fund for the redevelopment of whole Museum.

B&NES Heritage Services for Improving Audience Engagement

AIM Brighter Day Grant for collection care – Environmental Monitoring and Improvements project.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 20 Endowment funds

The Endowment funds, which are material to the charity's activities, are made up as follows:

	Movement in funds					Balance at 31 March 2023 £
	Balance at 1 April 2022 £	Incoming Resources £	Resources Expended £	Transfers £	Revaluations gains/losses £	
	£	£	£	£	£	
Permanent Endowment fund	5,860,988	1,308	(23,266)	-	116,826	5,955,856
Gift from Franklin Tusu's Estate	884,620	-	-	-	-	884,620
Special capital reserve	9,352	-	-	-	-	9,352
Emergency Endowment fund	552,701	-	-	-	(35,291)	517,410
	<u>7,307,661</u>	<u>1,308</u>	<u>(23,266)</u>	<u>-</u>	<u>81,535</u>	<u>7,367,238</u>

Incoming Resources of the Permanent Endowment Fund of £1,308 comprise £474, being a further legacy payment from the Johanna Austin Estate and the funds arising from the correction of a misallocation of £834 to Unrestricted Funds in previous years.

The Permanent Endowment Fund exists as a separate charity. The capital of this fund is invested and only the income is available to pay towards the running expenses of the Museum. The investments are managed by a sub-committee of four of the Museum's Management Committee in conjunction with Brewin Dolphin the investment advisers. Copies of the quarterly statement showing the contributions to the Permanent Endowment Fund and the investments held by it are circulated quarterly to the sub-committee. The Charity Commission has confirmed that the accounts of the Permanent Endowment Fund can form part of the accounts so long as the funds are kept separate.

#### 21 Analysis of net assets between funds

	General funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2023 are represented by:				
Tangible assets	14,135		888,261	902,396
Investments	-		6,477,973	6,477,973
Current assets/(liabilities)	<u>193,608</u>	<u>238,782</u>	<u>1,004</u>	<u>433,394</u>
	<u>207,743</u>	<u>238,782</u>	<u>7,367,238</u>	<u>7,813,763</u>

The Restricted Funds balance consists entirely of current assets/liabilities. The Unrestricted Funds of £207,743 consist of fixed assets of £14,135 and net current assets of £193,608.

#### 22 Related party transactions

##### Transactions with related parties

During the year the charity entered into no transactions with related parties.

**THE MUSEUM OF EAST ASIAN ART**

England & Wales - Charity number 328725

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# Accounts

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**Charity Registration No. 328725**

**Company Registration No. 02499752 (England and Wales)**

**THE MUSEUM OF EAST ASIAN ART**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# THE MUSEUM OF EAST ASIAN ART

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## LEGAL AND ADMINISTRATIVE INFORMATION

<b>Directors</b>	B McElney C Gore B Hutton A Shepherd A Griffiths S Balmer J Higgins Dr T Munford R Scott
<b>Secretary</b>	B Hutton
<b>Charity number</b>	328725
<b>Company number</b>	02499752
<b>Registered office</b>	12 Bennett Street Bath BA1 2QJ
<b>Auditor</b>	Ferguson Maidment & Co. 8 <sup>th</sup> Floor 167 Fleet Street London EC4A 2EA
<b>Bankers</b>	Lloyds Bank 47 Milsom Street Bath BA1 1DN
<b>Investment Managers</b>	Brewin Dolphin Ltd St James House St James Square Cheltenham GL50 3PR

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# THE MUSEUM OF EAST ASIAN ART

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# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 MARCH 2022**

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The directors are pleased to present their report and the audited financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and the provisions of the 'Charities SORP (FRS 102) - '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 (FRS102)' second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### Reference and Administrative Details

Legal and administrative details are shown at the front of the annual report, including a full list of the Trustees who served the Charity during the period up until the date of the signing of this report.

### Objectives and activities of the charity

The aims of the charity are to foster the knowledge and appreciation of East Asian Art. To this end it purchased and converted Circus Lodge at 12 Bennett Street, Bath (a listed building) into The Museum of East Asian Art, which opened its doors to the public on 3<sup>rd</sup> April 1993. The charity has since run the Museum and all its activities.

### The objects of the charity are:

- 1) The advancement of education of the public in the United Kingdom and elsewhere;
- 2) The advancement, promotion and development of and assistance with research and education of the public in the United Kingdom and elsewhere in the fields of fine art, history and archaeology and the publication of the useful results of such research;
- 3) Any other purpose or purposes which are charitable according to the laws of England and Wales.

### Public benefit

The directors have carefully reviewed the activities of the Museum and its staff in the light of the Charities Act 2011 and the guidance thereon issued by the Charity Commission and are satisfied that they meet their duties with respect to Section 17 and the public benefit test, that is to say that they advance the knowledge and understanding of the history and culture of East Asia among children and the general public in Bath and they contribute to the knowledge of East Asian artefacts through the medium of the carefully preserved and occasionally enhanced collection.

The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

### Structure, governance and management

The Museum of East Asian Art is a company limited by guarantee with Memorandum and Articles of Association and is a registered charity. There has been no change in policy since the last report. A Management Committee is elected by the members of the Company. The members of the Management Committee, who are the directors of the limited company, have the power under the articles to admit any applicant to membership of the Company and to appoint any such member to membership of the Management Committee but any person so appointed has to stand for re-election at the succeeding Annual General Meeting of the Company. In exercising such powers, the Management Committee considers carefully the balance of skills required by the board for the effective governance of the Museum and any shortfall in those skills when appointing a director. In addition, the board assesses the personal attributes and professional experience of the person concerned to make a contribution to the pursuit of the objects or the management of the charity. At the year end, the directors were the members of the Management Committee. Incoming members of the Management Committee are taken through the financial affairs of the Museum and given a copy of the Memorandum and Articles of Association and its forward plan.

The Management Committee appoints the staff and approves the annual budget, exhibitions and forward plan and takes any decisions necessary on capital expenditure or major financial matters. Thereafter, the Museum Manager, working with the staff, takes the decisions on the day to day running of the Museum and routine expenditure so long as that expenditure is covered by the annual budget and the limits of authority given to the Museum Manager.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### *FOR THE YEAR ENDED 31 MARCH 2022*

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#### **Finalisation of the impact of the 2018 Burglary**

During the year, the insurance claim was finalised and settled.

#### **Opportunities for redevelopment**

The impact of the lockdowns due to the Covid-19 pandemic, that disrupted progress on the redevelopment plans for the whole year to 31 March 2021, did delay progress on finalising the redevelopment plan during the year ended 31<sup>st</sup> March 2022. The small ad hoc group of directors and the Manager examined alternatives in broad detail and reported back to the Management Committee for information and review. The review was completed during the year and, as a first step, the draft Reimagining Project paper was adopted by the Management Committee in March 2022. At the same time, the Management Committee also appointed a consultant to lead a workforce resilience project that, on completion, should further equip the staff to take forward the Reimagining Project.

#### **Impact of Coronavirus Pandemic**

The Coronavirus pandemic continued to disrupt the Museum's operations. Having reopened fully on 19 May 2021, it was decided to change the opening of the Museum to four days per week (Wednesday to Saturday inclusive). The remaining restrictions in place were fully complied with and a system of pre-booked times was introduced. This was well used by visitors to the Museum but the system of also restricting numbers into the Museum inevitably reduced attendance figures. Walk-in visitors were accepted alongside pre-booked tickets if this did not exceed the maximum number in the Museum at any one time. While income from visitors, activities and events was lower than pre-pandemic, retail figures were significantly higher.

Between 31<sup>st</sup> December, 2021 and 31<sup>st</sup> March 2022, the Museum experienced activity similar to that of the last quarter 2019 – 2020. It was decided to use the charity stall at the Bath Christmas market for one day. Unfortunately, concerns about possible new restrictions due to Covid and its variants combined with poor weather, led to a large reduction in the number of visitors coming to Bath for the Christmas market resulting in few takings for the Museum. Nonetheless, useful experience was gained for future years should it be possible to use the charity stall again when visitor numbers have recovered.

In line with Government advice regarding the ending of furlough and related schemes, staff returned to a full time employment basis in October 2021. In recognition of their dedication, commitment and the team working plus consideration of what they had enabled the Museum to achieve during the year, a small ex-gratia payment was made to all staff at Christmas.

Several staff members and volunteers felt unsafe returning to the workplace initially in May 2021 and the return to working in the Museum took time to achieve. This situation led to a continuation of the Museum engaging with elements of its audiences via the further development of digital programmes. These were well received and work is in hand to develop a wider selection of such programmes.

It was with great sadness that the directors received the resignation of the Membership & Volunteer Co-ordinator, Holly Foskett-Barnes, to pursue other career interests effective 31<sup>st</sup> March 2022. They record here their great appreciation of her commitment, contribution, enthusiasm and her many skills as well as significant achievements that have been of considerable benefit to the Museum. The directors, staff and volunteers wish her very well in the next phase of her career.

The Manager led regular weekly team meetings with staff throughout the year, initially on Zoom, and, later, in person. The Membership & Volunteer Coordinator maintained contact with all volunteers holding supporting sharing sessions and keeping them informed of evolving plans. Further research and development took place throughout the year on the e-commerce facility to improve its appeal to existing and potential customers. Technical issues and its late entrance to its potential market have meant that the initial activity via the facility remains well below expectations and it will be some months, even years, before the hoped-for level of retail sales and revenue are achieved.

The Museum shop reopened in April 2021 and the whole Museum, finally, in May. Despite widespread concerns and uncertainty as regards the Government's immediate and longer term policies regarding Covid, the shop was well used by visitors to the Museum and some customers coming only to buy items. Special and alternating promotions of attractively presented wares proved popular. Consequently, the shop performed very well especially throughout the second half of the year.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### Appointment of new Curator

The new Curator appointed in March 2021 was located in Taiwan and unable initially to come to the UK due to Covid policy restrictions. She worked virtually, interfacing extensively with the Manager and joining team meetings. Her work was of a high quality and she was proactive in dealing with matters within her responsibility. Unfortunately, family considerations meant continuing deferment of the date when she would come to work in person in the Museum. Ultimately, it was accepted by both parties that she would be unable to come to the United Kingdom for months and possibly years. Consequently and reluctantly, the Museum gave notice to terminate her contract effective December 2021. The search for a suitable person to appoint as Curator commenced immediately with two highly qualified candidates being short listed in February 2022. After final interviews, one candidate, located in the USA, stood out clearly and was offered the position. The offer was in the process of being finalised in March 2022 when family factors led to the candidate having to withdraw acceptance. The search for a suitable appointee was commenced again.

#### Achievements and performance

##### Exhibitions

##### 1. China on a Plate (23 November 2019 – 14 March 2020)

This temporary exhibition at the Museum was launched in November 2019 and due to close in March 2020. However, with the closure of the Museum in March 2020 it remained in situ until desinstallation in July 2021 following the end of the third Covid 19 lockdown.

##### 2. Judo: A Cultural History of Martial Art

The installation of this temporary exhibition, which had been created pre-pandemic, eventually occurred shortly after the Museum reopened to the public and it opened on 17 July 2021. The exhibition was a partnership project with the University of Bath and featured material from the most significant judo archival collection in the UK. It covered three themes: the history of judo in the UK; women in judo; international judo, and extended beyond the end of the financial year. It was supported by a number of talks held live on Zoom, some of which were recorded for future audiences.

##### 3. Global Sino Photo Awards – First Floor Gallery

In May 2021 the Museum was approached by the founder of the Global Sino Photo Awards to explore exhibiting their second year of award-winning photos at the empty first floor gallery space during Lunar New Year 2022. The first exhibition had been held virtually as a result of the pandemic. The aim of this international competition is to 'strengthen the international understanding and appreciation of Chinese culture and heritage around the world and to celebrate its visual representation through photography'.

In order to display the photographs in the space the Museum applied for, and received, a small grant from a local Trust fund for free-standing display panels and a C-rail hanging system for the walls. The panels were received and assembled on 7<sup>th</sup> February and the exhibition of 17 photographs hung the following day. The exhibition proved to be very popular with new audiences – particularly younger people – and extended beyond the end of the financial year.

#### Audience Engagement

During 2021 two grants were received through the West of England Combined Authority (WECA): one to assist with building an online events portal platform in order to expand audience reach and the other to extend the Museum's online event shelf-life while also generating income. Through the first WECA project the Audience Engagement Team up-skilled in film editing and digital marketing, enabling content to be updated onto the platform in-house.

The second project focussed on the development of the events programme and a business plan was created to enable this to be delivered more sustainably in the future. A six-month rolling event programme model of smaller, regular events was created reducing time spent on management. A number of successful Japanese tea ceremony events were piloted with the aim of making these a regular offer to visitors, with further smaller events planned for 2022-23.

#### Events Programme

The public events programme was slow in getting back on track during this financial year, with the public hesitant to return to pre-Covid levels. Eight events were organised, with two in-person events in 2021 cancelled through lack of bookings. The

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2022

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remaining six events consisted of a four-part poetry course, a family event, and an in-person event held in March 2022. In total, 64 participants took part.

#### Digital Engagement

During this financial year 51,765 people visited the Museum's website, mostly through direct search. On the Museum's main social media accounts, there were 1,736 Instagram followers, 1,812 Facebook followers and 1,034 Twitter followers. The shop social media platform that is relatively new, has 39 Facebook followers and 182 Instagram followers.

#### Schools Programme

Although two school enquiries were received during this period, they were declined due to changes to the way space within the Museum is used as a result of the pandemic, and the inability to accommodate large school groups. There were no paid schools bookings during the financial year 2021-2022. In 2021 there was one booking by a local school, St Andrew's, for the use of free loan boxes, with 30 students engaged in this activity. As part of an ongoing partnership between the Museum and Prior Park schools, 50 students from the Paragon Primary School engaged with Museum resources.

#### Volunteers

At the end of this financial year the Museum had a team of 63 active volunteers, whose roles included creating content for the Museum's social media, engaging visitors in the galleries, supporting Front of House and attending training and sharing sessions, some of which were delivered via Zoom. Volunteers contributed 1,102 hours that is a significant increase on the previous year (2020-2021) when 480 hours were contributed. This increase is a direct result of the COVID-19 restrictions being lifted and in-person volunteer opportunities being available again at the Museum. The activities with the highest volunteer contributions were Gallery shifts (311 hours) and Social Media Content (170 hours).

#### Friends of the Museum

Friends of the Museum comprise 46 single, 23 double, 1 family, 1 concession and 3 life-time memberships. This is a decrease of six since the last financial year but in general figures have been relatively steady over the last five years or so.

#### Admissions and Retail

Retail started very slowly due to restrictions on non-essential trading in early April 2021, which quickly changed once the Museum fully opened in May. An online booking system was set up and introduced that was used by 47% of visitors for this financial year. During the year the Museum was closed for 13 trading days due to a combination of Government restrictions, Christmas holidays and stocktaking.

Admission numbers were down 23% on 2019-20 but income from admissions was only marginally affected, down 5%, due to the Museum removing free entry for Discovery Card holders and students in November 2019 and increasing admission charges overall.

#### Retail

As soon as the Museum reopened visitors were very keen to return, with queuing outside the Museum during May. Retail sales increased greatly, with record takings from May through to December. Visitors were excited to be back at the Museum enjoying their 'staycations' and spending. Net retail sales for 2021-22 at £27,369 showed an 18% increase on 2019-20. This was mainly due to increasing the number of Sale or Return suppliers that gave us a 225% increase in sales against the previous full trading year 2019-20.

#### E-commerce

Ecommerce was a new income-generating activity set up during the Museum's closure but was slow to take off with gross takings of only £388. Volunteers and staff helped build the project and a number of volunteers regularly engaged with social media to promote the website and shop.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### Financial Review

The Museum's PEF investment funds were recorded at a cost of £5,865,922 (inclusive of dealing cash of £100,639) on 31 March 2022 at which date the EEF investment funds had a market value of £552,700 (inclusive of dealing cash of £21,342). The dividends and interest earned by the two Endowment Funds during the year amounted to £310,197. The composition of both Endowment Funds at the year-end is given in the notes to the financial statements attached.

During the year ended 31 March 2022, the Museum received donations from visitors and the general public of £426 to its Emergency Appeal and was awarded then received a grant of £3,000 for flexible display panels for the galleries, and two grants from the West of England Combined Authority (WECA) for digital projects totalling £9,769.

During the year, the Museum received £354 in donations and £401 was reclaimed through Gift Aid. In addition, the Museum received £70 in general donations through the donation box.

The burglary claim that arose from the 2018 burglary was finalised and settled during the year. The directors have decided that the last of the remaining security upgrade work should be met from the insurance claim proceeds. The balance is insufficient to be used for the acquisition of pieces to replace those stolen – some were so unique they could not be replaced while for others, the price of doing so now would far exceed the funds the Museum has available. Accordingly, the directors decided during the year ended 31 March 2022 that the balance of the insurance claim money (after paying for the further security upgrades) should be put towards the achievement of the goals of the Reimagination Project that are expected to include upgrading all display cabinets since many of the existing cabinets were purchased when the Museum opened or soon thereafter and are technically obsolete.

The insurance claim of approximately £6,000 for loss of income during lockdowns in accordance with Government policy was rejected and, after careful consideration, the directors decided not to pursue the claim further.

The Permanent Endowment Fund (PEF) was started in 1995 as a separate charity governed by a trust deed. The capital of the Fund is invested and only the income is available to be paid towards the running expenses of the Museum. The investments are managed by a sub-committee of four of the Museum's Management Committee, who form the trustees of the PEF, in conjunction with Brewin Dolphin, the investment advisers. Quarterly statements showing any contributions to the Fund and a summary of the performance of the Fund are provided to the Museum by Brewin Dolphin. The Charity Commission has confirmed that the accounts of the Permanent Endowment Fund can form part of the Museum's accounts, so long as the Funds thereof are kept separate and this requirement is adhered to. The directors noted that the Royal Bank of Canada was in the process of taking over Brewin Dolphin and are being kept informed by the executives of Brewin Dolphin with whom they deal of what impact, if any, the takeover will have on the contract and arrangements the Museum has with Brewin Dolphin.

During the year, a further £100,000 was received from the executor of the Johanna Austin Estate that was invested in the PEF. Although the administration of the Estate has proved extremely complex, the Museum, as sole beneficiary, has received the bulk of money to be distributed. It is hoped the administration may be finalised by 31 March 2023.

The Emergency Endowment Fund (EEF) was set up in January 2014 by the Museum, which has to be kept separate from the existing PEF. Investment decisions are made by the appointed sub-committee, the members of which will normally be the four trustees of the PEF. Capital funds may only be withdrawn by the unanimous vote of the Management Committee.

At 31 March 2022 the trustees of the PEF, who also constitute the sub-committee overseeing the investment of the EEF, were Bethan Hutton (Chair), Anthony Griffiths, Brian McElney and John Higgins.

#### Investment powers

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the directors see fit. The policy adopted by the directors calls for 25% of all additional funds paid into the Permanent Endowment Fund to be invested in bonds and fixed interest stock when first invested. Beyond that requirement, the trustees of the PEF and EEF are delegated the authority to manage the investments and report to the Management Committee.

#### Reserves

It is the practice of the charity that unrestricted funds, which have not been designated for a specific use, along with any confirmed available support funds, should normally be maintained at a level equivalent to between three and six months' expenditure. The directors consider that reserves at this level will ensure that, in the event of a significant drop in funding,

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2022

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they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. At 31<sup>st</sup> March 2022, the directors have taken into account the likely impact of rising rates of inflation in the coming 12 months to determine the level of reserves that the Museum should endeavour to have in hand. The directors are cognisant of the need to have sufficient reserves to meet future capital expenditure that they may wish or need to incur. In this regard, capital expenditure projections are made for two years in advance and reviewed annually.

The directors realise the redevelopment of the Museum, anticipated to require several years of planning then implementation, will involve expending substantial sums of money. It is their intention to apply for grants to fund the greater proportion of and possibly all this expenditure.

At present the Unrestricted Funds (£171,682) are represented by fixed assets of £25,467, the balance being current net assets of £146,215. It is the intention of the directors to continue to build up cash reserves representing a proportion of the Unrestricted Funds over a period of years from annual surpluses of income. In the current year the directors have decided that the insurance claim net proceeds (£164,611) should be applied totally to the Reimagining Project and, accordingly, they are considered as restricted Funds with the balance, held wholly in cash, transferred to Restricted Funds. Surplus cash is invested through the EEF, in order to generate a greater amount of additional income for the charity. While the directors would prefer to retain the EEF (£552,700) for use on capital expenditure and major refurbishment or repairs of the building as required, they would draw on that Fund to meet operational outgoings should the need arise. This situation enables the directors to continue to build the general reserves gradually while being confident they hold adequate funds to meet operational outgoings of between three and six months'.

#### Going concern review

The directors have reviewed the impact of the coronavirus lockdown/restraints and the significant increase in inflation rates (occurring and projected) during 2022 together with changes in the Bank of England base rate as well as their anticipated continuing impact, particularly in the financial environment. They believe the Museum will be able to function satisfactorily during the current year to 31 March 2023. The level of income from investments increased during the year but the directors cannot be certain the same level of income will be received in the coming financial year. Income from admissions, retail sales, exhibitions and other events overall were higher in the year ended 31 March 2022 than the very low levels recorded in the prior year. The directors envisage that the Museum can remain safely reopened throughout the year ending 31 March 2023. The Museum is fortunate to have positive unrestricted reserves and, if required, can utilize the Emergency Endowment Fund, to the extent required. Therefore, the directors have concluded that the Museum is a going concern and will continue to be so for the foreseeable future.

#### Risk review

The risks faced by the charity are reviewed annually and procedures are taken to eliminate or minimise the risks involved by the implementation of effective internal control procedures, which ensure both appropriate authorisation of all transactions and projects and consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed for their continuing effectiveness.

#### The Directors

The directors who have served during the year and up to the date of signature of the financial statements are:

B McElney  
C Gore  
B Hutton  
A Shepherd  
A Griffiths  
S Balmer  
J Higgins  
Dr T Munford  
R Scott

None of the directors has any beneficial interest in the company. All the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### Auditor

Messrs Ferguson, Maidment & Co, are the company's auditor and have indicated their willingness to continue to act. They were reappointed at the Annual General Meeting.

#### Disclosure of information to auditor

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, which has not been made available to the auditor. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

#### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This directors' annual report was approved on 12/9/2022 and signed on behalf of the board of directors by:



**B Hutton**  
Director

Dated: 12<sup>th</sup> September 2022

# THE MUSEUM OF EAST ASIAN ART

## STATEMENT OF DIRECTOR'S RESPONSIBILITIES

*FOR THE YEAR ENDED 31 MARCH 2022*

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### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. The directors are required to prepare financial statements for each financial year 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 affairs of the charity and of its incoming resources and the application of resources of the charity for that period. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period.

In preparing these financial statements, the directors are required to:

- 1) Select suitable accounting policies and then apply them consistently;
- 2) Make judgments and estimates that are reasonable and prudent;
- 3) State whether applicable UK Accounting Standards have been followed, subject to any material departures being disclosed and explained in the financial statements, and
- 4) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping proper accounting records that 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 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In addition, the directors confirm that they are happy that the content of the annual review in pages 1 to 7 of this document meet the requirements of both the Trustees' Annual Report under charity law and the Directors' Report under company law. They also confirm that the financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no audit information of which the charity's auditors are unaware; and all directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

# THE MUSEUM OF EAST ASIAN ART

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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#### Qualified opinion

We have audited the financial statements of The Museum of East Asian Art (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities including income and expenditure account, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

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

#### Basis for qualified opinion

As disclosed in note 1 to the financial statements, investments in the Permanent Endowment Fund are being carried at cost rather than at market value, which practice, in our opinion, is not in accordance with United Kingdom Generally Accepted Accounting Practice. The carrying value of these investments at 31 March 2022 should be £7,870,624 based on the market value at that date. Accordingly, investments should be increased by £2,105,341 which will increase the value of the charity's endowment funds by the same amount.

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

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

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

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

We have nothing to report in this regard.

# THE MUSEUM OF EAST ASIAN ART

## INDEPENDENT AUDITOR'S REPORT (Continued)

### TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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#### Opinions on other matters prescribed by the Companies Act 2006

- the information given in the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

#### Responsibilities of Directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

The extent to which the audit was considered capable of detecting irregularities including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and health and safety legislation.

# THE MUSEUM OF EAST ASIAN ART

## INDEPENDENT AUDITOR'S REPORT (Continued) TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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### Auditor's responsibilities for the audit of the financial statements (*continued*)

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur; by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- obtaining an understanding of the legal and regulatory framework applicable to the Charity and how the Charity is complying with that framework;
- obtaining an understanding of the charity's policies and procedures and how the entity has complied with these, through discussions and sample testing;
- obtaining an understanding of the charity's risk assessment process, including the risk of fraud; and
- designing our audit procedures to respond to our risk assessment;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

### Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Paul Manalo (Senior Statutory Auditor)**  
for and on behalf of Ferguson Maidment & Co.  
Chartered Accountants and Statutory Auditor

12<sup>th</sup> September 2022  
8<sup>th</sup> Floor  
167 Fleet Street  
London  
EC4A 2EA

# THE MUSEUM OF EAST ASIAN ART

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

<u>Income from:</u>	Notes	Unrestricted funds £	Endowment funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donations and legacies	3	398	104,470	13,195	118,063	603,632
Charitable activities	4	10,522	-	-	10,522	2,357
Other trading activities	5	28,670	-	-	28,670	3,443
Investments	6	310,328	-	-	310,328	270,649
Insurance claim proceeds		28,363	-	-	28,363	-
Government grant	7	18,918	-	-	18,918	59,532
<b>Total income</b>		<u>397,199</u>	<u>104,470</u>	<u>13,195</u>	<u>514,864</u>	<u>939,613</u>
<b><u>Expenditures on:</u></b>	<b>Notes</b>					
<b><u>Raising funds</u></b>						
Fundraising	8	2,078	-	-	2,078	-
Trading costs	8	29,861	-	-	29,861	23,213
Investment management	8	1,511	24,494	-	26,005	23,249
Insurance claim expenses	8	1,145	-	-	1,145	4,196
		<u>34,595</u>	<u>24,494</u>	<u>-</u>	<u>59,089</u>	<u>50,658</u>
Charitable activities	9	286,719	-	15,051	301,770	249,194
<b>Total resources expended</b>		<u>321,314</u>	<u>24,494</u>	<u>15,051</u>	<u>360,859</u>	<u>299,852</u>
Net gains/(losses) on investments	13	-	56,288	-	56,288	73,814
Net (outgoing)/incoming resources before transfers		75,885	136,264	(1,856)	210,293	713,575
Transfer		(191,828)	-	191,828	-	-
<b>Net (expenditure)/income for the year</b>						
<b>Net movement in funds</b>		(115,943)	136,264	189,972	210,293	713,575
<b>Fund balances at 1 April 2021</b>		<u>287,625</u>	<u>7,171,397</u>	<u>49,400</u>	<u>7,508,422</u>	<u>6,794,847</u>
<b>Fund balances at 31 March 2022</b>		<u>171,682</u>	<u>7,307,661</u>	<u>239,372</u>	<u>7,718,715</u>	<u>7,508,422</u>

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

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE MUSEUM OF EAST ASIAN ART

## BALANCE SHEET AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14		913,728		922,620
Investments at	15	5,865,922		5,819,884	
cost value		<u>552,700</u>		<u>457,202</u>	
			<u>6,418,622</u>		<u>6,277,086</u>
			7,332,350		7,199,706
<b>Current assests</b>					
Stocks	16	12,244		11,188	
Debtors	17	51,621		46,890	
Cash at bank and in hand		<u>377,574</u>		<u>289,933</u>	
		441,439		348,011	
<b>Creditors: amount falling due within one year</b>	18	<u>(55,074)</u>		<u>(39,295)</u>	
Net current assets			<u>386,365</u>		<u>308,716</u>
<b>Total assets less current liabilities</b>			<u>7,718,715</u>		<u>7,508,422</u>
<b>Income funds</b>					
Restricted funds	19		239,372		49,400
Endowment funds	20		7,307,661		7,171,397
Designated funds	21		-		164,611
Unrestricted funds			<u>171,682</u>		<u>123,014</u>
			<u>7,718,715</u>		<u>7,508,422</u>

The financial statements were approved and authorised for issue by the board of Directors on 12<sup>th</sup> September 2022 and signed on their behalf by:



A Shepherd  
Director



A Griffiths  
Director

Company Registration No. 02499752

# THE MUSEUM OF EAST ASIAN ART

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
	Notes	£	£
Net Incomings/(Outgoings) from Activities		210,293	713,575
Add: Non-cash items			
Depreciation	14	11,512	25,011
Loss on disposal of fixed assets		-	371
Less :Endowment funds		(136,234)	(653,924)
Dividends		(310,328)	(270,649)
Adjustment re gains and other non-cash investment activities		4,350	10,477
Cash used prior to capital injection, investment activities and operations		(220,407)	(175,139)
Cash from capital injection: legacy		104,470	600,000
Cash generated from investment activity			
Dividends		310,328	270,649
Sale of investments		322,236	576,658
Purchase of investments		(417,973)	(1,358,002)
Investment management fees (PEF)		(28,687)	(28,874)
Total		185,904	(539,569)
Application of Cash in Operational Activities:			
Purchase of fixed assets	14	(2,620)	(13,634)
Increase in stock	16	(1,056)	(3,971)
Increase/(decrease) in debtors	17	(4,731)	(1,756)
Decrease in creditors	18	15,779	(5,209)
Total		7,372	(24,570)
Net (Decrease)/Increase in Cash		77,339	(139,278)
Cash at 1 April		422,216	561,494
Cash at 31 March		499,555	422,216
Composition of cash balances at 31 March			
Cash at bank		100,639	121,640
PEF cash with investment manager		21,342	10,643
Total		499,555	422,216

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

#### Accounting policies

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#### 1 Accounting policies

##### Charity information

The Museum of East Asian Art is a private company limited by guarantee incorporated in England and Wales. The registered office is 12 Bennett Street, BATH, BA1 2QJ.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, 'Charities SORP (FRS 102) - 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) second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### True and fair override

The directors of the company and the trustees of the PEF have determined that it is appropriate to depart from the United Kingdom General Accepted Accounting Practice of carrying fixed asset investments at market value because the majority of the investments held by the charity form part of the Permanent Endowment Fund, only the income of which can be used for the purposes of the charity. The directors of the company and the trustees of the PEF therefore view carrying the investments of the PEF at market value as being misleading since the assets cannot be realised at the value stated for use by the charity and it misrepresents the net wealth of the charity. Investments in the PEF are instead being held at cost. Note 15 of the accounts contains disclosure of the value at which investments in the PEF would be carried if they were stated at market value. The directors have therefore decided to adopt a true and fair override and accept the consequent qualified audit opinion.

##### Investments at valuation

The directors of the company have decided that the investments of the EEF should be reported at market value since they are available for use by the charity.

##### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The board of directors is confident that future reserves and future income are more than sufficient to meet current commitments. There are no material uncertainties that impact this assessment and the ongoing COVID-19 pandemic has had no material impact on this assessment

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

The Permanent Endowment Fund represents those assets which must be held permanently by the charity. Income arising on the Permanent Endowment Fund can be used in accordance with the objects of the charity and is included as unrestricted income. The Emergency Endowment Fund investments are those held by the charity where the directors have discretion to convert funds into income.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

#### Accounting policies

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Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure, which meets these criteria, is charged to the funds, together with a fair allocation of management and support costs. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Incoming resources

Income is recognised when the charity 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.

Grant income is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless it related to a specific future period or event, in which case it is deferred.

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.

Investment income is recognised when notice has been given of receipt by the investment manager.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

#### 1.5 Resources expended

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those incurred directly in support of expenditure on the objects of the charity. Management and administration costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

#### Accounting policies

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Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Freehold buildings - no depreciation is provided on the grounds the asset has a very long useful life, a high residual value, is subject to a programme of maintenance and accordingly, annual depreciation would not be material. Freehold land is not depreciated
Fixtures and fittings	Between 2% and 20% per annum of cost
Library	Not depreciated

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Heritage assets

The charity has taken advantage of 18.14 of the Charities SORP (FRS 102) and not recognised heritage assets at valuation. The museum's collection is predominately made up of donations of long held assets of donors. The assets are excluded from the balance sheet as significant costs would be involved in the reconstruction of past accounting records and valuations, which are onerous compared with the additional benefit derived by users of the accounts.

#### 1.8 Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment at the balance sheet date. The SOFA includes the net realised gains and losses arising on disposals throughout the accounting period.

#### 1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.11 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.

#### 1.12 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity 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.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

#### Accounting policies

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##### ***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 charity's contractual obligations expire or are discharged or cancelled.

#### **1.13 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## **2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the directors 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.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

<b>3 Donations and legacies</b>	<b>Unrestricted funds</b>	<b>Endowment funds designated</b>	<b>Restricted funds</b>	<b>Total 2022</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and gifts	398	-	13,195	13,593	3,632
Legacies	-	104,470	-	104,470	600,000
	<u>398</u>	<u>104,470</u>	<u>13,195</u>	<u>118,063</u>	<u>603,632</u>
For the year ended 31 March 2021	<u>1,484</u>	<u>600,000</u>	<u>2,148</u>		<u>603,632</u>
 <b>4 Charitable activities</b>				<b>2022</b>	<b>2021</b>
				<b>£</b>	<b>£</b>
Admission Charges				8,066	-
Events				882	865
Education				-	-
Membership subscriptions				1,574	1,492
				<u>10,522</u>	<u>2,357</u>
 <b>5 Other trading activities</b>				<b>2022</b>	<b>2021</b>
				<b>£</b>	<b>£</b>
Shop income				26,927	3,151
Image copyright sales				830	292
Other income				913	-
Other trading activities				<u>28,670</u>	<u>3,443</u>
 <b>6 Investments</b>				<b>2022</b>	<b>2021</b>
				<b>£</b>	<b>£</b>
Income from listed investments				310,197	270,382
Interest receivable				131	267
				<u>310,328</u>	<u>270,649</u>
 <b>7 Government grant income</b>				<b>2022</b>	<b>2021</b>
				<b>£</b>	<b>£</b>
Coronavirus Job Retention Scheme Grant				8,251	40,101
Coronavirus Government Business support				10,667	19,431
				<u>18,918</u>	<u>59,532</u>

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### 8 Raising funds

	Unrestricted funds	Endowment funds	Total 2022	Total 2021
	£	£	£	£
<u>Fundraising and Publicity</u>				
Staff costs	2,078	-	2,078	-
<u>Trading costs</u>				
Other trading activities	16,957	-	16,957	6,148
Staff costs	12,904	-	12,904	17,065
	29,861	-	29,861	23,213
<u>Investment management</u>	1,511	24,494	26,005	23,249
<u>Insurance claim expenses</u>	1,145	-	1,145	
	34,595	24,494	59,089	46,462
<b>For the year ended 31 March 2021</b>				
Fundraising and publicity	-	-	-	-
Trading costs	23,213	-		23,213
Investment management	1,290	21,959		23,249
	24,503	21,959		46,462

### 9 Charitable activities

	2022	2021
	£	£
Staff costs	185,607	161,394
Depreciation	11,512	25,382
Advertising and PR	1,467	403
Collection care	3,136	3,372
Property costs	40,736	18,221
Travel and expenses	1,192	96
Legal and professional	1,216	1,250
Subscriptions	505	715
Training and consultancy	11,714	3,139
Office costs	14,662	10,437
Bank charges	143	39
Education	1,543	635
Exhibition	4,938	1,385
Artefact insurance and storage	19,594	19,476
	297,965	245,944
Share of governance costs (see note 10)	3,805	3,250
	301,770	249,194

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

### 10 Support costs

	Support Costs	Governance Costs	2022	2021	Basis of allocation
	£	£	£	£	
Audit fees	-	3,805	3,805	3,250	Governance
	-	3,805	3,805	3,250	
Analysed between Charitable activities	-	3,805	3,805	-	

### 11 Directors

None of the directors (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 12 Employees

#### Number of employees

	2022 Number	2021 Number
Curator	1	-
Visitor Services	1	2
Administration	4	3
Education	1	2
Security	1	1
	<u>8</u>	<u>8</u>

#### Employment costs

	2022 £	2021 £
Wages and salaries	180,865	161,487
Social security costs	11,230	8,957
Other pension costs	8,494	8,015
	<u>200,589</u>	<u>178,459</u>

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

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 13 Net gains/(losses) on investments

		2022 £	2021 £
Gain/(loss) on sale of investments	PEF	17,685	420
	EEF	(1,068)	(12,698)
Unrealised gains/(losses)	EEF	<u>39,671</u>	<u>86,092</u>
		<u>56,288</u>	<u>73,814</u>

### 14 Tangible fixed assets

	Freehold land and buildings £	Assets under construction £	Fixtures and fittings £	Library £	Total £
<b>Cost</b>					
At 1 April 2021	224,239	668,638	566,832	51,250	1,510,959
Acquisitions	-	-	2,620	-	2,620
Disposals	-	-	(990)	-	(990)
At 31 March 2022	<u>224,239</u>	<u>668,638</u>	<u>568,462</u>	<u>51,250</u>	<u>1,512,589</u>
<b>Depreciation and impairment</b>					
At 1 April 2021	-	55,866	532,473	-	588,339
Disposals	-	-	(990)	-	(990)
Depreciation charged in the year	-	-	11,512	-	11,512
At 31 March 2022	<u>-</u>	<u>55,866</u>	<u>542,995</u>	<u>-</u>	<u>598,861</u>
<b>Carrying amount</b>					
At 31 March 2022	<u>224,239</u>	<u>612,772</u>	<u>25,467</u>	<u>51,250</u>	<u>913,728</u>
At 31 March 2021	<u>224,239</u>	<u>612,772</u>	<u>34,359</u>	<u>51,250</u>	<u>922,620</u>

Not included in the above is the Museum's collection of artefacts. The collection, due to its nature, is of most value in terms of its cultural significance and as such no reliable monetary value can be placed upon it.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 15 Fixed asset investments

	Listed investments	Cash in portfolio	Total
	£	£	£
<b>Permanent Endowment Fund at cost</b>			
At 1 April 2021	5,698,244	121,640	5,819,884
Incoming resources	-	57,227	57,227
Additions	359,101	(359,101)	-
Sales proceeds	(309,560)	309,560	-
Gains/ (Losses)	17,685		17,685
Fees and outgoings	(187)	(28,687)	(28,874)
At 31 March 2022	<u>5,765,283</u>	<u>100,639</u>	<u>5,865,922</u>
At 31 March 2021	<u>5,698,244</u>	<u>121,640</u>	<u>5,819,884</u>
<b>Emergency Endowment Fund at market value</b>			
At 1 April 2021	446,559	10,643	457,202
Incoming resources		56,895	56,895
Additions	58,872	(58,872)	-
Sales proceeds	(12,676)	12,676	-
Realised Gains/ (Losses)	(1,068)		(1,068)
Fees and outgoings			-
Unrealised gains/ (Losses)	39,671		39,671
At 31 March 2022	<u>531,358</u>	<u>21,342</u>	<u>552,700</u>
At 31 March 2021	<u>446,559</u>	<u>10,643</u>	<u>457,202</u>

Fixed asset investments for the Permanent Endowment Fund are carried at cost rather than market value. The reasons for this treatment are disclosed in note 1 of the financial statements.

The market value of the Permanent Endowment Fund investments at 31 March 2022 was £7,870,624 (2021: £7,157,466)

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 16 Stocks

	2022 £	2021 £
Finished goods and goods for resale	12,406	11,350
Less: Provision for obsolete stock	(162)	(162)
	<u>12,244</u>	<u>11,188</u>

### 17 Debtors

	2022 £	2021 £
<b>Amount falling due within one year:</b>		
Trade debtors	-	168
Other debtors	27,508	23,856
Prepayments and accrued income	24,113	22,866
	<u>51,621</u>	<u>46,890</u>

### 18 Creditors

	2022 £	2021 £
<b>Amount falling due within one year:</b>		
Other taxation and social security	5,067	3,155
Trade creditors	25,775	26,247
Accruals and deferred income	24,232	9,893
	<u>55,074</u>	<u>39,295</u>

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2022**

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### 19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2021	Incoming Resources	Resources Expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£
MEAA Metalware conservation project	24,353	-	-	-	24,353
MEAA Emergency Appeal	9,732	426	-	-	10,158
The Reimaging Project fund	3,648	-	-	191,828	195,476
L.G Harris Trust Security Enhancements	7,867	-	(2,598)	-	5,269
L.G Harris Trust Photography of collection	3,800	-	-	-	3,800
West of England combined authority Creative Business Grant	-	7,144	(7,144)	-	-
Medlock Charitable Trust Flexible display space at Museum galleries	-	3,000	(2,684)	-	316
West of England combined authority Creative Growth Grant	-	2,625	(2,625)	-	-
					-
	49,400	13,195	(15,051)	191,828	239,372

### Incoming funds

MEAA Emergency Appeal – Fundraising appeal after the burglary in April 2018 for the redevelopment of the museum.

Medlock Charitable Trust - Grant towards the cost of C-Rails and Display boards

West of England combined authority (WECA) – Two grants for digital project.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 20 Endowment funds

The Endowment funds, which are material to the charity's activities, are made up as follows:

	Movement in funds					Balance at
	Balance at	Incoming	Resources	Transfers	Revaluations	31 March
	1 April 2021	Resources	Expended		gains/losses	2022
	£	£	£	£	£	£
Permanet Endowment fund	5,815,222	52,575	(24,494)	-	17,685	5,860,988
Gift from Franklin Tusu's Estate	884,620	-	-	-	-	884,620
Special capital reserve	9,352	-	-	-	-	9,352
Emergency Endowment fund	462,203	51,895	-	-	38,603	552,701
	<u>7,171,397</u>	<u>104,470</u>	<u>(24,494)</u>	<u>-</u>	<u>56,288</u>	<u>7,307,661</u>

The Permanent Endowment Fund exists as a separate charity. The capital of this fund is invested and only the income is available to pay towards the running expenses of the Museum. The investments are managed by a sub-committee of four of the Museum's Management Committee in conjunction with Brewin Dolphin the investment advisers. Copies of the quarterly statement showing the contributions to the Permanent Endowment Fund and the investments held by it are circulated quarterly to the sub-committee. The Charity Commission has confirmed that the accounts of the Permanent Endowment Fund can form part of the accounts so long as the funds are kept separate.

### 21 Designated funds

The income funds of the charity include the following designated funds, which arise from the insurance claim agreed to the date of these accounts following the burglary on 18 April 2018 and have been set aside out of unrestricted funds by the directors for specific purposes. It was resolved the claim net proceed should be committed totally and specifically to the Museum Reimaging Project:

	Movements in funds				
	Balance at	Incoming	Resources	Transfers	Balance at
	1 April 2021	Resources	Expended		31 March 2022
	£	£	£	£	£
Designated funds	164,611	25,862	(211)	(190,262)	-
	<u>164,611</u>	<u>25,862</u>	<u>(211)</u>	<u>(190,262)</u>	<u>-</u>

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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### 22 Analysis of net assets between funds

	General funds	Restricted funds	Endowment funds	Total
	£	£	£	£
Fund balances at 31 March 2022 are represented by:				
Tangible assets	25,467		888,261	913,728
Investments	-		6,418,622	6,418,622
Current assets/(liabilities)	146,215	239,372	778	386,365
	<u>171,682</u>	<u>239,372</u>	<u>7,307,661</u>	<u>7,718,715</u>

The Restricted Funds balance includes the designated funds (refer to Note 21) of £190,262 and consists entirely of current assets/liabilities. The Unrestricted Funds of £171,682 consist of fixed assets of £25,467 and net current assets of £146,215.

### 23 Related party transactions

#### Transactions with related parties

During the year the charity entered into no transactions with related parties.

**THE MUSEUM OF EAST ASIAN ART**

England & Wales - Charity number 328725

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# Accounts

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**Charity Registration No. 328725**

**Company Registration No. 02499752 (England and Wales)**

**THE MUSEUM OF EAST ASIAN ART  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

# THE MUSEUM OF EAST ASIAN ART

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## LEGAL AND ADMINISTRATIVE INFORMATION

<b>Directors</b>	B McElney C Gore B Hutton A Shepherd A Griffiths S Balmer J Higgins Dr T Munford R Scott
<b>Secretary</b>	B Hutton
<b>Charity number</b>	328725
<b>Company number</b>	02499752
<b>Registered office</b>	12 Bennett Street Bath BA1 2QJ
<b>Auditor</b>	Ferguson Maidment & Co. 8 <sup>th</sup> Floor 167 Fleet Street London EC4A 2EA
<b>Bankers</b>	Lloyds Bank 47 Milsom Street Bath BA1 1DN

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# THE MUSEUM OF EAST ASIAN ART

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# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2021

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The directors are pleased to present their report and the audited financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and the provisions of the 'Charities SORP (FRS 102) - '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 (FRS102)' second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

#### Reference and Administrative Details

Legal and administrative details are shown at the front of the annual report, including a full list of the Trustees who served the Charity during the period up until the date of the signing of this report.

#### Objectives and activities of the charity

The aims of the charity are to foster the knowledge and appreciation of East Asian Art. To this end it purchased and converted Circus Lodge at 12 Bennett Street, Bath (a listed building) into The Museum of East Asian Art, which opened its doors to the public on 3<sup>rd</sup> April 1993. The charity has since run the Museum and all its activities.

#### The objects of the charity are:

- 1) The advancement of education of the public in the United Kingdom and elsewhere;
- 2) The advancement, promotion and development of and assistance with research and education of the public in the United Kingdom and elsewhere in the fields of fine art, history and archaeology and the publication of the useful results of such research;
- 3) Any other purpose or purposes which are charitable according to the laws of England and Wales.

#### Public benefit

The directors have carefully reviewed the activities of the Museum and its staff in the light of the Charities Act 2011 and the guidance thereon issued by the Charity Commission and are satisfied that they meet their duties with respect to Section 17 and the public benefit test, that is to say that they advance the knowledge and understanding of the history and culture of East Asia among children and the general public in Bath and they contribute to the knowledge of East Asian artefacts through the medium of the carefully preserved and regularly enhanced collection.

The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### Structure, governance and management

The Museum of East Asian Art is a company limited by guarantee with Memorandum and Articles of Association and is a registered charity. There has been no change in policy since the last report. A Management Committee is elected by the members of the Company. The members of the Management Committee, who are the directors of the limited company, have the power under the articles to admit any applicant to membership of the Company and to appoint any such member to membership of the Management Committee but any person so appointed has to stand for re-election at the succeeding Annual General Meeting of the Company. In exercising its powers aforesaid, the Management Committee considers carefully the balance of skills required by the board for the effective governance of the Museum and any shortfall in those skills when appointing a director. In addition, the board assesses the personal attributes and professional experience of the person concerned to make a contribution to the pursuit of the objects or the management of the charity. At the year end the directors were the members of the Management Committee. Incoming members of the Management Committee are taken through the financial affairs of the Museum and given a copy of the Memorandum and Articles of Association and its forward plan.

The Management Committee appoints the staff and approves the annual budget, exhibitions and forward plan and takes any decisions necessary on capital expenditure or major financial matters. Thereafter, the Museum Manager, working with the staff, takes the decisions on the day to day running of the Museum and routine expenditure so long as that expenditure is covered by the annual budget.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### **Continued impact of 2018 Burglary**

Of the 48 objects that were stolen in April 2018, the police discovered 18 during a separate investigation and returned them to the Museum. Those requiring remedial work have now all been conserved and returned to the Museum in July 2020. These items were revalued during the year and the insurance claim is being finalised.

#### **Opportunities for redevelopment**

The impact of the lockdowns due to the Covid-19 pandemic disrupted progress on the redevelopment plans for the whole of the year to 31 March 2021. The directors have restarted work on this initiative after the year end with the formation of a small ad hoc group of themselves and the Manager to examine alternatives in broad detail then report back to the Management Committee for review.

#### **Impact of Coronavirus Pandemic**

The Coronavirus pandemic brought enormous challenges for the Museum, which was forced to close in March 2020 and was not able to reopen fully until 19 May 2021. As a result the Museum suffered loss of income from admissions, retail operations and activities and events.

With the closure of the Museum from 17 March 2020 ahead of the Government's official lockdown of 23 March, some staff were placed on full-time furlough immediately, while others adapted to working part-time from home. All staff, except for the Manager, were placed on full-time furlough in June for 3 weeks to enable them to return on a flexible furlough basis from 1 July. The Government Coronavirus Job Retention scheme provided 80% of salaries for hours not worked, which the Museum topped up to 100% until the end of October 2020. One part-time post was made redundant due to projected operational changes.

The Museum conducted a comprehensive risk assessment on health and safety measures between the easing of Lockdown 1 and the reintroduction of Lockdown on 5 November, during which time improvements were made to social distancing in the workplace by moving the office from the basement to the top floor. However, many staff members and volunteers felt unsafe returning to the workplace and the Museum was unable to reopen in a way that ensured the health and safety of staff, volunteers and visiting members of the public. To maintain engagement with its audiences the Museum concentrated on developing digital programmes including activities for families who were home-schooling.

Working remotely, staff held regular weekly team meetings on Zoom, and the Membership & Volunteer Coordinator maintained contact with all volunteers holding supporting sharing sessions and keeping them informed of evolving plans. The Retail Manager researched and set up an ecommerce facility enabling the sale of items from the shop online in order to ameliorate losses stemming from the Museum's closure and to improve long-term income generation. Timed-ticketing was set up for the better management of visitors entering the Museum at any time. Additionally, this system provides the Museum with important visitor information on audience engagement and the Museum's marketing strategy.

The Museum shop reopened in December for 9 days' trading in the run-up to Christmas. Plans to reopen the whole Museum in January were forestalled by lockdown being reimposed on 4 January 2021. Subsequent to the year end, the easing of restrictions led to the reopening of the shop in April and the whole Museum finally in May.

#### **Appointment of new Curator**

Preparations for the recruitment of a new Curator were being finalised in March 2020 when the pandemic halted all progress. Advertisements were finally placed in October and interviews held on Zoom in December. An offer was made to a candidate and the appointment commenced in Spring 2021.

#### **Achievements and performance**

##### **Exhibitions**

Due to the continued impact of the pandemic, and the subsequent closure of the Museum for essentially the whole financial year, no new exhibitions could be mounted. Existing ones included Ancient Vessels and China on a Plate.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1. Ancient Vessels (10 January – 21 March 2020): Brunei Gallery, SOAS, University of London

This exhibition closed early due to the pandemic and the objects remained in situ until staff at SOAS were able to deinstall and return the objects to the Museum in July 2020. A Friend of the Museum, with experience of curating and handling objects, was engaged as Acting Curator to unpack the objects and complete condition reports for them before they were returned to storage.

#### 2. China on a Plate (23 November 2019 – 14 March 2020)

This temporary exhibition at the Museum was launched in November 2019 and due to be deinstalled in March 2020. However, with the closure of the Museum in March it remained in situ until July 2021.

#### Audience Engagement

The closure of the Museum from 17 March 2020 to May 2021 prevented anyone visiting the Museum during the financial year. The closure also had an adverse impact on the number of people visiting the Museum's website that dropped from 40,625 in 2019–2020 to 28,007.

The public events programme was cancelled during the first lockdown and a digital engagement programme could not be launched as most staff members were on furlough, and lacked the requisite knowledge and experience as well as access to the right equipment to organise and deliver online events. Once part-time furlough was introduced from July 2020, the staff responded quickly to the rapidly changing situation and formed the 'Digital Engagement and Outreach Team', now called the 'Audience Engagement Team', to find ways of developing and delivering digital content to maintain audience engagement. This response reflected the growing opportunity within the heritage sector to engage audiences online by establishing new digital strategies and systems.

#### Digital Engagement

The Audience Engagement Team quickly developed the essential skills and, after trialling online events with volunteers, was able to resume a reduced version of public programming. From September 2020 to April 2021 seven online events/courses were held, compared to 24 physical events held the previous year. While the response to online adult events was popular, family events were less successful. A total of 65 participants joined the online events, of which 51 attended adult events and 14 attended family events compared with 352 participants attending physical events during the previous financial year. However, the audience base broadened geodemographically, with participants able to attend from London, Yorkshire and overseas.

Improvements have been made to the editorial planning, and enriched-content output of the Museum's social media. Online audiences have grown promisingly due to regularly publishing in-depth and knowledge-based content. In addition, a series of themed home-schooling, school learning, and Lunar New Year resources were created and made available for users to download. The highest download content ranged from Lunar New Year recipe card (50) and Shang Dynasty school learning resources (46), to a selection of home-schooling resources: Easter (23) Hanami Festival (14) and Shang Dynasty (13). Recognising the need for wider support from volunteers, new volunteering opportunities were created alongside comprehensive training and the provision of learning resources to support volunteers in social media creation and delivery.

#### Schools Programme

Due to the lockdowns over the past year and school closures, the Museum received no paid bookings by schools during the financial year 2020-21. The Museum was able to test resources created for the pilot 'Chinese Culture Pack for Schools' with its partner schools, Prior Park College and Paragon Primary School. A total of 86 students participated (40 from the Paragon and 46 from Prior Park). St Andrew's Primary school took a loan box which was enjoyed by a class of 30 students.

#### Volunteers

There are currently 65 volunteers, an increase of 38 volunteers since the last Directors' Report. Between 1 April 2020 and 31 March 2021 volunteers contributed some 400 hours to the Museum in the capacity of remote micro-volunteering during the Museum's closure. The introduction of this new volunteer role has contributed greatly to an increase in volunteer recruitment this past year. An example is the online shop project where volunteers produced product descriptions and edited photographs, which were integral to the delivery of the project. The previous year when the Museum was open to the public, volunteers contributed some 900 hours to the Museum in visitor services roles such as Gallery, Events and Front of House.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### Friends

At 31 March 2021 there were 109 Friends of the Museum: 51 single, 44 double, 10 family, 2 lifetime and 2 concessions, an increase of two since the last Directors' Report. Between 1 April 2020 and 31 March 2021 eight Friends did not renew their membership and five new Friends joined. These numbers have proven steady for the past five or so years.

Due to the pandemic the Friends' event 'Winchester College Chinese Collection' on 27 June 2020 was cancelled. Two online Friends events were arranged throughout the rest of the year: 'Exclusive Friends Poetry Evening' with Dr Theresa Mumford on 14 October 2020 attended by 13 Friends, and 'Tek Sing Talk' delivered by a Volunteer and Friend on 18 March 2021 and attended by 9 Friends.

#### Admissions and Retail

Retail staff were placed on full-time furlough from April 2020 until the end of June. With the implementation of flexible furlough from July 2020 onwards, work started on researching a new Electronic Point of Sale (EPOS) till system that would fully integrate with a new online shop and online ticket portal. The trial did not achieve the results expected and was subsequently abandoned. Between October and December the focus was on building the online shop that went 'live' in January 2021. A pre-booking, timed-ticketing system was implemented ahead of the Museum reopening in May 2021. Due to the closure of the Museum's galleries for the whole of the financial year, no income was received from admissions during the financial year 2020-2021.

#### Retail Sales 2020-21

The Museum shop was able to reopen briefly for 15 days of trading in-between the end of the second and start of the third lockdown. Local shoppers, along with support from Museum Friends and Volunteers, helped boost retail sales in the run-up to Christmas, with a special Friends and Volunteer shopping day on 4 December achieving takings of £991. Total gross sales were £3,315 averaging £221 per day. The same period during 2019 (17 days) grossed £3,200 averaging £188 per day.

#### Financial Review

The Museum's PEF investment funds were recorded at a cost of £5,819,884 (inclusive of dealing cash of £121,640) on 31 March 2021 at which date the EEF investment funds had a market value of £457,202 (inclusive of dealing cash of £10,643). The dividends and interest earned by the two Endowment Funds during the year amounted to £270,382. The composition of both Endowment Funds at the year-end is given in the notes to the financial statements attached.

During the year ended 31 March 2021, the Museum received donations from visitors and the general public of £835 to its Emergency Appeal and was awarded then received a grant of £1,313 from South West Museum Development Programme Recovery Grant for the Museum's digital project. These amounts totalled £2,148.

NLHF continued to divert all funds to emergency funding in response to the coronavirus pandemic during the year. Therefore, the Museum was unable to submit an application for £72,500 to improve organisational resilience.

During the year, the Museum received £1,200 in donations and £234 was reclaimed through Gift Aid. In addition, the Museum received £50 in general donations through the donation box.

The conserved objects (from the robbery in 2018) were returned and also revalued during the year. The insurance claim regarding the robbery is in the process of being finalised. No further payments on account of the claim were received during the year. The claim proceeds continued to be used to pay for expenses directly related to the repairs necessitated by the burglary to the extent they were not covered by specific donations. The directors were not in a position during the year ended 31 March 2021 to determine how the balance of the claim (£164,611 at 31 March 2021) should be utilised in view of work on the redevelopment plan having had to be put on hold during the year.

An insurance claim of approximately £6,000 was lodged during the year for loss of income during lockdowns in accordance with Government policy. The claim has been amended by the insurers to treat payments under the furlough scheme as income instead of grants. The Museum is contesting this decision.

A Permanent Endowment Fund (PEF) was started in 1995 as a separate charity governed by a trust deed. The capital of the Fund is invested and only the income is available to be paid towards the running expenses of the Museum. The investments are managed by a sub-committee of four of the Museum's Management Committee, who form the trustees of the PEF, in conjunction with Brewin Dolphin, the investment advisers. Quarterly statements showing any contributions to the Fund and a

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

### FOR THE YEAR ENDED 31 MARCH 2021

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summary of the performance of the Fund are provided to the Museum by Brewin Dolphin. The Charity Commission has confirmed that the accounts of the Permanent Endowment Fund can form part of the Museum's accounts, so long as the Funds thereof are kept separate, and this requirement is adhered to.

During the year, a further £600,000 was received from the executor of the Johanna Austin Estate by the Museum that was invested in the PEF. Although the administration of the Estate has proved extremely complex, the Museum, as sole beneficiary, had received the bulk of money to be distributed by 31 March 2021. It is hoped the administration may be finalised by 31 March 2023.

An Emergency Endowment Fund (EEF) was set up in January 2014 by the Museum, which has to be kept separate from the existing PEF. Investment decisions are made by the appointed sub-committee, which will normally be the same as those for the PEF. Capital funds may only be withdrawn by the unanimous vote of the Management Committee.

At 31 March 2021 the trustees of the PEF, who also constitute the sub-committee overseeing the investment of the EEF, were Bethan Hutton (Chair), Anthony Griffiths, Brian McElney and John Higgins.

#### Investment powers

Under the Memorandum and Articles of Association, the charity has power to make any investment which the directors see fit. The policy adopted by the directors calls for 25% of all additional funds paid into the Permanent Endowment Fund to be invested in bonds and fixed interest stock when first invested.

#### Reserves

It is the practice of the charity that unrestricted funds, which have not been designated for a specific use, along with confirmed available support funds, should be maintained at a level equivalent to between three and six months' expenditure. The directors consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The directors are cognisant of the need to have sufficient reserves to meet future capital expenditure that they may wish or need to incur. In this regard, capital expenditure projections are made for two years in advance and reviewed annually.

The directors realise the redevelopment of the Museum, anticipated to require several years of planning then implementation, will involve expending substantial sums of money. It is their intention to apply for grants to fund the greater proportion of and possibly all this expenditure.

At present the Unrestricted Funds (£123,014) are represented by fixed assets of £34,359, the balance being current net assets of £88,655. It is the intention of the directors to continue to build up cash reserves representing a proportion of the Unrestricted Funds over a period of years from annual surpluses of Income. In the current year, as last year, the insurance claim net proceeds (£164,611) have been included as a designated fund within Unrestricted Funds and held wholly in cash. Surplus cash is invested through the EEF, in order to generate a greater amount of additional income for the charity. While the directors would prefer to retain the EEF (£457,202) for use on capital expenditure and major refurbishment or repairs of the building as required, they would draw on that Fund to meet operational outgoings should the need arise. This situation enables the directors to continue to build the general reserves gradually while being confident they hold adequate funds to meet operational outgoings of between three and six months'.

#### Going concern review

The directors have reviewed the impact of the coronavirus lockdown/restraints and other developments as well as their anticipated continuing impact, particularly in the financial environment, and believe the Museum will be able to function satisfactorily, albeit at somewhat reduced capacity during the current year to 31 March 2022. The level of income from investments declined slightly during the year but not by as much as had been anticipated when this report was written last year. Income from admissions, retail sales, exhibitions and other events proved to be considerably lower in the year ended 31 March 2021 but was offset by the anticipated reduction in non-fixed costs in the year, as was foreshadowed in this report last year. The directors are hoping that the Museum can remain safely reopened during the remainder of the year ending 31 March 2022. The Museum is fortunate to have positive unrestricted reserves and, if required, can utilize the Emergency Endowment Fund to the extent required. Therefore, the directors have concluded that the Museum is a going concern and will continue to be so for the foreseeable future.

# THE MUSEUM OF EAST ASIAN ART

## DIRECTORS' REPORT (Continued)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### Risk review

The risks faced by the charity are reviewed annually and procedures are taken to eliminate or minimise the risks involved by the implementation of effective internal control procedures, which ensure both appropriate authorisation of all transactions and projects and consistent quality of delivery for all operational aspects of the charity. These procedures are periodically reviewed for their continuing effectiveness.

### The Directors

The directors who have served during the year and up to the date of signature of the financial statements are:

B McElney  
C Gore  
B Hutton  
A Shepherd  
A Griffiths  
S Balmer  
J Higgins  
Dr T Munford  
R Scott

None of the directors has any beneficial interest in the company. All the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

### Auditor

Messrs Ferguson, Maidment & Co, are the company's auditor and have indicated their willingness to continue to act. They were reappointed at the Annual General Meeting.

### Disclosure of information to auditor

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, which has not been made available to the auditor. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The directors' annual report was approved on 8<sup>th</sup> October 2021 and signed on behalf of the board of directors by

  
.....  
**B Hutton**  
Director

Dated:

# THE MUSEUM OF EAST ASIAN ART

## STATEMENT OF DIRECTOR'S RESPONSIBILITIES

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. The directors are required to prepare financial statements for each financial year 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 affairs of the charity and of its incoming resources and the application of resources of the charity for that period. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period.

In preparing these financial statements, the directors are required to:

- 1) Select suitable accounting policies and then apply them consistently;
- 2) Make judgments and estimates that are reasonable and prudent;
- 3) State whether applicable UK Accounting Standards have been followed, subject to any material departures being disclosed and explained in the financial statements, and
- 4) Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping proper accounting records that 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 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In addition, the directors confirm that they are happy that the content of the annual review in pages 1 to 6 of this document meet the requirements of both the Trustees' Annual Report under charity law and the Directors' Report under company law. They also confirm that the financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no audit information of which the charity's auditors are unaware; and all directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

# THE MUSEUM OF EAST ASIAN ART

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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#### **Qualified opinion**

We have audited the financial statements of The Museum of East Asian Art (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities including income and expenditure account, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for qualified opinion**

As disclosed in note 1 to the financial statements, investments in the Permanent Endowment Fund are being carried at cost rather than at market value, which practice, in our opinion, is not in accordance with United Kingdom Generally Accepted Accounting Practice. The carrying value of these investments at 31 March 2021 should be £7,157,466 based on the market value at that date. Accordingly, investments should be increased by £1,459,222 which will increase the value of the charity's endowment funds by the same amount.

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

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

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

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

We have nothing to report in this regard.

# THE MUSEUM OF EAST ASIAN ART

## INDEPENDENT AUDITOR'S REPORT (Continued)

### TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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#### Opinions on other matters prescribed by the Companies Act 2006

- the information given in the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

#### Responsibilities of Directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the audit.

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

# THE MUSEUM OF EAST ASIAN ART

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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Vivek Kapoor (Senior Statutory Auditor)  
for and on behalf of Ferguson Maidment & Co

Accountants  
Statutory Auditor

8<sup>th</sup> October  
September 2021

8<sup>th</sup> Floor  
167 Fleet street  
London  
EC4A 2EA

# THE MUSEUM OF EAST ASIAN ART

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds £	Endowment funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>Income from:</b>						
Donations and legacies	3	1,484	600,000	2,148	603,632	11,414
Allocation to correct account		-	-	-	-	9,651
Charitable activities	4	2,357	-	-	2,357	13,305
Other trading activities	5	3,443	-	-	3,443	23,650
Investments	6	270,649	-	-	270,649	283,430
Insurance claim proceeds		-	-	-	-	-
Government grant	7	59,532	-	-	59,532	-
<b>Total income</b>		<b>337,465</b>	<b>600,000</b>	<b>2,148</b>	<b>939,613</b>	<b>341,450</b>
<b>Expenditures on:</b>						
<u>Raising funds</u>						
Fundraising	8	-	-	-	-	7,721
Trading costs	8	23,213	-	-	23,213	32,769
Investment management	8	1,290	21,959	-	23,249	24,002
Allocation to correct account		-	-	-	-	9,651
Insurance claim expenses		4,196	-	-	4,196	10,883
		<b>28,699</b>	<b>21,959</b>	<b>-</b>	<b>50,658</b>	<b>85,026</b>
Charitable activities	9	233,570	2,808	12,816	249,194	305,760
<b>Total resources expended</b>		<b>262,269</b>	<b>24,767</b>	<b>12,816</b>	<b>299,852</b>	<b>390,786</b>
Net gains/(losses) on investments	13	-	73,814	-	73,814	6,688
Net (outgoing)/incoming Resources before transfer		75,196	649,047	(10,668)	713,575	(42,648)
Transfer		(4,877)	4,877	-	-	-
<b>Net (expenditures)/income for the year/ net movement in funds</b>		<b>70,319</b>	<b>653,924</b>	<b>(10,668)</b>	<b>713,575</b>	<b>(42,648)</b>
Fund balances at 1 April 2020		217,306	6,517,473	60,068	6,794,847	6,837,495
<b>Fund balances at 31 March 2021</b>		<b>287,625</b>	<b>7,171,397</b>	<b>49,400</b>	<b>7,508,422</b>	<b>6,794,847</b>

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

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE MUSEUM OF EAST ASIAN ART

## BALANCE SHEET AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14		922,620		934,368
Investments at					
- cost	15	5,819,884		5,234,435	
- value		<u>457,202</u>		<u>382,057</u>	
			<u>6,277,086</u>		<u>5,616,492</u>
			7,199,706		6,550,860
<b>Current assets</b>					
Stocks	16	11,188		7,217	
Debtors	17	46,890		45,134	
Cash at bank and in hand		<u>289,933</u>		<u>236,140</u>	
		348,011		288,491	
<b>Creditors: amount falling due within one year</b>	18	<u>(39,295)</u>		<u>(44,504)</u>	
Net current assets			<u>308,716</u>		<u>243,987</u>
<b>Total assets less current liabilities</b>			<u>7,508,422</u>		<u>6,794,847</u>
<b>Income funds</b>					
Restricted funds	19		49,400		60,068
Endowment funds	20		7,171,397		6,517,473
Designated funds	21		164,611		168,807
Unrestricted funds			<u>123,014</u>		<u>48,499</u>
			<u>7,508,422</u>		<u>6,794,847</u>

The financial statements were approved and authorised for issue by the board of Directors on <sup>8<sup>th</sup> October</sup> September 2021 and signed on their behalf by:



A Shepherd  
Director



A Griffiths  
Director

Company Registration No. 02499752

# THE MUSEUM OF EAST ASIAN ART

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Net Incomings/(Outgoings) from Activities		713,575	(42,648)
Add: Non-cash items			
Depreciation	14	25,011	33,212
Loss on disposal of fixed assets		371	5,712
Less :Endowment funds		(653,924)	15,414
Dividends		(270,649)	(283,430)
Adjustment re gains and other non-cash investment activities		(18,397)	(22,101)
Cash used prior to capital injection, investment activities and operations		(204,013)	(293,841)
Cash from capital injection: legacy		600,000	-
Cash generated from investment activity			
Dividends		270,649	283,430
Sale of investments		576,658	1,098,753
Purchase of investments		(1,358,002)	(965,730)
Total		(510,695)	416,453
Application of Cash in Operational Activities:			
Purchase of fixed assets	14	(13,634)	(7,632)
Increase in stock	16	(3,971)	(2,044)
Increase/(decrease) in debtors	17	(1,756)	117,181
Decrease in creditors	18	(5,209)	(4,561)
Total		(24,570)	102,944
Net (Decrease)/Increase in Cash		(139,278)	225,556
Cash at 1 April		561,494	335,938
Cash at 31 March		422,216	561,494
Composition of cash balances at 31 March			
Cash at bank		289,933	236,140
PEF cash with investment manager		121,640	305,311
EEF cash with investment manager		10,643	20,043
Total		422,216	561,494

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### Accounting policies

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#### 1 Accounting policies

##### Charity information

The Museum of East Asian Art is a private company limited by guarantee incorporated in England and Wales. The registered office is 12 Bennett Street, BATH, BA1 2QJ.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, 'Charities SORP (FRS 102) - 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) second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### True and fair override

The directors of the company and the trustees of the PEF have determined that it is appropriate to depart from the United Kingdom General Accepted Accounting Practice of carrying fixed asset investments at market value because the majority of the investments held by the charity form part of the Permanent Endowment Fund, only the income of which can be used for the purposes of the charity. The directors of the company and the trustees of the PEF therefore view carrying the investments of the PEF at market value as being misleading since the assets cannot be realised at the value stated for use by the charity and it misrepresents the net wealth of the charity. Investments in the PEF are instead being held at cost. Note 15 of the accounts contains disclosure of the value at which investments in the PEF would be carried if they were stated at market value. The directors have therefore decided to adopt a true and fair override and accept the consequent qualified audit opinion.

##### Investments at valuation

The directors of the company have decided that the investments of the EEF should be reported at market value since they are available for use by the charity.

##### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The board of directors is confident that future reserves and future income are more than sufficient to meet current commitments. There are no material uncertainties that impact this assessment and the ongoing COVID-19 pandemic has had no material impact on this assessment

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

The Permanent Endowment Fund represents those assets which must be held permanently by the charity. Income arising on the Permanent Endowment Fund can be used in accordance with the objects of the charity and is included as unrestricted income. The Emergency Endowment Fund investments are those held by the charity where the directors have discretion to convert funds into income.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### Accounting policies

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Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure, which meets these criteria, is charged to the funds, together with a fair allocation of management and support costs. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Incoming resources

Income is recognised when the charity 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.

Grant income is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless it related to a specific future period or event, in which case it is deferred.

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.

Investment income is recognised when notice has been given of receipt by the investment manager.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

#### 1.5 Resources expended

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those incurred directly in support of expenditure on the objects of the charity. Management and administration costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### Accounting policies

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Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Freehold buildings - no depreciation is provided on the grounds the asset has a very long useful life, a high residual value, is subject to a programme of maintenance and accordingly, annual depreciation would not be material. Freehold land is not depreciated
Fixtures and fittings	Between 2% and 20% per annum of cost
Library	Not depreciated

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### 1.7 Heritage assets

The charity has taken advantage of 18.14 of the Charities SORP (FRS 102) and not recognised heritage assets at valuation. The museum's collection is predominately made up of donations of long held assets of donors. The assets are excluded from the balance sheet as significant costs would be involved in the reconstruction of past accounting records and valuations, which are onerous compared with the additional benefit derived by users of the accounts.

#### 1.8 Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment at the balance sheet date. The SOFA includes the net realised gains and losses arising on disposals throughout the accounting period.

#### 1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.11 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.

#### 1.12 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity 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.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### Accounting policies

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##### **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 charity's contractual obligations expire or are discharged or cancelled.

#### **1.13 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

## **2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the directors 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.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 3 Donations and legacies

	Unrestricted funds	Endowment funds designated	Restricted funds	Total 2021	Total 2020
	£	£	£	£	£
Donations and gifts	1,484	-	2,148	3,632	11,415
Legacies		600,000	-	600,000	-
	1,484	600,000	2,148	603,632	11,415
<b>For the year ended 31 March 2020</b>	<b>1,596</b>	<b>-</b>	<b>9,819</b>		<b>11,415</b>

### 4 Charitable activities

	2021	2020
	£	£
Admission charges	-	8,500
Events	865	2,280
Education	-	897
Membership subscriptions	1,492	1,628
	2,357	13,305

### 5 Other trading activities

	2021	2020
	£	£
Shop income	3,151	21,122
Image copyright sales	292	747
Other income	-	1,781
Other trading activities	3,443	23,650

### 6 Investment income

	2021	2020
	£	£
Income from listed investments	270,382	282,416
Interest receivable	267	1,014
	270,649	283,430

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 7 Government grant income

	2021	2020
	£	£
Coronavirus Job Retention Scheme Grant	40,101	-
Coronavirus Government Business support	19,431	-
	<u>59,532</u>	<u>-</u>

### 8 Raising funds

	Unrestricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
<u>Fundraising and Publicity</u>				
Staff costs	-	-	-	7,721
<u>Trading costs</u>				
Other trading activities	6,148	-	6,148	12,487
Staff costs	17,065	-	17,065	20,282
Trading costs	23,213	-	23,213	32,769
<u>Investment management</u>	1,290	21,959	23,249	24,002
	<u>24,503</u>	<u>21,959</u>	<u>46,462</u>	<u>64,492</u>
<b>For the year ended 31 March 2020</b>				
Fundraising and publicity	7,721	-		7,721
Trading costs	32,769	-		32,769
Investment management	1,309	22,693		24,002
	<u>47,799</u>	<u>22,693</u>		<u>64,492</u>

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 9 Charitable activities

	2021 £	2020 £
Staff costs	161,394	177,210
Depreciation	25,382	33,212
Advertising and PR	403	5,894
Collection care	3,372	10,005
Property costs	18,221	27,851
Travel and expenses	96	3,098
Legal and professional	1,250	1,335
Subscriptions	715	712
Training and consultancy	3,139	2,402
Office costs	10,437	8,662
Bank charges	39	125
Education	635	3,347
Exhibition	1,385	6,895
Film	-	802
Artefact insurance and storage	19,476	18,735
	<hr/>	<hr/>
	245,944	300,285
Share of governance costs (see note 10)	3,250	5,475
	<hr/>	<hr/>
	249,194	305,760

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 10 Support costs

	Support Costs	Governance Costs	2021	2020	Basis of allocation
	£	£	£	£	
Audit fees	-	3,250	3,250	5,475	Governance
	-	3,250	3,250	5,475	
Analysed between Charitable activities	-	3,250	3,250	5,475	

Governance costs include payments to the auditors of £3,250 (2020 - £5,475) for audit fees.

### 11 Directors

None of the directors (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 12 Employees

#### Number of employees

The average monthly number employees during the year was:

	2021 Number	2020 Number
Curator	-	1
Visitor Services	2	2
Administration	3	3
Education	2	2
Security	1	1
	<u>8</u>	<u>9</u>

#### Employment costs

	2021 £	2020 £
Wages and salaries	161,487	184,186
Social security costs	8,957	12,042
Other pension costs	8,015	8,985
	<u>178,459</u>	<u>205,213</u>

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

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 13 Net gains/(losses) on investments

		2021	2020
		£	£
Gain/(loss) on sale of investments - PEF		420	77,526
	EEF	(12,698)	9
Unrealised gains/(losses)	EEF	86,092	(70,847)
		<u>73,814</u>	<u>6,688</u>

### 14 Tangible fixed assets

	Freehold land and buildings	Assets under construction	Fixtures and fittings	Library	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2020	224,239	668,638	556,146	51,250	1,500,273
Acquisitions			13,634		13,634
Disposals	-	-	(2,948)	-	(2,948)
At 31 March 2021	<u>224,239</u>	<u>668,638</u>	<u>566,832</u>	<u>51,250</u>	<u>1,510,959</u>
<b>Depreciation and impairment</b>					
At 1 April 2020	-	55,866	510,039	-	565,905
Disposals			(2,577)		(2,577)
Depreciation charged in the year	-	-	25,011	-	25,011
At 31 March 2021	<u>-</u>	<u>55,866</u>	<u>532,473</u>	<u>-</u>	<u>588,339</u>
<b>Carrying amount</b>					
At 31 March 2021	<u>224,239</u>	<u>612,772</u>	<u>34,359</u>	<u>51,250</u>	<u>922,620</u>
At 31 March 2020	<u>224,239</u>	<u>612,772</u>	<u>46,107</u>	<u>51,250</u>	<u>934,368</u>

Not included in the above is the Museum's collection of artefacts. The collection, due to its nature, is of most value in terms of its cultural significance and as such no reliable monetary value can be placed upon it.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 15 Fixed asset investments

(Continued)

	Listed investments	Cash in portfolio	Total
	£	£	£
<b>Permanent Endowment Fund at cost</b>			
At 1 April 2020	4,929,124	305,311	5,234,435
Incoming resources	-	609,480	609,480
Additions	1,316,590	(1,316,590)	-
Sales proceeds	(546,509)	546,509	-
Gains/ (Loses)	420	-	420
Fees and outgoing	(1,381)	(23,070)	(24,451)
At 31 March 2021	<u>5,698,244</u>	<u>121,640</u>	<u>5,819,884</u>
At 31 March 2020	<u>4,929,124</u>	<u>305,311</u>	<u>5,234,435</u>
<b>Emergency Endowment Fund at market value</b>			
At 1 April 2020	362,014	20,043	382,057
Incoming resources	-	1,863	1,863
Additions	41,412	(41,412)	-
Sales proceeds	(30,149)	30,149	-
Realised Gains/ (Loses)	(12,698)	-	(12,698)
Fees and outgoing	(112)	-	(112)
Unrealised gains/ (Loses)	86,092	-	86,092
At 31 March 2021	<u>446,559</u>	<u>10,643</u>	<u>457,202</u>
At 31 March 2020	<u>362,014</u>	<u>20,043</u>	<u>382,057</u>

Fixed asset investments for the Permanent Endowment Fund are carried at cost rather than market value. The reasons for this treatment are disclosed in note 1 of the financial statements.

The market value of the Permanent Endowment Fund investments at 31 March 2021 was £7,157,466 (2020: £5,190,937)

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

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### 16 Stocks

	2021 £	2020 £
Finished goods and goods for resale	11,350	7,339
Less: Provision for obsolete stock	(162)	(162)
	<u>11,188</u>	<u>7,217</u>

### 17 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	168	488
Other debtors	23,856	22,011
Prepayments and accrued income	22,866	22,635
	<u>46,890</u>	<u>45,134</u>

### 18 Creditors

	2021 £	2020 £
<b>Amounts falling due within one year</b>		
Other taxation and social security	3,155	3,256
Trade creditors	26,247	32,388
Other creditors	-	-
Accruals and deferred income	9,893	8,860
	<u>39,295</u>	<u>44,504</u>

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

#### 19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2020	Incoming Resources	Resources Expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£
B&NES Eastern voices	370	-	-	(370)	-
B&NES Arts project funding	9	-	-	(9)	-
Foyle Foundation	782	-	(782)	-	-
ACE small scale capital grant	7638	-	(7,638)	-	-
Stephen Clark Charitable Trust	100	-	(100)	-	-
Medlock charitable Trust	106	-	-	(106)	-
B&NES Heritage - Improved facilities for volunteers	12	-	-	(12)	-
MEAA Metalware conservation project	24,353	-	-	-	24,353
MEAA Emergency Appeal	8,897	835	-	-	9,732
The Reimaging Project fund	3,536	-	(385)	497	3,648
L.G. Harris Trust Security Enhancements	10,465	-	(2,598)	-	7,867
L.G. Harris Trust Photography of collection	3,800	-	-	-	3,800
SW Museum Development Programme Recovery grant for Digital project	-	1,313	(1,313)	-	-
	60,068	2,148	(12,816)	-	49,400

#### Incoming funds

MEAA Emergency Appeal – Fundraising appeal after the burglary in April 2018 for the redevelopment of the museum.

South West Museum Development Programme Recovery Grant for Digital Engagement project.

The following funds, having small balances after completion of the work for which they were originally given, were closed by transferring their balances to the Reimaging Project fund within Restricted funds as shown above: grants from - B&NES for Eastern voices project £370, B&NES One Year Arts Funding £9, Medlock Charitable Trust £106 and B&NES Heritage services £12, in total £497.

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 20 Endowment funds

The endowment funds, which are material to the charity's activities, are made up as follows:

	Movement in funds					Balance at 31 March 2021
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	
Permanent Endowment Fund	5,231,986	600,000	(21,959)	4,775	420	5,815,222
Gifts from Franklin Tsu's Estate	887,428	-	(2,808)	-	-	884,620
Special Capital Reserve	9,352	-	-	-	-	9,352
Emergency Endowment Fund	388,707	-	-	102	73,394	462,203
	<u>6,517,473</u>	<u>600,000</u>	<u>(24,767)</u>	<u>4,877</u>	<u>73,814</u>	<u>7,171,397</u>

The Permanent Endowment Fund exists as a separate charity. The capital of this fund is invested and only the income is available to pay towards the running expenses of the Museum. The investments are managed by a sub-committee of four of the Museum's Management Committee in conjunction with Brewin Dolphin the investment advisers. Copies of the quarterly statement showing the contributions to the Permanent Endowment Fund and the investments held by it are circulated quarterly to the sub-committee. The Charity Commission has confirmed that the accounts of the Permanent Endowment Fund can form part of the accounts so long as the funds are kept separate.

### 21 Designated funds

The income funds of the charity include the following designated funds, which arise from the Insurance claim agreed to the date of these accounts following the burglary on 18 April 2018 and have been set aside out of unrestricted funds by the directors for specific purposes:

	Movement in funds				Balance at 31 March 2021
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	
	£	£	£	£	
Designated funds	168,807	-	(4,196)	-	164,611
	<u>168,807</u>	<u>-</u>	<u>(4,196)</u>	<u>-</u>	<u>164,611</u>

# THE MUSEUM OF EAST ASIAN ART

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 22 Analysis of net assets between funds

	General Funds £	Restricted Funds £	Endowment Funds £	Total £
Fund balances at 31 March 2021 are represented by:				
Tangible assets	34,359	-	888,261	922,620
Investments	-	-	6,277,086	6,277,086
Current assets/(liabilities)	253,266	49,400	6,050	308,716
	<u>287,625</u>	<u>49,400</u>	<u>7,171,397</u>	<u>7,508,422</u>

The General Funds balance includes the designated funds (refer to Note 21) of £164,611 that consist entirely of current assets/liabilities. The Unrestricted Funds of £123,014 consist of fixed assets of £34,359 and net current assets of £88,655.

### 23 Related party transactions

#### Transactions with related parties

During the year the charity entered into no transactions with related parties:

### 24 Subsequent events

The lockdowns and restrictions relating to the Coronavirus pandemic and issued by the Government that continued beyond 31 March 2021 have been eased significantly effective 19 July 2021 but it is too early to assess the extent to which and when the Museum will be able to return to 'normal conditions'. The directors have considered the implications for the Museum of the effects of the pandemic and are satisfied that the Museum can continue to operate viably as a going concern for the foreseeable future.