

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

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	B McElney C Gore B Hutton A Shepherd A Griffiths S Balmer J Higgins Dr T Munford R Scott
Secretary	B Hutton
Charity number	328725
Company number	02499752
Registered office	12 Bennett Street Bath BA1 2QJ
Auditor	Ferguson Maidment & Co. 8 th Floor 167 Fleet Street London EC4A 2EA
Bankers	Lloyds Bank 47 Milsom Street Bath BA1 1DN

THE MUSEUM OF EAST ASIAN ART

CONTENTS

	Page
Directors' report	1 - 6
Statement of Directors' responsibilities	7
Independent auditor's report	8 - 10
Statement of financial activities	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 - 27

THE MUSEUM OF EAST ASIAN ART

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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 3rd 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

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

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

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

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

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 8th 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

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

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

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



Vivek Kapoor (Senior Statutory Auditor)
for and on behalf of Ferguson Maidment & Co

Accountants
Statutory Auditor

8th October
September 2021

8th 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

		Unrestricted funds	Endowment funds	Restricted funds	Total 2021	Total 2020
	Notes	£	£	£	£	£
Income from:						
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	-
Total income		337,465	600,000	2,148	939,613	341,450
Expenditures on:						
<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
		<u>28,699</u>	<u>21,959</u>	<u>-</u>	<u>50,658</u>	<u>85,026</u>
Charitable activities	9	233,570	2,808	12,816	249,194	305,760
Total resources expended		262,269	24,767	12,816	299,852	390,786
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	-	-	-
Net (expenditures)/income for the year/ net movement in funds		70,319	653,924	(10,668)	713,575	(42,648)
Fund balances at 1 April 2020		<u>217,306</u>	<u>6,517,473</u>	<u>60,068</u>	<u>6,794,847</u>	<u>6,837,495</u>
Fund balances at 31 March 2021		<u>287,625</u>	<u>7,171,397</u>	<u>49,400</u>	<u>7,508,422</u>	<u>6,794,847</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 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
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
Current assets					
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	
Creditors: amount falling due within one year	18	<u>(39,295)</u>		<u>(44,504)</u>	
Net current assets			<u>308,716</u>		<u>243,987</u>
Total assets less current liabilities			<u>7,508,422</u>		<u>6,794,847</u>
Income funds					
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 ^{8th October} 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

		2021	2020
	Notes	£	£
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

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

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

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

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
For the year ended 31 March 2020	1,596	-	9,819		11,415

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>
For the year ended 31 March 2020				
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

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
	<u>245,944</u>	<u>300,285</u>
Share of governance costs (see note 10)	3,250	5,475
	<u>249,194</u>	<u>305,760</u>

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	2021	2020
The average monthly number employees during the year was:	Number	Number
Curator	-	1
Visitor Services	2	2
Administration	3	3
Education	2	2
Security	1	1
	8	9
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
	178,459	205,213

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
	£	£	£	£	£
Cost					
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>
Depreciation and impairment					
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>
Carrying amount					
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
	£	£	£
Permanent Endowment Fund at cost			
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 outgoings	(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>
Emergency Endowment Fund at market value			
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 outgoings	(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

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 £
Amounts falling due within one year:		
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 £
Amounts falling due within one year		
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.