

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

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
Investment Managers	Brewin Dolphin Ltd St James House St James Square Cheltenham GL50 3PR

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THE MUSEUM OF EAST ASIAN ART

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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 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 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.

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DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2022

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 31st 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 31st December, 2021 and 31st 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 31st 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

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 7th 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

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DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2022

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.

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DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2022

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,

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DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2022

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 31st 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.

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DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2022

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: 12th September 2022

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STATEMENT OF DIRECTOR'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

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.

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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 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.

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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.

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

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. 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

12th September 2022
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 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
Total income		<u>397,199</u>	<u>104,470</u>	<u>13,195</u>	<u>514,864</u>	<u>939,613</u>
<u>Expenditures on:</u>	Notes					
<u>Raising funds</u>						
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
Total resources expended		<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	-	-
Net (expenditure)/income for the year						
Net movement in funds		(115,943)	136,264	189,972	210,293	713,575
Fund balances at 1 April 2021		<u>287,625</u>	<u>7,171,397</u>	<u>49,400</u>	<u>7,508,422</u>	<u>6,794,847</u>
Fund balances at 31 March 2022		<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	
		£	£	£	£
Fixed assets					
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
Current assets					
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	
Creditors: amount falling due within one year	18	<u>(55,074)</u>		<u>(39,295)</u>	
Net current assets			<u>386,365</u>		<u>308,716</u>
Total assets less current liabilities			<u>7,718,715</u>		<u>7,508,422</u>
Income funds					
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 12th 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

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

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

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

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

3 Donations and legacies	Unrestricted funds	Endowment funds designated	Restricted funds	Total 2022	Total 2021
	£	£	£	£	£
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>
 4 Charitable activities				2022	2021
				£	£
Admission Charges				8,066	-
Events				882	865
Education				-	-
Membership subscriptions				1,574	1,492
				<u>10,522</u>	<u>2,357</u>
 5 Other trading activities				2022	2021
				£	£
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>
 6 Investments				2022	2021
				£	£
Income from listed investments				310,197	270,382
Interest receivable				131	267
				<u>310,328</u>	<u>270,649</u>
 7 Government grant income				2022	2021
				£	£
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
For the year ended 31 March 2021				
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 £
Cost					
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>
Depreciation and impairment					
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>
Carrying amount					
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
	£	£	£
Permanent Endowment Fund at cost			
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>
Emergency Endowment Fund at market value			
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)	<u>39,671</u>		<u>39,671</u>
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

16 Stocks

	2022 £	2021 £
Finished goods and goods for resale	12,406	11,350
Less: Provision for obsolete stock	<u>(162)</u>	<u>(162)</u>
	<u>12,244</u>	<u>11,188</u>

17 Debtors

	2022 £	2021 £
Amount falling due within one year:		
Trade debtors	-	168
Other debtors	27,508	23,856
Prepayments and accrued income	<u>24,113</u>	<u>22,866</u>
	<u>51,621</u>	<u>46,890</u>

18 Creditors

	2022 £	2021 £
Amount falling due within one year:		
Other taxation and social security	5,067	3,155
Trade creditors	25,775	26,247
Accruals and deferred income	<u>24,232</u>	<u>9,893</u>
	<u>55,074</u>	<u>39,295</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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>

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

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.