

Charity Registration No. 328725

Company Registration No. 02499752 (England and Wales)

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

THE MUSEUM OF EAST ASIAN ART

LEGAL AND ADMINISTRATIVE INFORMATION

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|----------------------------|--|
| Directors | C Gore A Shepherd A Griffiths S Balmer J Higgins Dr T Munford R Scott A.Perng |
| Secretary | A Shepherd |
| 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 |

THE MUSEUM OF EAST ASIAN ART

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THE MUSEUM OF EAST ASIAN ART

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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

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

Reference and Administrative Details

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

Objectives and activities of the Museum

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

The objects of the Museum are:

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

Public benefit

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

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

Structure, governance and management

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

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

THE MUSEUM OF EAST ASIAN ART

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2023

Opportunities for redevelopment

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

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

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

Staff Changes

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

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

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

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

Achievements and performance

Exhibitions

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

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

2. Global Sino Photo Awards – First Floor Gallery

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

THE MUSEUM OF EAST ASIAN ART

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2023

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

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

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

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

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

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

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

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

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

Audience Engagement

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

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

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

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

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

Digital Engagement

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

Learning Programme

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

THE MUSEUM OF EAST ASIAN ART

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2023

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

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

Volunteers

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

Friends of the Museum

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

Admissions

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

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

Retail and Ecommerce

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

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

THE MUSEUM OF EAST ASIAN ART

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2023

Financial Review

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

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

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

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

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

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

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

Investment powers

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

Reserves

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

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

THE MUSEUM OF EAST ASIAN ART

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2023

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

Going concern review

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

Risk review

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

The Directors

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

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

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

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

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

THE MUSEUM OF EAST ASIAN ART

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2023

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 4th September 2023 and signed on behalf of the board of directors by:



A Shepherd
Director

Dated:

THE MUSEUM OF EAST ASIAN ART

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

Statement of Directors' Responsibilities

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

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

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.

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

Disclosure of information to auditors

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

THE MUSEUM OF EAST ASIAN ART

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

Qualified opinion

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

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

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

Basis for qualified opinion

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

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

THE MUSEUM OF EAST ASIAN ART

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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**

4th September 2023
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 2023

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

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

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

THE MUSEUM OF EAST ASIAN ART

BALANCE SHEET AT 31 MARCH 2023

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

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



A Shepherd
Director



A Griffiths
Director

Company Registration No. 02499752

THE MUSEUM OF EAST ASIAN ART

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Accounting policies

1. Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

True and fair override

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

Investments at valuation

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

1.2 Going concern

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

1.3 Charitable funds

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

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

THE MUSEUM OF EAST ASIAN ART

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Accounting policies

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

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

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

1.4 Incoming resources

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

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

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

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

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

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

1.5 Resources expended

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

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

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

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

1.6 Tangible fixed assets

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

THE MUSEUM OF EAST ASIAN ART

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Accounting policies

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

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

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

1.7 Heritage assets

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

1.8 Fixed asset investments

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

1.9 Impairment of fixed assets

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

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

1.10 Stocks

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

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

1.11 Cash and cash equivalents

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

1.12 Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised

THE MUSEUM OF EAST ASIAN ART

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Accounting policies

amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.13 Employee benefits

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

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

1.14 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

THE MUSEUM OF EAST ASIAN ART

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

3 Donations and legacies

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

4 Charitable activities

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

5 Other trading activities

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

6 Investments

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

7 Government grant income

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

THE MUSEUM OF EAST ASIAN ART

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

8 Raising funds

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

9 Charitable activities

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

THE MUSEUM OF EAST ASIAN ART

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

10 Support costs

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

11 Directors

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

12 Employees

Number of employees

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

Employment costs

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

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

THE MUSEUM OF EAST ASIAN ART

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

13 Net gains/(losses) on investments

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

14 Tangible fixed assets

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

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

THE MUSEUM OF EAST ASIAN ART

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

15 Fixed asset investments

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

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

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

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

THE MUSEUM OF EAST ASIAN ART

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

16 Stocks

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

17 Debtors

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

18 Creditors

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

THE MUSEUM OF EAST ASIAN ART

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

19 Restricted funds

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

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

Incoming funds

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

B&NES Heritage Services for Improving Audience Engagement

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

THE MUSEUM OF EAST ASIAN ART

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FOR THE YEAR ENDED 31 MARCH 2023

20 Endowment funds

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

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

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

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

21 Analysis of net assets between funds

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

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

22 Related party transactions

Transactions with related parties

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