

Charity Registration No. 328725

Company Registration No. 02499752 (England and Wales)

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

THE MUSEUM OF EAST ASIAN ART

LEGAL AND ADMINISTRATIVE INFORMATION

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
Website	https://meaa.org.uk
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 2024

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

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

Reference and Administrative Details

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

Objectives and activities of the Museum

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

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DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

Redevelopment of the Museum

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

Achievements and Performance

Staffing

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

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

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

Training

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

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

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

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

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DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

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

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

Exhibitions

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

First floor gallery

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

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

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

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

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

Ground Floor Gallery

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

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

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

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

Learning and Engagement

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

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DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

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

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

Volunteers

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

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

Friends of the Museum

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

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

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

Collection care

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

Digital engagement

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

Admissions

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

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DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

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

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

Admissions charges review

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

Retail and e-commerce

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

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

Fundraising

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

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

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

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DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

Financial Review

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

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

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

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

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

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

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

Investment powers

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

Reserves

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

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

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DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

Going concern review

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

Risk review

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

The Directors

It is with the utmost sadness that the directors report the death of Mr Brian S. McElney, OBE on 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. A special memorial event was held in London on 1st November 2023 that was well attended and resulted in generous donations being made to the Museum in memory and also in honour of Mr McElney.

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

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

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

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DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2024

Auditor

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

Disclosure of information to the auditor

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

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

Small company provisions

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

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



A Shepherd

Director

Dated:

THE MUSEUM OF EAST ASIAN ART

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

Basis for qualified opinion

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

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

THE MUSEUM OF EAST ASIAN ART

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

THE MUSEUM OF EAST ASIAN ART

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE MUSEUM OF EAST ASIAN ART

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

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

A further description of our responsibility for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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.

8th Floor
167 Fleet Street
London
EC4A 2EA

30th September 2024



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

THE MUSEUM OF EAST ASIAN ART

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

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

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

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

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

THE MUSEUM OF EAST ASIAN ART

BALANCE SHEET AT 31 MARCH 2024

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

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

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

A Shepherd
Director



A Griffiths
Director



Company Registration No. 02499752

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

THE MUSEUM OF EAST ASIAN ART

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

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

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

THE MUSEUM OF EAST ASIAN ART

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Accounting policies

1. Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

True and fair override

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

Investments at valuation

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

1.2 Going concern

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

1.3 Charitable funds

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

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

THE MUSEUM OF EAST ASIAN ART

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Accounting policies

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

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

1.4 Incoming resources

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

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

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

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

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

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

1.5 Resources expended

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

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

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

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

1.6 Tangible fixed assets

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

THE MUSEUM OF EAST ASIAN ART

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Accounting policies

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

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

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

1.7 Heritage assets

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

1.8 Fixed asset investments

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

1.9 Impairment of fixed assets

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

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

1.10 Stocks

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

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

1.11 Cash and cash equivalents

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

1.12 Financial instruments

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

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

THE MUSEUM OF EAST ASIAN ART

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Accounting policies

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

Basic financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.13 Employee benefits

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

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

1.14 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

THE MUSEUM OF EAST ASIAN ART

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

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

THE MUSEUM OF EAST ASIAN ART

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

7 Raising funds

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

8 Charitable activities

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

THE MUSEUM OF EAST ASIAN ART

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

9 Support costs

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

10 Directors

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

11 Employees

Number of employees

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

Employment costs

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

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

THE MUSEUM OF EAST ASIAN ART

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

12 Net gains/(losses) on investments

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

13 Tangible fixed assets

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

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

THE MUSEUM OF EAST ASIAN ART

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

14 Fixed asset investments

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

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

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

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

THE MUSEUM OF EAST ASIAN ART

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

15 Stocks

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

16 Debtors

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

17 Cash at Bank and In Hand

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

18 Creditors

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

THE MUSEUM OF EAST ASIAN ART

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

19 Restricted funds

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

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

Incoming funds

The Reimagining Project fund for the redevelopment of whole Museum.

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

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

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

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

THE MUSEUM OF EAST ASIAN ART

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

20 Endowment funds

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

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

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

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

21 Analysis of net assets between funds

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

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

22 Related party transactions

Transactions with related parties

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