

ASIA HOUSE

Company Limited by Guarantee

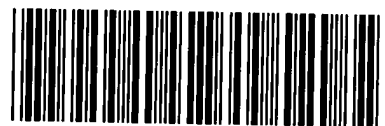
**CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

AMENDED

Company Number 03312073

Charity Number 1072696

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ASIA HOUSE
CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

| CONTENTS | Page |
|--|-------------|
| Reference and administrative information | 2 |
| Trustees' Report | 3-16 |
| Auditors' Report | 17-20 |
| Consolidated Statement of Financial Activities | 21 |
| Consolidated Balance Sheet | 22 |
| Cash Flow Statement | 23 |
| Notes to the Financial Statements | 24-34 |

N.B these amended accounts:

- **replace the original accounts**
- **are now the statutory accounts**
- **are prepared as they were at the date of the original accounts**

ASIA HOUSE

REFERENCE AND ADMINISTRATIVE INFORMATION

TRUSTEES

Lord Green of Hurstpierpoint - CHAIRMAN
Ann Almeida
Stephen Ball
Matt Cavanagh, Prudential plc
Victor Chu, First Eastern Investment Group
Sir Sherard Cowper-Coles KCMG LVO, HSBC
Martin Dewhurst, McKinsey & Company
Albert Ellis
Anne Ruth Herkes
Gregory Hodgkinson, Arup
Naina Lal Kidwai
Edward Knapp
Dr Deborah Swallow, The Courtauld Institute of Art
Wendy Wang, HSBC

KEY MANAGEMENT PERSONNEL

Chief Executive
Director of Corporate Affairs
Head of Operations and Events
Communications Manager
Head of Finance and Administration

Michael Lawrence
Charlie Humphreys
Philip Woodford-Smith
Luke Foddy
Sandeeren Sabapathy

CHARITY REGISTRATION NUMBER

1072696

COMPANY REGISTRATION NUMBER

3312073

REGISTERED OFFICE

63 New Cavendish Street
London W1G 7LP

AUDITORS

Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

INVESTMENT MANAGERS

RATHBONES
28 St Andrew Square
Edinburgh
EH2 1AF

BANKERS

HSBC
89 Buckingham Palace Road
London
SW1W 0QL

SOLICITORS

RadcliffesLeBrasseur
5 Great College Street
London
SW1P 3SS

ASIA HOUSE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees of Asia House present their report and financial statements for the year ended 31 December 2019, which have been prepared in accordance with the Companies Act 2006, in accordance with Charities Act 2011 and SORP 2005.

CONSTITUTION

The company was incorporated on 29 January 1997 and was registered as a charity with the Charity Commission on 2 December 1998.

On 30 June 2000, Asia House purchased as a going concern all of the undertakings, assets, liabilities and obligations of Asia House Trust, a registered charity which had substantially the same objects as Asia House.

OBJECTS OF THE CHARITY

Asia House was founded to establish and maintain, for the public benefit, an Asia focused institution to further the appreciation and understanding of Asian countries, their cultures, religions and economies and to foster closer communication between the peoples of Europe and Asia through a programme of exhibitions, lectures, conferences and meetings.

TRUSTEES AND GOVERNANCE

The trustees who served during the year are named on page 2. Following the Government's implementation of the Charities Act 2011, the Trustees are cognisant of their responsibilities in demonstrating public benefit and have regard to the Charity Commission's guidance in this area.

The Finance, Audit and Risk Committee, on behalf of the Board, reviews the audit and finances of Asia House and maintains an overview of the risk management and governance processes ensuring that the system of internal control is satisfactory.

The Remuneration Committee sets and reviews the policies for remuneration of the CEO and for performance related pay and bonuses.

The Investment Committee oversees and reviews the performance of Asia House's investment fund.

The Nominations Committee considers trustee nominations and makes recommendations for the composition of the Board of Trustees to a meeting of the Trustees.

Following appointment, new trustees receive an induction briefing from the Chairman and CEO during a visit to Asia House.

PRINCIPAL ACTIVITIES

Asia House achieves its objectives through Cultural and Corporate Programmes.

The Cultural (Arts and Learning) Programme delivers a wide range of activities that highlight the culture, beliefs, political and economic current affairs of the countries of Asia. The pan-Asian nature of the programme is crucial in delivering our objectives and ensuring the expansion and diversity of our audiences.

The Corporate (Business and Policy) Programme is designed to stimulate debate and intellectual leadership on key current issues by bringing together leading Asian politicians and diplomats, businesspeople and decision makers together with CEOs and executives from UK and Asian based companies.

ASIA HOUSE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

INVESTMENT POLICY AND PERFORMANCE

The Asia House Investment Fund was established in January 2017 from the proceeds of the sale of the rear of 63 New Cavendish Street and 34 Weymouth Mews with the objective of maximising long-term total return, subject to not exceeding an agreed level of risk.

Asia House can invest those funds without regard to whether the investment return is in the form of capital appreciation or income and with discretion to apply any part of the total investment return as income for spending each year. If the capital value of the portfolio were to fall during the year, the trustees would still have discretion to use funds from the portfolio as they see fit.

The core Asia House investment strategy remains: to manage the portfolio to deliver long-term absolute returns without specific regard to income generation to diversify the portfolio across multiple asset classes. While ethical, social, and environmental considerations are taken into account when investments are made, there are no formal restrictions in place to preclude investment in specific companies, sectors, or countries.

REMUNERATION POLICY

The governing principles of the Charity's remuneration policy are as follows

- To ensure delivery of the Charity's objectives
- To attract and retain a motivated workforce with the skills and expertise necessary for organisational effectiveness
- That remuneration should be equitable and coherent across the organisation
- To take account of the purposes, aims and values of the Charity
- To ensure that pay levels and pay increases are appropriate in the context of the interests of our beneficiaries

The pay of the senior staff is reviewed annually. The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting for any additional responsibilities. If recruitment has proven difficult in the recent past, a market addition is also paid.

RISK MANAGEMENT

The trustees have a risk management strategy, which comprises:

- a regular review of the principal risks and uncertainties that the charity and its subsidiary Asia House Enterprises Ltd ;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk for both the charity and its subsidiary. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank, and active management of trade debtors and creditors balances to ensure sufficient working capital by the Trust and its subsidiary company. Attention has also been focussed on non-financial risks arising from fire, health and safety of artists and audience, management of performing rights and food hygiene. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place and regular awareness training for staff working in these operational areas.

ASIA HOUSE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Systems of internal control, designed to provide reasonable assurance against material misstatement and loss, include:

- regular reports to the Trustees by the Chief Executive
- regular briefing of Chairman by the Chief Executive
- an annual budget approved by the Trustees
- regular consideration by the Trustees of the financial results, variance from budgets and non-financial performance indicators

Trustees review the Charity's risk register annually. The register identifies the types of risks the charity faces, prioritises them in terms of potential impact and likelihood, and identifies means of mitigating each risk. The day-to-day responsibility for managing the risks is delegated by the Trustees to the Chief Executive and Senior Management.

PRINCIPAL RISK AND UNCERTAINTIES

The impact of COVID-19 has been considered on the charity's future plans and budgeting processes and the effect of the outbreak will be a significant risk into the December 2020 year end.

The Board of Trustees was presented with a revised forecast considering the impact of COVID-19. It showed an expected loss of £540k for year-end 2020.

The Board were satisfied with the plans that were shown to mitigate the expected losses and that funds could be drawn from the investment portfolio if needed to relieve any potential cashflow problems. Options for obtaining financing if needed in a worst-case scenario were also discussed including an increased overdraft and a loan being either a commercial or government backed loan. The Board were confident in our ability to obtain these due to the strength of our balance sheet. Positive discussions with the bank have already taken place.

The effect on this year's financial statements has been considered in note 22 – post balance sheet events of the financial statements.

ASIA HOUSE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Business and Policy Programme 2019 Review

Despite continued external challenges, there have been significant achievements across the programme and services during 2019 but we have struggled to achieve objectives in some areas. Notably, total revenue fell well short of target.

As global tensions have increased throughout 2019, Asia House has remained committed to delivering value through delivering advice and engagement opportunities between companies and major economies in Asia and the West. Although the work of Asia House is increasingly relevant amid the growing uncertainty in international markets, the difficult operating environment continues to pose challenges to the Asia House business model.

Achievements this year include the ongoing delivery of an excellent programme of events and the establishment of Asia House Advisory. Asia House has also been able to generate new and additional revenue through bespoke event production for clients according to the specific commercial needs. These developments have been very encouraging as they have ensured continued revenue while further enhancing Asia House's reputation and relevance among business and government entities.

The areas where outcomes have fallen short of objectives are in the more traditional areas of work. This is most evident in the corporate membership revenue for 2019. Asia House not only failed to meet its target – albeit ambitious – of increased membership revenue, the position will in fact be slightly lower at year end due to cancelled memberships which were not replaced through new member recruitment. It has also been challenging to meet targets for sponsorship of major events.

While this trend is something which Asia House has experienced – and responded to effectively – over the past few years, with this accelerating shift in market sentiment, our focus for 2020 is to develop Asia House Advisory services where we intend to continue to grow the revenue significantly, while also expanding bespoke event production services which range from content design, securing speakers, audience build, moderating, through to full event hosting and delivery.

In terms of the major themes and geographies, we remain focused on the major shifts in global trade policy, particularly US-China tensions and the impact on Europe and Asia more widely, as well as the implications for global business. We have been able to deliver highly relevant content on this throughout 2019 and have been able to work with both the US and Chinese governments respectively, along with European and other Asian governments and government agencies to foster effective dialogue as understanding this and related issues has become critical for international businesses. This has ensured Asia House programmes and services remain relevant and of value to globally significant businesses and governments.

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TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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We have also continued our focus on ASEAN / Southeast Asia, working with a number of governments there, providing insights into the continued ASEAN economic integration process, the wider set of trade and economic arrangements in the region such as RCEP and CPTPP, but also many of the national economic and political developments such as the Presidential Election in Indonesia, economic reform in Vietnam and domestic political developments in Malaysia.

Based on clear interest in the market, two key content areas which we aim to develop within both our programmes and advisory services in 2020 are 1) a focus on *technology and innovation*, and 2) a focus on issues relating to *climate change and sustainability*. We have developed a good track record on tech-focused issues throughout the programme in 2019, which we aim to distil into a programme and content area in its own right.

Sustainability and climate change related issues in the Asia context are not areas in which Asia House has worked extensively in the past, but based on requests from existing and prospective clients and members for content in this area, we aim to develop a programme and expertise in this area as we move into 2020.

Corporate Membership

During the course of 2019, the following companies declined to renew their Corporate Partnerships (£10k): Airbus, AstraZeneca, BAE Systems, CIMB, Dentons, DLA Piper, DWF, Heathrow Airport, Kreab, Kroll and UOB, which is higher than the value of cancelled memberships in previous years. What is more notable is the failure to recruit new members to cover the lost membership revenue, where our target was in fact to continue to grow membership revenue. The following members joined in 2019: Cheung Kong Graduate School of Business (£25k), NATS (10k), NIO (£10k), Pernod Ricard (£10k), Wood (£10k), JP Morgan (£10k), and Thales (£7.5k).

Asia House Advisory

With the establishment of the Asia House Advisory Board and international network of experts in the first half of 2019, Asia House has continued to develop the Advisory business with revenue now being generated. Asia House advisory has successfully implemented two key projects, is in the final stages of negotiation for a very significant project which will be delivered in 2019 and 2020 and has a number of viable clients / projects in a pipeline of future work in this area.

ASIA HOUSE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The main project completed so far consists of government relations advisory and a private engagement initiative for a large US-based corporate, designed to enable them to develop and advance their policy position in their sector area with Asian experts and policy-makers, as well as practically engage key stakeholders on policy and commercial issues that are critical to the success of their business and sector across Asia. This project was worth approximately £45k in fees and was implemented over a period of approximately two months.

We have also continued to develop a major multi-year initiative for a group of four high tier members to engage an Asian government on infrastructure opportunities through Asia House Advisory. This underpins significant revenue from these key stakeholders.

We will continue to generate interest in Asia House Advisory through specific events, digital marketing and promotion of the service throughout existing Asia House activities and materials. A key objective moving forwards is to convert corporate members, especially those at the basic level, to Advisory clients by sensitively proposing commercially relevant projects in this area.

Major International Conferences

Asia House has maintained momentum in its programme of high profile events in Asia to raise the profile of the organisation, develop connections and, ultimately, generate new revenue through business development opportunities.

Asia House returned to Dubai in March for its second major conference there. This has helped maintain connections with the Middle East region and develop the particular focus that Asia House has developed on *The Middle East Pivot to Asia*. The conference was generously sponsored by HSBC again this year, which ensured that it was also financially successful.

Asia House then returned to Hong Kong in late October and Singapore in early November. The conference in Hong Kong – *The Future of Trade* – was particularly challenging, given the disruptions taking place in the city, but the conference was extremely well received and our decision to continue with the conference amid many cancelled events, meetings and visits was seen very positively by many of the local and international businesses operating Hong Kong. Despite the situation in Hong Kong we were able to put together an excellent line up of speakers, a very good audience and we achieved very good media coverage.

The Asia House Global Trade Dialogue in Singapore on 7 November was the main annual international conference in 2019. We assembled a high-profile line up of speakers, an excellent audience and were able to position many of the key areas of Asia House's work in a credible and valuable way, fostering dialogue on US-China trade tensions, the implications of new technology on economies and markets in Asia and the opportunities associated with infrastructure development and increasing connectivity across the region. Although we fell short of the revenue target, we generated sufficient revenue to cover a significant proportion of the costs. Feedback on the conference has been universally positive and we were able to grow our network considerably. Moving forward we are now focused on developing new business from those new connections.

ASIA HOUSE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Business and Policy Programme

Asia House has produced and delivered an excellent programme of events over the course of 2019. Highlights of the programme include the following events:

Private briefings:

Corporate Members Briefing

Sri Mulyani Indrawati, Minister of Finance, Indonesia

Corporate Members Briefing

Edward Yau GBS, JP, Secretary for Commerce and Economic Development, Hong Kong SAR

Corporate Members Briefing

Heather Wheeler MP, Parliamentary Under-Secretary of State with responsibilities covering Asia and the Pacific, UK

Corporate Members Briefing

Robert Koopman, Chief Economist and Director of the Economic Research and Statistics Division at the World Trade Organization

Corporate Members Briefing

Joachim Von Amsberg, Vice-President for policy and strategy at the Asian Infrastructure Investment Bank

Corporate Members Briefing

Bambang Brodjonegoro, Minister for National Development, Indonesia
Perry Warijyo, Governor of Indonesia (Indonesia's Central Bank)

Corporate Members Briefing

H.E. Mohammed bin Nawwad bin Abdulaziz Al Saud, Saudi Arabian Ambassador to the UK

Corporate Members Briefing

Arda Ermut, President of the Investment Office, Turkey

Corporate Members Briefing

H.E. Adel Afiouni, Minister of State for Investment and Technology, Lebanon

Corporate Members Briefing

Tom Hardy, Director of the United States Trade and Development Agency

Corporate Members Briefing

H.E. Mr. Koji Tsuruoka, Japanese Ambassador to the UK

Corporate Members Briefing

Professor Danny Quah, Dean and Li Ka Shing Professor in Economics at Lee Kuan Yew School of Public Policy, Singapore

ASIA HOUSE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Sponsored events:

An Asia House roundtable discussion

In partnership with Prudential

Shifting Demographics in Asia: Preparing for an Age of Longevity

Speakers:

- *Andrew Scott, Professor of Economics at London Business School, co-author of The 100-Year Life*
- *Wilfred Blackburn, CEO and Director of the Board of Prudential Assurance Company Singapore*
- *Catherine Foot, Director of Evidence at the Centre for Ageing Better*

An Asia House roundtable discussion

In partnership with McKinsey & Company

Globalisation in Transition: Managing the Impact of Changing Global Value Chains

Susan Lund, partner at McKinsey & Company and a leader of the McKinsey Global Institute

An Asia House Conference

In partnership with McKinsey & Company

China and the World inside a changing economic relationship

Speakers:

- *Jonathan Woetzel, Director, McKinsey Global Institute*
- *Sue Anne Tay, Director of China and RMB Internationalisation, HSBC*
- *Simone Niven, Corporate Relations Executive, Rio Tinto*
- *Zhihong Yu, Associate Professor, Faculty of Social Sciences, University of Nottingham*

An Asia House roundtable discussion

Indian Election 2019

In partnership with the University of Nottingham

Speakers:

- *Katharine Adeney, Professor and Director of the University of Nottingham Asia Research Institute*
- *Carole Spary, Assistant Professor, Faculty of Social Sciences, University of Nottingham*
- *Savi Hebbur, Partner at Linklaters, Mainstream Corporate and India Group, London*
- *Ed Ratcliffe, Head of Advisory, Asia House*

Roundtable Discussion

In partnership with Prudential

The Rapidly-Growing FinTech Landscape in ASEAN: Tapping into Growth Opportunities

Speakers:

- *Damien Pang, Deputy Chief Fintech Officer, Monetary Authority of Singapore (MAS)*
- *Wilfred Blackburn, CEO, Prudential Singapore*

A two-day conference

Organised for ABP

UK-Asia Tech Powerhouse Conference

Speakers:

- *Mark Field MP, UK Minister for Asia and the Pacific, Foreign and Commonwealth Office*
- *Diana Biggs, Head of Innovation, HSBC*
- *Mark Purdy, Group Chief Economist and Managing Director at Accenture Research*
- *Lord Willetts, Chairman of the Eight Great Technologies Investment Fund and former Minister for Universities and Science*
- *Isabel Dedring, Global Transport Leader, Arup*
- *Sarah Owen-Vandersluis, Partner, Global Infrastructure and Mobility, KPMG*

ASIA HOUSE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

- *Prem Barthasarathy, Managing Partner, Pontaq*
- *Bo Ji, Assistant Dean, Cheung Kong Graduate School of Business*
- *Dr Kasitorn Pooparadai, Senior EVP, Thailand Ministry of Digital Economy and Society*
- *Annabelle Kwok, Co-Founder, Neural Bay*
- *Dave Lynch, CIO, FirstGroup*
- *Paul Dupont, Vice President of Sales, Pointr*
- *Stephen Milton, Head of Growth, Mobike*
- *Xuan Jin, Lead Solutions Architect, Alibaba Cloud Europe*
- *Swarna Ramanathan, Associate Partner, McKinsey & Company*
- *Jim Duffy, CEO of Tracr (a De Beers company)*
- *Armand Widjaja, Managing Director, Central Capital Ventura*
- *Daniel Widdicombe, Head of Investment Banking, China Construction Bank*
- *Prajit Nanu, CEO and CO-founder, InstaREM*
- *Natalie Black, HM Trade Commissioner for Asia Pacific, Department for International Trade, UK*
- *Darren Smith, International Government Client Director, BAE Systems*
- *Jason Ho, Founder, Forte*
- *Dr Gang Lu, Founder and CEO, Technode*
- *Peter Tensen, General Manager, GlobalTech IP*

An Asia House roundtable discussion

In partnership with KPMG

Zeng Zheng, Director at the National Development and Reform Commission (NDRC), China

An Asia House conference

In partnership with Cheung Kong Graduate School of Business (CKGSB), Beijing

China's AI Development

Speakers:

- *Xu Chenggang, Professor of Economics at Cheung Kong Graduate School of Business*
- *Paul Clarke, Chief Technology Officer, Ocado*
- *Mark Purdy, Managing Director and Chief Economist, Accenture Research*

An Asia House Conference

In partnership with McKinsey & Company

Digital India

Speakers:

- *Anu Madgavkar, Partner, McKinsey & Company*
- *Lance Kawaguchi, Managing Director and Global Head, Corporates (GLCM), HSBC*
- *Prem Barthasarathy, Managing Director, Pontaq*
- *Arun Mani, President for Europe, Freshworks*

Public lectures and conferences:

An Asia House discussion

China's foreign policy, China-UK relations, and the Belt and Road Initiative

Speakers:

- *Lord Green, Chairman of Asia House*
- *HE Liu Xiaoming, Chinese Ambassador to the UK*

ASIA HOUSE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

An Asia House conference

In partnership with the Asian Development Bank (ADB)

Asian Development Outlook 2019

Speakers:

- *Abdul Abiad, Director of the Macroeconomic Research Division at Asian Development Bank*
- *HE Pisanu Suvunajata, Ambassador of Thailand to the UK*
- *Madhur Jha, Head of Thematic Research, Standard Chartered Bank*
- *Richard Grenfell-Hill, Chief Economist, Diageo PLC*

An Asia House panel discussion held in Brussels

Trade and Sustainable Development

In partnership with Kreab

Speakers:

- *Maria Åsenius, Head of Cabinet for Cecilia Malmström, Commissioner for Trade*
- *Simon Lacey, Global Government Affairs, International Trade, Huawei Technologies*
- *Jodie Rousell, Managing Director, Acacia Partners, former CEO Global Solar Council*

An Asia House Conference in London

The Middle East's Pivot to Asia

Speakers:

- *Jinny Yan, Managing Director, Chief China Economist, ICBC Standard Bank*
- *Takeshi Hajiro, Executive Vice President, Mitsui & Co. Europe*
- *Dr. Gıyas Gökçent, Chief Economist, MENA, J.P. Morgan*
- *Johnny Ojeil*
- *Louis Lebbos, Founding Partners, Astrolabs*
- *Alex Perez-Fragero, International Markets Director, what3words*
- *Emma Parsons, Regional Director UK & Ireland, Bahrain Economic Development Board*
- *Mike Muller, Chief Business Development Officer, Vitol*
- *Jamie Balmer, Strategy & Implementation Director, Wood Plc*

International Signature Conferences:

An Asia House Signature Conference in Dubai

The Future of Trade: The Middle East's Pivot to Asia

Sponsored by HSBC and ABP

Speakers included:

- *His Excellency Abdulla Al Saleh, Undersecretary for Foreign Trade, UAE Ministry of Economy*
- *Lord Green, Chairman, Asia House*
- *Ahmed Bin Sulayem, Executive Chairman, DMCC*
- *Anthony Butler, Chief Technology Officer for IBM's blockchain practice, Middle East and Africa*
- *Stewart MacPherson, MENA Manager – Clean Energy, Wood Group*
- *Michelle Davies, Head of Clean Energy and Sustainability, Eversheds Sutherland*

ASIA HOUSE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

An Asia House Signature Conference in Hong Kong

The Future of Trade

Sponsored by HKEX (venue) and InvestHK

Speakers included:

- *Mrs Carrie Lam, GBM, GBS, Chief Executive of Hong Kong SAR*
 - *Lord Green, Chairman, Asia House*
 - *Robert Holleyman, President and CEO, Crowell & Moring International and former US Deputy Trade Representative*
 - *Alicia García Herrero, Chief Economist for Asia Pacific, Natixis*
 - *Anne Ruth Herkes, Former State Secretary at German Federal Ministry for Economic Affairs and Energy*
 - *Iris Pang, Economist, Greater China, ING Bank*
 - *Lukas Petrikas, Managing Director and Head of Innovation Lab, HKEX*
 - *James Kyngé, Editor, Tech Scroll Asia, Financial Times*
 - *Julian Vella, APAC Regional Head - Global Infrastructure Advisory, KPMG*
 - *Steven Okun, Senior Advisor, McLarty Associates*
 - *Ada Li, Vice President - Senior Credit Officer, Moody's Investors Service*
 - *Jessica Lam, Group Head of Strategy, WeLab*

An Asia House Signature Conference in Singapore

The Asia House Global Trade Dialogue

Sponsored by Accenture, Arup and Pfizer

Welcome reception sponsored by Harvey Nash

Speakers included:

- *S Iswaran, Minister for Communications and Information and Minister-in-Charge of Trade Relations, Singapore Government*
- *Lord Green, Chairman, Asia House*
- *Stuart Gulliver, Non-Executive Director of Jardine Matheson Holdings and former Group CEO of HSBC*
- *Barbara Weisel, Managing Director, Rock Creek Global Advisors, former Assistant US Trade Representative for Southeast Asia and the Pacific and former TPP chief negotiator for the US*
- *Victor Chu, Chairman and CEO of First Eastern Investment Group*
- *Victor Gao, Vice President, Center for China and Globalization*
- *Anne Ruth Herkes, Former State Secretary at German Federal Ministry for Economic Affairs and Energy*
- *David Hardoon, Special Advisor (Artificial Intelligence), Monetary Authority of Singapore*
- *Marjan Delatinne, Global Head of Banking, Ripple*
- *Stephanie Davis, Managing Director of Sales & Operations in Southeast Asia, Google*
- *Fajrin Rasyid, Co-Founder and President, Bukalapak*
- *Eddie Lee, Head of APAC Operations, Revolut*
- *Lay Lim Teo, Senior Managing Director of Accenture ASEAN*
- *Pierre Gaudreault, President, Asia Emerging Markets Region, Pfizer Biopharmaceuticals Group*
- *Peter Chamley, Chair, Australasia Region of Arup*
- *Aileen Zosa, Executive Vice President of the Bases Conversion and Development Authority, Philippines*
- *Dr Derek Wang, General Manager, Alibaba Cloud Singapore*
- *Yasser Helmy, Head of Smart and Connected Communities, Asia Pacific, Cisco*
- *Arancha González, UN Under-Secretary General and Executive Director, International Trade Centre*

ASIA HOUSE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Arts and Learning Programme 2019 Review

Overview

This year's Arts and Learning Programme closes with fantastic numbers. We welcomed **3,195 people** to our venue (**2,851** in 2018) across 28 events (**an average of 103 attendees per event**), achieving **4,340 bookings online**, and with a waiting list totalling **1,570 people** across all events. Our last event of the year, *Klimt & Japan* (3 December) has sold 300 tickets with a waiting list of 800 people. We have moved it to a bigger venue to accommodate demand. This event has achieved Asia House's historical Facebook's record of reaches (**447K reached audience**, avg. 770 people) and responses (24K). We have attracted a younger, millennial audience – 47 per cent of attendees are 18–34 y/o, based on our audience survey data).

Our email subscriber list has grown to **10,113 subscribers** (November 2019) and is a key marketing tool. This year, the programme benefited from new and important partnerships with organisations that have large following networks (e.g. **Great Britain Sasakawa Foundation, Ax:son Johnson Foundation, The Pakistan Society, British Arab Centre**, etc.)

The 2019 Asia House Bagri Foundation Literature Festival

The festival celebrated its 13th year in 2019 and reached the highest audience attendance on record (2309 attendees). This is a 38 per cent increase in audience from 2018 (1671 attendees). The target of 2500 attendees would have been met if Michael Palin had not had to cancel his event for health reasons.

The main objectives this year were to focus on audience – continuing to increase footfall and maintain the millennial audience the festival attracted last year. An emphasis on household names or speakers with a large social media following also remained important. Amongst these names were Shashi Tharoor, Jung Chang, Karl reMarks and Humble the Poet.

Festival Highlights

- Our largest single festival event on record – 500 attendees at an event with author Jung Chang in partnership with the Southbank Centre (the UK's largest arts centre).
- An event with politician and author Shashi Tharoor on the books that have influenced his life (256 audience attendees). It would be good to continue this format next year with another well-known personality.
- An event with Karl reMarks (popular online satirist) – 156 predominantly millennial attendees and very good audience feedback.

Going into 2020, we are in a good position to build upon the success of this year's festival. It is important to continue to develop co-programming partnerships with large venues/partners that can contribute to audience build such as the Southbank Centre. The literature/talks landscape is becoming increasingly competitive with many production companies signing exclusivity contracts with big authors to take them on tour across the UK and hiring out large London venues. The pool of well-known Asian speakers remains reasonably small and these production companies are starting to monopolise the better-known Asian names. We are much more likely to secure a strong speaker line-up for next year if we have prestigious venues/partners working with us that speakers' agents/publicists are familiar with.

ASIA HOUSE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL REVIEW

In the year to 31 December 2019, Asia House delivered an Operating Surplus of £42k before depreciation and investment gains/losses, and surplus of £424k after depreciation and unrealised/realised gains. (2018: Operating Surplus of £21k before depreciation and investment gains/losses, and a deficit of 345k after depreciation and unrealised losses).

Asia House Enterprises Ltd, a wholly owned subsidiary of Asia House continued to trade well. The concerted effort to recruit a broader base of Corporate Partners continues. The Founding Stakeholders, HSBC, Prudential and Standard Chartered continue to support this effort. During the year, the following new corporate members were recruited:

- Cheung Kong Graduate School of Business
- NATS
- NIO
- JP Morgan
- Thales

RESERVES POLICY AND GOING CONCERN

To safeguard the need for sufficient funds to cover on-going management and administration and support costs, the reserve policy set by the Board is to maintain free reserves at a level that equals three months of operating and charitable expenditure anticipated in 2020.

At 31st December 2019 the charity's free reserve was £216k. The Board is aware that due to large debts acquired towards the end of the year, the free balance falls below the target of £531k required. Considering the impact of COVID-19 to 2020 results this balance is unlikely to increase until towards the end of 2020. The Board are satisfied with the plans in place to ensure this happens with the added protection of being able to draw cash from the investment fund if needed which was valued at £3.7m at year end 2019.

ASIA HOUSE ENTERPRISES

Asia House Enterprises Ltd is a trading subsidiary of Asia House, operating the corporate membership programme and commercial letting of the function rooms at 63 New Cavendish Street.

Net income generated by Asia House Enterprises was £728k (£581k in 2018). We are expanding our activities in Asia and held two overseas conferences (Singapore and Hong Kong) this year.

FUNDRAISING

Asia House does not actively engage in any significant fundraising as described in guidance from the Charity Commission "Charity fundraising: a guide to trustee duties (CC20)", and so has not engaged a professional fundraiser or commercial participator to carry out any fundraising activities, and has therefore not subscribed to any fundraising standards or scheme of fundraising regulation. No complaints have been recorded about any fundraising activity and the Charity does not conduct any fundraising behaviour that could be expected to unreasonably intrude or place undue pressure on vulnerable people and other members of the public to give money or other property to the Charity.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Asia House for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law required trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charitable company and of its income, and expenditure for that period.

ASIA HOUSE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITORS

Moore Kingston Smith LLP have indicated their willingness to continue in office and are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.



.....
Lord Green of Hurstpierpoint, Chairman

Date: 03/09/2020

Opinion

We have audited the financial statements of Asia House (the 'company') for the year ended 31 December 2019 which comprise Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted the UK and Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2019 and of the group's incoming resources and application of resources, including its income and expenditure, 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 and the Charities Act 2011.

Basis for opinion

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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 opinion.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group and parent charitable company'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 trustees either intend to liquidate the group or parent 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

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

ASIA HOUSE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS & TRUSTEES OF ASIA HOUSE

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Moore Kingston Smith LLP

Date: 16/09/2020

.....
Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

ASIA HOUSE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Notes | Unrestricted Funds 2019 £'000 | Restricted Funds 2019 £'000 | Total Funds 2019 £'000 | Unrestricted Funds 2018 £'000 | Restricted Funds 2018 £'000 | Total Funds 2018 £'000 |
|--|-----------|--|--------------------------------------|---------------------------------|--|--------------------------------------|---------------------------------|
| INCOME FROM: | | | | | | | |
| Donations and Legacies | | 155 | - | 155 | 159 | - | 159 |
| Income from trading Subsidiary | 3 | 1,874 | - | 1,874 | 1,417 | - | 1,417 |
| Charitable activities | | 61 | - | 61 | 63 | - | 63 |
| Other income | | 166 | - | 166 | 175 | - | 175 |
| Total income | 2 | 2,256 | - | 2,256 | 1,814 | - | 1,814 |
| EXPENDITURE ON: | | | | | | | |
| Raising funds | | - | - | - | 88 | - | 88 |
| Venue Hire & Business & Policy | | 1,909 | - | 1,909 | 1,502 | - | 1,502 |
| Charitable Activities | | 428 | - | 428 | 341 | - | 341 |
| Total expenditure | 4 | 2,337 | - | 2,337 | 1,931 | - | 1,931 |
| NET INCOME/(EXPENDITURE) FOR THE YEAR | | (81) | - | (81) | (117) | - | (117) |
| Other recognised gains: | | | | | | | |
| Unrealised (Loss)/Gain | | 495 | | 495 | (228) | | (228) |
| Realised (Loss)/Gain | | 10 | - | 10 | - | - | - |
| NET MOVEMENT IN FUNDS | | 424 | - | 424 | (345) | - | (345) |
| TOTAL FUNDS BROUGHT FORWARD | | 8,996 | 10 | 9,006 | 9,341 | 10 | 9,351 |
| TOTAL FUNDS CARRIED FORWARD | 15 | 9,420 | 10 | 9,430 | 8,996 | 10 | 9,006 |

All of the charitable company's activities are derived from continuing activities.
All recognised gains and losses are included in the Statement of Financial Activities.
The notes on the accompanying pages form a part of these Financial Statements.

ASIA HOUSE
CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2019

| | Notes | Group | | Charity | |
|--|-------|---------------------|---------------------|---------------------|---------------------|
| | | 2019 | 2018 | 2019 | 2018 |
| | | £'000 | £'000 | £'000 | £'000 |
| FIXED ASSETS | | | | | |
| Tangible Assets | 8 | 9,839 | 9,896 | 9,839 | 9,896 |
| Intangible Assets | 9 | 4 | 11 | 4 | 11 |
| Investments | 10 | 3,651 | 3,078 | 3,651 | 3,078 |
| | | <u>13,494</u> | <u>12,985</u> | <u>13,494</u> | <u>12,985</u> |
| CURRENT ASSETS | | | | | |
| Stock | | 3 | 3 | - | - |
| Debtors | 11 | 303 | 354 | 40 | 97 |
| Cash at bank and in hand | | 348 | 396 | 106 | 198 |
| | | <u>654</u> | <u>753</u> | <u>146</u> | <u>295</u> |
| CREDITORS: amounts falling due within one year | 12 | <u>(438)</u> | <u>(452)</u> | <u>(658)</u> | <u>(576)</u> |
| NET CURRENT ASSETS/ (LIABILITIES) | | <u>216</u> | <u>301</u> | <u>(512)</u> | <u>(281)</u> |
| TOTAL ASSETS LESS CURRENT (LIABILITIES) | | 13,710 | 13,286 | 12,982 | 12,704 |
| CREDITORS: amounts falling due after more than one year | 12 | <u>(4,280)</u> | <u>(4,280)</u> | <u>(4,280)</u> | <u>(4,280)</u> |
| TOTAL NET ASSETS | | <u>9,430</u> | <u>9,006</u> | <u>8,702</u> | <u>8,424</u> |
| FUNDS & RESERVES | | | | | |
| Unrestricted – General Fund | 15 | 3,297 | 2,873 | 2,569 | 2,291 |
| Revaluation Reserve | 15 | 6,123 | 6,123 | 6,123 | 6,123 |
| Restricted Fund | 14 | 10 | 10 | 10 | 10 |
| | | <u>9,430</u> | <u>9,006</u> | <u>8,702</u> | <u>8,424</u> |

Approved and authorised for issue by the Board of Trustees on **03/09/2020** and signed on its behalf by:



Lord Green of Hurstpierpoint, Chairman

The notes on the accompanying pages form a part of these Financial Statements. Company Number: 03312073

ASIA HOUSE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Notes | Group | | Charity | |
|---|-------|-------------------|-------------------|-------------------|-------------------|
| | | 2019 £'000 | 2018 £'000 | 2019 £'000 | 2018 £'000 |
| Net cash inflow from operating activities | 20 | 77 | 133 | 33 | 108 |
| Investing activities: | | | | | |
| Purchase of intangible fixed assets | 9 | - | (2) | - | (2) |
| Purchase of tangible fixed assets | 8 | (58) | (47) | (58) | (47) |
| Purchase of Investments | 10 | (820) | (863) | (820) | (863) |
| Sale of Investments | 10 | 660 | 720 | 660 | 720 |
| Income from Investments | | <u>93</u> | <u>83</u> | <u>93</u> | <u>83</u> |
| Net cash generated/(used) in investing activities: | | <u>(48)</u> | <u>24</u> | <u>(92)</u> | <u>(1)</u> |
| Net cash generated | | (48) | 24 | (92) | (1) |
| Cash and cash equivalents at the beginning of the year | | <u>396</u> | <u>372</u> | <u>198</u> | <u>199</u> |
| Total cash and cash equivalents at year end | | <u>348</u> | <u>396</u> | <u>106</u> | <u>198</u> |

1.ACCOUNTING POLICIES

a. Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), and the Charities Act 2011.

b. Preparation of the accounts on a going concern basis

The trustees have given due consideration for the effects of the Covid-19 outbreak, which occurred before these financial statements were signed. The effect on this year's financial statements has been considered in note 22 – post balance sheet events of the financial statements.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charitable group's forecasts and projections and have taken account of pressures on donation and investment income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

c. Basis of consolidation

Group financial statements consolidate the financial statements of Asia House and its wholly owned subsidiary undertakings, Asia House Enterprises Limited and Sixty Three New Cavendish Limited, for the year ended 31 December 2017. In accordance with Section 408 of the Companies Act 2006, no separate statement of financial activities is presented for Asia House.

d. Fund accounting

The general fund comprises those monies, which may be used towards meeting the charitable objectives of the charity at the discretion of the trustees.

The restricted fund comprises monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

The non-charitable trading fund consists of the retained profits of activities conducted through non-charitable trading subsidiaries.

e. Incoming resources

With the exception of voluntary income arising from donations and membership subscriptions, which are recognised in full on the date of receipt, all income is credited to the statement of financial activities on the accruals basis. Donations are credited to the statement of financial activities in the year in which they are received.

f. Resources expended

Charitable expenditure comprises direct expenses incurred on the defined charitable purposes of the charity and includes direct staff costs attributable to the activity and an allocation of the general management and overhead costs.

Fundraising costs comprise expenditure incurred by the charity in inducing others to contribute to it.

Support costs are allocated across expenditure categories, based on average staff activity during the year.

ASIA HOUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

g. Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and Governance costs, which support the Trusts artistic programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 4.

h. Fixed assets

Fixed assets are stated at cost, and depreciated over their estimated useful lives as follows:

Tangible fixed assets:

- Leasehold property & improvements - over 132 years
- Office, Plant & Machinery- 25% p.a. straight line

Intangible fixed assets:

- Website & database - 25% p.a. straight line

The Charity capitalises assets above £500.

Leasehold property included in the balance sheet at open market value as permitted by regulations made under the Companies Act 2006 and in accordance with financial reporting standard 15 accounting for fixed assets.

i. Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the realised gains and losses on acquisitions and disposals as well as the unrealised gains and losses throughout the year. The unrealised gains or losses represent the difference between the market value and the book value on the annual accounting date, namely 31 December. Unrealised gains or losses are transferred to the accumulated fund. The actual gain or loss will depend upon the prices ruling at the time of sale. The figure for unrealised gains is therefore only an indication of the position

j. Stock

Stock comprises beverages for venue hire and is stated at the lower of cost and net realisable value.

k. Uses of Estimates and Judgements

In preparing financial statements, it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements. The view of the trustees applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

ASIA HOUSE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. INCOMING RESOURCES

| | Charitable | Trading | 2019 | Charitable | Trading | 2018 |
|---------------------|------------|--------------|--------------|------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Donations | 155 | - | 155 | 159 | - | 159 |
| Cultural Events | 25 | - | 25 | 18 | - | 18 |
| Friends and patrons | 1 | - | 1 | 5 | - | 5 |
| Corporate | - | 775 | 775 | - | 632 | 632 |
| Grants | 32 | - | 32 | 35 | - | 35 |
| Sponsorship | 3 | 220 | 223 | 5 | 138 | 143 |
| Other Income | 166 | 879 | 1,045 | 175 | 647 | 822 |
| | 382 | 1,874 | 2,256 | 397 | 1,417 | 1,814 |

2. RESULTS OF TRADING SUBSIDIARY

Asia House has two wholly owned trading subsidiaries, which are incorporated in England and Wales.

| Asia House Enterprises Limited | 2019 | 2018 |
|--|-------------|-------------|
| | £'000 | £'000 |
| Income | 1,874 | 1,417 |
| Expenditure | (1,145) | (836) |
| Profit | 729 | 581 |
| Retained profit brought forward | 581 | 641 |
| Distribution to Asia House | (581) | (641) |
| Retained profit carried forward | 729 | 581 |

The principal activity of Asia House Enterprises Limited (Company number: 03242229) is the operation of a corporate membership programme for Asia House and the commercial letting of its function rooms. The Company distributes its profits to Asia House under gift aid. Sixty Three New Cavendish Limited did not trade during the year or the prior year.

3. ANALYSIS OF RESOURCES EXPENDED

| | Direct Costs | Support Costs | 2019 | Direct Costs | Support Costs | 2018 |
|--------------------------------|--------------|---------------|--------------|--------------|---------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Fundraising | - | - | - | 66 | 22 | 88 |
| Venue Hire & Business & Policy | 1,145 | 764 | 1,909 | 836 | 666 | 1,502 |
| Cultural Programme | 203 | 225 | 428 | 171 | 170 | 341 |
| Total | 1,348 | 989 | 2,337 | 1,073 | 858 | 1,931 |

ASIA HOUSE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

| Analysis of Support Costs of Charitable Activities: | Basis of Allocation | 2019 £'000 | 2018 £'000 |
|--|------------------------------|-----------------------|-----------------------|
| Staff Costs | CEO, Finance & Digital staff | 434 | 431 |
| Office Running Costs | Divisional headcount | 375 | 275 |
| Legal & Professional Fees | Case by case | 45 | 22 |
| Governance | Time spent | 13 | 15 |
| Depreciation & Amortisation | Area | 122 | 115 |
| | | 989 | 858 |

4. NET MOVEMENT IN FUNDS

| | 2019 £'000 | 2018 £'000 |
|--|-----------------------|-----------------------|
| This is stated after charging: | | |
| Auditor's remuneration | 10 | 10 |
| Auditors in respect of non- audit services | 3 | 3 |
| Depreciation | 115 | 107 |
| Amortisation | 7 | 10 |
| Board Expenses | 1 | 1 |

5. STAFF COSTS AND NUMBERS - CHARITY AND GROUP

| | 2019 £'000 | 2018 £'000 |
|-----------------------------------|-----------------------|-----------------------|
| Staff costs during the year were: | | |
| Salaries & wages | 934 | 848 |
| Social security costs | 102 | 91 |
| Pension costs | 27 | 18 |
| | 1,063 | 957 |
| Consultants & Temporary Staff | 21 | 15 |
| Other Staff Costs | 40 | 34 |
| | 1,124 | 1,006 |

The key management personnel of the group comprise those of the Charity and the key Management personnel of its wholly owned subsidiary Asia House Enterprises Ltd. The key management personnel are the Chief Executive, Director of Business and Policy, Head of Arts and Learning, Head of Finance, Head of Operations, and Communications Manager. Remuneration and benefits of key management personnel for the group were £434,704 (2018: £504,420).

Number of employees whose emoluments exceeded £60,000:

| | 2019 | 2018 |
|---------------------|-------------|-------------|
| £60,000 - £150,000 | 1 | 1 |
| £150,000 - £180,000 | - | - |
| £180,001- £200,000 | 1 | 1 |
| £200,001-£250,000 | - | - |

Employers pension contributions in respect of the above employees were £18,024 (2018: £12,569)

Redundancy costs £4,725 (2018: Nil). Average number of employees during the year was 21 (2018: 20)

ASIA HOUSE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2019****6. TRUSTEES' REMUNERATION AND REIMBURSED EXPENSES**

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2018: nil). One Trustee was reimbursed £1,200 expenses during the year (2018: £375). No charity trustee received payment for professional or other services to the charity (2018: nil). As per normal sector commercial practices, and the normal arrangement for speakers, the Charity paid for accommodation and travel for two Trustees who were speakers at the overseas conferences.

7. TANGIBLE FIXED ASSETS – GROUP & CHARITY

| | Leasehold Property £'000 | Office, Plant & Machinery £'000 | Total £'000 |
|----------------------------|---|--|------------------------|
| COST | | | |
| At 1 January 2019 | 10,000 | 161 | 10,161 |
| Additions | | 58 | 58 |
| Disposals | - | - | - |
| At 31 December 2019 | 10,000 | 219 | 10,219 |
| DEPRECIATION | | | |
| At 1 January 2019 | 186 | 79 | 265 |
| Charge for the year | 75 | 40 | 115 |
| Eliminated on disposals | - | - | - |
| At 31 December 2019 | 261 | 119 | 380 |
| NET BOOK VALUE | | | |
| At 31 December 2019 | 9,739 | 100 | 9,839 |
| At 31 December 2018 | 9,814 | 82 | 9,896 |

The Leasehold Property was valued in 2016 at £10m by Savills. Leasehold property included in the balance sheet at open market value as permitted by regulations made under the Companies Act 2006 and in accordance with financial reporting standard 15 accounting for fixed assets.

HSBC Bank Plc holds Fixed and floating charges over the undertaking and all property and assets present and future including goodwill, book debts, capital buildings fixtures fixed plant and machinery.

ASIA HOUSE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. INTANGIBLE ASSETS

| | Database | Website | Total |
|----------------------------|-----------------|----------------|--------------|
| | £'000 | £'000 | £'000 |
| COST | | | |
| At 1 January 2019 | 21 | 14 | 35 |
| Additions | - | - | - |
| Disposals | - | - | - |
| At 31 December 2019 | 21 | 14 | 35 |
| AMORTISATION | | | |
| At 1 January 2019 | 17 | 7 | 24 |
| Charge for the year | 4 | 3 | 7 |
| Eliminated | - | - | - |
| At 31 December 2019 | 21 | 10 | 31 |
| NET BOOK VALUE | | | |
| At 31 December 2019 | - | 4 | 4 |
| At 31 December 2018 | 4 | 7 | 11 |

9. INVESTMENTS

| | 2019 | 2018 |
|---------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Investments at market value | 3,563 | 2,985 |
| Cash held within investment portfolio | 88 | 93 |
| | 3,651 | 3,078 |
| Market value at 1/1/19 | 2,985 | 3,163 |
| Additions at cost | 821 | 863 |
| Disposals at carrying value | (660) | (720) |
| Unrealised gain/(loss) | 495 | (228) |
| Realised gain | 10 | |
| Market value at 31/12/19 | 3,651 | 3,078 |
| Historical cost at 31/12/19 | 3,127 | 3,077 |

ASIA HOUSE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. INVESTMENTS –Continued

Individual investments which are considered significant in relation to total values are:

| | 2019 | 2018 |
|---|------|-------|
| LINK FUND SOLUTIONS Trojan Fund S Inc | 2.9% | 3.98% |
| BAILLIE GIFFORD & CO LTD Corporate Bond B Inc | 2.8% | 3.12% |

| | 2019 £ | 2018 £ |
|-----------------------------------|-----------|-----------|
| Investment in subsidiary | | |
| Asia House Enterprises Limited | 2 | 2 |
| Sixty Three New Cavendish Limited | 1 | 1 |
| | <u>3</u> | <u>3</u> |

Asia House owns all of the issued share capital of Asia House Enterprises Limited and Sixty Three New Cavendish Limited. The reserves of both subsidiaries at 31 December 2019 were £nil (2018:£nil).

10. DEBTORS

| | Group | | Charity | |
|--------------------------------|------------|------------|-----------|-----------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 264 | 297 | 2 | 50 |
| Prepayments and accrued income | 39 | 57 | 38 | 47 |
| | <u>303</u> | <u>354</u> | <u>40</u> | <u>97</u> |

11. CREDITORS

| | Group | | Charity | |
|---|------------|------------|------------|------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Amounts falling due within one year: | | | | |
| Deferred income (note 13) | 234 | 268 | 150 | 157 |
| Trade creditors and accruals | 152 | 109 | 456 | 344 |
| Other taxes and social security | 52 | 75 | 52 | 75 |
| | <u>438</u> | <u>452</u> | <u>658</u> | <u>576</u> |

ASIA HOUSE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Group | | Charity | |
|----------------------------------|--------------|--------------|----------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Amounts falling due after | | | | |
| More than one year: | | | | |
| Bank loans repayable: | | | | |
| Over 5 years | 4,280 | 4,280 | 4,280 | 4,280 |
| | <u>4,280</u> | <u>4,280</u> | <u>4,280</u> | <u>4,280</u> |

The Bank loans total of £4,280,000 (2018: £4,280,000) are public benefit entity concessionary loans as the interest is below the prevailing market rate, they are not repayable on demand and they were given to the charity to help further the purposes of its objects.

12. DEFERRED INCOME

| | Group | | Charity | |
|--------------------------------|--------------|--------------|----------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Deferred income b/fwd | 268 | 258 | 157 | 150 |
| Transferred to deferred income | (268) | (258) | (157) | (150) |
| Deferred income in year | 234 | 268 | 150 | 157 |
| | <u>234</u> | <u>268</u> | <u>150</u> | <u>157</u> |

13. RESTRICTED FUNDS

The funds of the Charity include restricted funds comprising the following unexpended balances of donations held on trust to be applied for specific purposes:

Studio Garden – this donation was to finance the creation of a garden outside the refurbished studio.

| | At | Incoming | Resources | At |
|---------------|-----------------|------------------|------------------|-------------------|
| | 1/1/2019 | Resources | Expended | 31/12/2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Studio Garden | 10 | - | - | 10 |
| | <u>10</u> | <u>-</u> | <u>-</u> | <u>10</u> |

| | At | Incoming | Resources | At |
|---------------|-----------------|------------------|------------------|-------------------|
| | 1/1/2018 | Resources | Expended | 31/12/2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Studio Garden | 10 | - | - | 10 |
| | <u>10</u> | <u>-</u> | <u>-</u> | <u>10</u> |

ASIA HOUSE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Fund £'000 | Restricted Fund £'000 | Revaluation Reserve £'000 | Total At 31/12/2019 £'000 |
|--|--|--------------------------------------|--|--|
| Fund balances at 31 December 2019 are represented by: | | | | |
| Fixed Assets | 3,720 | - | 6,123 | 9,843 |
| Investments | 3,651 | - | - | 3,651 |
| Current Assets | 644 | 10 | - | 654 |
| Creditors: within one year | (438) | - | - | (438) |
| Creditors: after one year | (4,280) | - | - | (4,280) |
| Total net assets | 3,297 | 10 | 6,123 | 9,430 |

| | Unrestricted Fund £'000 | Restricted Fund £'000 | Revaluation Reserve £'000 | Total At 31/12/2018 £'000 |
|--|--|--------------------------------------|--|--|
| Fund balances at 31 December 2018 are represented by: | | | | |
| Fixed Assets | 3,784 | - | 6,123 | 9,907 |
| Investments | 3,078 | - | - | 3,078 |
| Current Assets | 743 | 10 | - | 753 |
| Creditors: within one year | (452) | - | - | (452) |
| Creditors: after one year | (4,280) | - | - | (4,280) |
| Total net assets | 2,873 | 10 | 6,123 | 9,006 |

15. TAXATION

Asia House is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

16. LIABILITY OF MEMBERS

Asia House is constituted as a company limited by guarantee. In the event of the charity being wound up, members are required to contribute an amount not exceeding £1. At year-end date, the charity had one member (2018:1)

17. OPERATING LEASES

At 31 December 2019, the charity had annual commitments under non-cancellable operating leases for plant and equipment as set out below:

| | 2019 £'000 | 2018 £'000 |
|-----------------------|-----------------------|-----------------------|
| Within one year | 5 | 6 |
| Between 1 and 5 years | 3 | 4 |
| Total | 8 | 10 |

ASIA HOUSE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

18. RELATED PARTY TRANSACTIONS

The following amounts were received in donations, sponsorship, or other commercial transactions from Trustees' related parties:

| | 2019 | 2018 |
|---|--------------|--------------|
| | £'000 | £'000 |
| HSBC (Wendy Wang) | 98 | 120 |
| Prudential (Matt Cavanagh) | 60 | 92 |
| Standard Chartered (Edward Bowles) | 60 | 60 |
| KPMG (Stephen Ball) | 25 | 50 |
| Arup (Gregory Hodgkinson) | 50 | 60 |
| Bagri Foundation (The Honourable Apurv Bagri) | 30 | 30 |
| Harvey Nash (Albert Ellis) | 25 | 25 |
| McKinsey & Co (Martin Dewhurst) | 38 | 25 |
| Kroll (Tommy Helsby) | - | 10 |
| First Eastern (Victor Chu) | - | 5 |
| | 386 | 477 |

19. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | Group | | Charity | |
|--|--------------|--------------|----------------|--------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £'000 | £'000 | £'000 | £'000 |
| Net incoming/(outgoing) resources | 424 | (345) | 277 | (287) |
| Depreciation charges | 115 | 107 | 115 | 107 |
| Amortisation charges | 7 | 8 | 7 | 8 |
| Investment gains | (505) | 228 | (505) | 228 |
| Decrease/(increase) in stock | - | - | - | - |
| Decrease/(increase) debtors | 50 | 149 | 57 | 87 |
| Increase/(decrease) in creditors | (14) | (14) | 82 | (35) |
| Net cash generated for operating activities | 77 | 133 | 33 | 108 |

20. FINANCIAL INSTRUMENTS

Other financial instruments

a. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short-term deposits with a maturity date of three months or less.

b. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest, are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

ASIA HOUSE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

21. POST BALANCE SHEET EVENTS

The Board has given due consideration for the effects of the COVID-19 outbreak, which occurred before these financial statements were signed. The charity had temporarily closed its event hire department and have furloughed half of its total staff and have applied for the government staff retention scheme.

The charity will be largely sheltered from the expected effects of this due to its large and highly liquid investment portfolio in which it can draw funds from and from maintaining its corporate membership income streams, however the overseas conferences and other events that were expected to take place throughout the following financial year have been significantly affected. It is anticipated that these income streams will fall but will be partially offset by a fall in associated expenditure.

The current investments fund, as of April 7th 2020, is valued at £3.28m.