

REGISTERED COMPANY NUMBER: 3371038 (England and Wales)
REGISTERED CHARITY NUMBER: 1063952

THE JAPAN SOCIETY
REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The Japan Society

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for the Year Ended 31 December 2017

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THE JAPAN SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

Patron	HRH The Duke of Gloucester, KG, GCVO
President	HE The Japanese Ambassador
Vice Presidents	Yasuyuki Fujitani Isao Kano Yasuo Kashiwagi Atsushi Kume Daniel Sciamma
Honorary Vice-Presidents	Sir Hugh Cortazzi, GCMG Shin Ebihara Hiroaki Fujii Haruko Fukuda OBE Sadayuki Hayashi Hiroshi Kitamura Prof. Ian Nish, CBE Yoshiji Nogami Masaki Orita Christopher Purvis CBE Viscount Trenchard Ben Thorne, CMG, MBE
Officers and Trustees (as at 24 April 2018)	Sir David Warren KCMG, Chairman Graham Holman, Vice Chairman Takashi Okada, Vice Chairman Jenny White, Vice Chairman Nigel Wellings, Hon Solicitor Satoru Yoshida, Hon Treasurer Tetsuro Hama Sue Hudson Janet Hunter Shinichi Iida Jason James Yuuichiro Nakajima Morihiko Okudaira Richard Oppenheim Sarah Parsons Yoji Saito Eiji Wakiwaka
Chief Executive and Company Secretary	Heidi Potter
Charity number	1063952
Company number	3371038
Principal address	13/14 Cornwall Terrace London NW1 4 QP
Auditors	Richard Place Dobson Services Limited 1-7 Station Road Crawley West Sussex RH10 1HT

THE JAPAN SOCIETY TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The Trustees, who are also directors of the charity for the purposes of the companies act 2006, present their report with the financial statements of the charity for the year ended 31 December 2017. The Trustees have adopted the provisions of 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) (effective 1 January 2015.)

Structure, governance and management

The Japan Society is a company limited by guarantee and as such is governed by its Memorandum and Articles of Association. It is a registered charity.

The members of board who served during the year were:

Sir David Warren, KCMG - Chairman	
Graham Holman - Vice Chairman	
Motohiko Kato - Vice Chairman	(Resigned 12 July 2017)
Takashi Okada – Vice Chairman	(Appointed 2 November 2017)
Jenny White - Vice Chairman	
Satoru Yoshida- Hon Treasurer	
Nigel Wellings - Hon Solicitor	
Alison Scott - Hon Editor	(Resigned 12 July 2017)
Tom Burn	(Resigned 12 July 2017)
Lydia Gomersall	(Resigned 12 July 2017)
Tetsuro Hama	
Sue Hudson	(Elected 12 July 2017)
Janet Hunter	
Shinichi Iida	
Jason James	
Mami Mizutori	(Resigned 31 January 2018)
Yuuichiro Nakajima	(Elected 12 July 2017)
Morihiko Okudaira	
Richard Oppenheim	(Elected 12 July 2017)
Sarah Parsons	
Yoji Saito	
Akihiro Tsuchiya	(Resigned 12 July 2017)
Eiji Wakiwaka	

Appointment of Trustees

As set out in the Articles of Association, the Board of the Japan Society consists of a Chairman, up to two Vice-Chairmen, up to four appointed officers (Solicitor, Treasurer, Editor and Librarian), two ex officio Trustees (one additional Vice-Chairman, the deputy head of mission at the Japanese Embassy, and one ordinary Trustee, a member of the Japanese Embassy) with up to 20 Trustees in total.

Vice Chairmen are elected annually by the board from their number. It is also the board which appoints the four officers: solicitor, treasurer, editor and librarian. There is no maximum term to these four appointments, but any appointments should be re-confirmed every three years. The board has the right but no obligation to appoint Vice-Chairmen, solicitor, treasurer, editor and librarian.

All other members of the board (with the exception of the two ex officio Trustees from the Embassy) are elected for a term of three years. At the end of the first term, Trustees may stand for re-election for a second three year term. No one may serve as an ordinary Trustee for more than six consecutive years.

Mami Mizutori stood down from the board in January on taking up a new appointment overseas. At the Annual General Meeting in 2018, Graham Holman will be standing down having served on the board for six years; Richard Oppenheim is resigning on being posted overseas. Janet Hunter, Jason James and Eiji Wakiwaka will be standing down at the end of a three year term, all are eligible for re-election.

The board meets at regular intervals in order to provide strategic direction and to monitor and review the activities of the Society. During the year the board met four times, one being an extended meeting at which the board and executive considered together issues facing the Society in the medium to long term. The day-to-day running of the Society is carried out by the permanent staff under the leadership of Heidi Potter, who regularly reports to the Chairman and the board. She is supported by a team of paid staff and occasional interns. The activities of the Society are organised by the office, with support also provided by activity group sub-committees (particularly awards, business, conversation, publications and small grants), which meet on an ad hoc basis and whose members are volunteers. Teams of *Japan in Your Classroom* volunteers

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are essential to the running of the Society's popular school visit programme.

A nominations committee (in 2017 comprising David Warren, Marie Conte-Helm, Andrew Fraser, Tetsuro Hama, Shinichi Iida, Mami Mizutori and Heidi Potter) reviews the skills that are required on the board from time to time and the succession policy, making recommendations to the board on possible future appointments. The following skills / interests have been identified as particularly relevant to the Japan Society and are represented on the current board: the arts; the Japan-related business community; education; fundraising; the general Japanese community. The board in turn makes proposals to the members of the Society in advance of the Annual General Meeting. The recommendations for election at the forthcoming Annual General Meeting are detailed in the Chairman's letter at the start of this report as well as in the papers for the Annual General Meeting. The role of the board and the organisation's expectations of its board members are discussed with new Trustees prior to their election. The current extended nominations committee has been advising in particular on the future Chairmanship of the Society.

The audit committee (comprising Heidi Potter, David Warren and Satoru Yoshida) considers the accounts and the performance of the auditors. The membership committee (chaired by Graham Holman, with Martin Barrow, Jon Fisher, Akiho Horton, Michael Jefferson, Junko Kohama, Midoriko Nakajima, Heidi Potter, Julie Rogers, Niraja Singh and Chris Stuart) focuses on membership issues and recruitment.

Pay Policy

The pay of staff is reviewed annually by a remuneration committee (David Warren, Stephen McEnally, Aki Tsuchiya, Jenny White) and normally increased in accordance with average earnings. In view of the nature of the charity, the Trustees benchmark against pay levels in other similar organisations.

All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 11 and 19 to the accounts.

Risk Management

Members of the board review the major risks to which the Society is exposed and the systems established to mitigate this risk. A Risk Management Register is maintained and formally reviewed annually by the board.

Mission

The Society's objects are:

- a) to promote learning and advance education in the subject of and with regard to Japan;
- b) to promote the study of Japan and its people in all their aspects, traditional and modern, and to make the results of such study more accessible to the general public;
- c) to promote the study of Britain and its culture by Japanese people and to further educational exchanges between Britain and Japan.

The vision that drives the Society's annual activity is the enhancement of understanding of Japanese life and culture and of links between the UK and Japan. This informs all areas of the programme, whether direct school-focused education initiatives, lectures and seminars for the general public and business leaders, events introducing aspects of the culture of both countries, opportunities for people to meet in more informal settings, the provision of research facilities through our library, or the programme of small grants made in support of Japan-related projects that are organised by others.

The board regularly reviews the Society's activity to ensure that its key objectives are being met as well as to confirm their continuing relevance. In the aftermath of the UK's decision to leave the EU, and with increasing global tendencies for nations to look inward, the Society's role in creating bridges and fostering professional and personal networks retains its importance. The Trustees are mindful of the Charity Commission guidance on public benefit and consider this when planning and evaluating our activities and in ensuring that a significant proportion is accessible to the wider community beyond the Society's membership. Many events are open to non-members, while the schools education programme and the small grants scheme extend throughout the UK, beyond the Society's base in London.

The Society encourages any who have an interest in Japan and the broad UK-Japan relationship to become members and participate in activities. Reduced membership fees for students and those under 25 years of age are set in order to make membership accessible to the next generation, who will take the relationship forward in the coming years. In recent years we have noticed a tendency for people to sign up to receive newsletters, or to follow the Society on social media, without becoming members. Our policy on charging and participation by non-members is outlined below.

Achievements and performance

The main areas of activity of the Society are: awards, events, the library, publications, schools education and small grants. The Society is grateful to the companies and individuals who share its belief in the importance of promoting a good mutual understanding between the UK and Japan, and who provide essential financial support. This enables the Society to include a significant number of low cost or free events to provide opportunities to people from a variety of backgrounds regardless of ability to pay. This is an important factor in ensuring that the Society achieves its charitable objective to promote the study of

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and advance education in regard to Japan. Where charges are levied, these are set at a level to cover direct costs to the Society, excluding overheads. A significant number of events, including the monthly lecture programme, are also open to non-members. The majority of the Society's schools education services are provided free of charge; membership of the Society is not a prerequisite to using these services. In addition up to £30,000 has been set aside each year for disbursement through the small grants programme in support of events organised by others which are in furtherance of the Society's objectives and which will provide opportunities to new audiences across the UK.

Events

The Society in 2017 arranged over 80 different events spanning a wide range of subject and format, both independently and in partnership with other organisations. The programme is designed to be accessible and strikes a balance between those activities tailored to particular interests and those designed to provide new opportunities for participation by the general public to learn about Japan.

The 2017 general events programme included:

- 16 business-related events
- 13 conversation group events
- 6 events aimed at younger members or families
- 15 lectures
- 10 art & culture events

There was no large-scale annual dinner in 2017, although members had opportunities to socialize through a number of smaller scale supper club events, as well as at the annual Christmas Party, kindly hosted by the Embassy of Japan.

A busy programme of **business events** in 2017 again included a number of events with a focus on the implications of the UK leaving the European Union, while also covering other topical issues. The Chairman held a series of small lunches and breakfasts in which key figures based in the UK, Japan and elsewhere, were invited to meet senior members of the Society. These provided opportunities for decision makers to share ideas and information, and ensured that those involved in business and government were well informed on topical issues relating to the Japan-UK relationship in a global context. Three of these focused on Brexit (Alok Sharma MP, FCO Minister for Asia & the Pacific; Charles Grant, Director, Centre for European Reform; Philip Stephens, Financial Times), while in the fourth, Glen S. Fukushima, Senior Fellow at the Centre for American Progress, gave an assessment of the state of Japan-US relations and their implications for Japan and its continental neighbours.

Other larger-scale business lectures and seminars were also generously hosted by corporate members of the Society, or organised in partnership with others. One such was a seminar by Gerard Lyons, Chief Economic Strategist at Netwealth Investments, who presented economic arguments for the UK leaving the EU. A briefing by Yoshiyuki Ishizaki, Special Adviser to the Fukushima Revitalization Headquarters, TEPCO, updated attendees on the progress of the clean-up at the Fukushima nuclear reactor since the 2011 disaster. On stepping down as British Ambassador to Japan, Tim Hitchens looked back at his four years in post and briefed members on the relationship between the British and Japanese governments, and likely developments over the coming year.

The Society continued to arrange joint lunches in conjunction with the Japanese Chamber of Commerce and Industry in the UK, which provided opportunities for Japanese and non-Japanese to meet and to hear from guest speakers, who were during the year: Sir David King, the government's Special Representative for Climate Change and Nick Clegg, Liberal Democrat Brexit spokesperson and former Deputy Prime Minister. A special lunch was organized with members of the UK-Japan 21st Century Group on the occasion of its 34th Annual Meeting, in order to consider topics to be discussed by the Group at its conference.

A series of seminars on FinTech aimed to shed light on an aspect of the modern world which affects everyone but is understood by few. Breaking the topic down into sessions such as financial inclusion, AI, security and virtual currencies, this series enabled attendees to gain a deeper knowledge of the subject and to hear from experts in the field. It was particularly popular with younger corporate members and student members, who enjoyed the opportunity to share information and continue their discussions after the formal presentations.

The Japan Society values its partnerships with other organisations with similar aims and interests in developing a programme which is of interest and benefit to the membership. In the current economic climate, the sharing of up-to-date information and best practice is particularly important. Once again a seminar was held in association with JETRO, in which Ken Koyama, Chief Economist of the Institute of Energy Economics, gave a Japanese perspective on World Energy. The Society also partnered with the Bank of Japan on a briefing by Deputy Governor Hiroshi Nakaso.

The **conversation group** continues to play an important role in the Society, providing a valuable opportunity for members to maintain and develop their language skills. It allows Japanese and non-Japanese, members and non-members, to talk in a

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friendly and informal setting. In addition to the regular monthly meetings, the conversation group organises occasional special events, such as the annual *hanami* picnic, as well as participating jointly in other Society events.

The Society continued to offer a broad general programme of formal and informal events to appeal to people with a wide range of interests and ages. The monthly book club met at Daiwa Foundation Japan House, where regular and occasional participants engaged in lively discussions on a wide range of books including literary classics, anthologies and contemporary fiction.

Other events included gallery talks and museum visits, cultural workshops, music and theatre, food and drink tastings, golf tournaments, and social events. A series of film screenings organised in partnership with the Royal Anthropological Institute was particularly popular, while members also enjoyed the opportunity to visit the British Museum's major exhibition, Hokusai: beyond the Great Wave in the company of its curator, Tim Clark. An extended project with Hashiguchi Architects and Waso Japan brought a focus on design and tradition, with engagement by Chelsea College, UAL, Royal Botanic Gardens, Kew, as well as schools, in exploring the tea room in Japanese culture through lectures, workshops and installations. Lecture demonstrations on pottery (with Kazuya Ishida) and *chochin* lanterns (with Kenichi Fushitani) were also well attended and much enjoyed.

The Society again partnered with Kew Gardens and the Embassy of Japan in organising a *tanabata* festival celebration, held in Kew's bamboo garden over two days in August. This was followed by the ninth annual Japan Matsuri, held in Trafalgar Square on 24 September. The Japan Society has a formal role as Corporate Director of the Japan Matsuri company, with Heidi Potter its nominated representative on the board. In 2017, the Society again oversaw administration relating to stalls at the event, which was as usual managed by a professional production company which reduced the administrative burden and risk to the four partner organisations: the Japanese Chamber of Commerce and Industry in the UK, the Japan Association, the Nippon Club and the Japan Society. In 2017, the event received support from Japan House London to bring performers to London from Japan.

The **lectures programme** as usual covered a wide range of subject matter. The monthly academic lecture series formed the core of this aspect of our public programming. These lectures are held at Swedenborg Hall, a convenient, central London venue, easily accessible to students; this is an audience we are particularly keen to encourage and build. Subjects in 2017 included: the trade in silk, porcelain and lacquer; Ainu representation in modern Japan; writing and reading Japanese film scripts; women in the world of Haruki Murakami; Nishiki weaving; Susumu Katsumata's anti-nuclear manga; Japanese Castles; and Japan's foreign and security policy. The eighth annual lecture in memory of Dr Carmen Blacker took place in London and Norwich, organised jointly with the Sainsbury Institute for the Study of Japanese Arts and Cultures, with Mamoru Saso speaking on the archaeology of ritual sites and the origins of Japanese shrines and festivals. Other lectures included the History of Horoscope Astrology in Japan with Ryuji Kagami, and an overview and history of the Hankyu British Fair.

Japan Society Small Grants

An annual sum of up to £30,000 is set aside for grants in support of small-scale projects and events related to Japan. These grants provide opportunities for people throughout the UK to participate in education and exchange relating to Japan and thus contribute to raising awareness and understanding of the country and its culture in places where the Japan Society has no regular contact. Priority is given to applications for grassroots projects and for activities involving schools and other educational establishments.

In 2017, 31 grants were made averaging £677 with funding totalling £21,000 being awarded in support of grassroots projects in the UK. In line with the objectives of the grants scheme, most of the activities supported had an educational element, fostered exchange between the UK and Japan, or provided opportunities to bring Japanese culture to a wide group of people. Sixteen of the grants awarded were for projects taking place in schools or for activity involving young people. Several schools organised cross-curricular events such as a whole school Tanabata festival or Japanese culture week for a particular year group. King Edward VI Community College in Totnes organised an ambitious exhibition much enjoyed by the local community and accompanied by a range of art and craft, music, dance and food workshops for students. At other schools, it was the library which provided the Japan focus with literature workshops or manga clubs for language learners. The British Cartographic Society continued its Restless Earth workshop series using the Great East Japan Earthquake and tsunami as a case study to learn about disaster response activities: with a small grant enabling additional schools to be visited.

Once again the Society also supported projects involving young people outside the school system. A ten-day residential workshop in Winchester provided opportunities for children and young people with learning difficulties to participate in an arts programme focused on Japan. Another project involved high-achieving young people and their families to learn new skills and explore Japanese culture in a supportive environment. The Society supported the Kotatsu Japanese Animation

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Festival, which expanded its activity in 2017 and involves local schools, universities and arts institutions.

Other projects supported in 2017 include: The Museum of East Asian Art in Bath which used a small grant to extend the reach of the 'Dressed to Impress: Japanese Men's Fashion' exhibition with a programme of accompanying talks and workshops; the Japanese Garden Society's two day conference, where speakers discussed the spread of Japanese gardens across the world and their adaptation to local conditions; a special screening of the 1926 avant-garde film 'A Page of Madness' with *benshi* narration; and a programme of lectures to accompany 'Japanese Junction' an exhibition of work by emerging Japanese architects and designers.

Small grants also supported community-based Japan festivals in Basildon, Bath, Cambridge, Derry-Londonderry and Kent.

Library

During 2017 work continued on cataloguing and documenting ephemera and loose correspondence held in the library. A small number of researchers visited, primarily to use the historical archive and copies of the Transactions and Proceedings of the Society.

Publications

At the end of 2014, the board re-established a publications committee (comprising Sir Hugh Cortazzi, Sean Curtin, Janet Hunter, Stephen McEnally, Heidi Potter, Alison Scott (Chair), Jenny White) with a brief to review the Society's work in publishing and identify material for future consideration. In 2017, work was carried out on *Heaven's Wind*, an anthology of short stories by five contemporary women writers, with translation in parallel text format and an extended essay by translator, Angus Turvil, the book was released in January 2018.

Work began on two further publications: *British Foreign Secretaries and Japan 1850-1990* (for 2018) and *British Royal and Japanese Imperial Relations* (for 2019).

Schools Education

The schools education programme has been developed out of a belief in the value to young people in the UK of growing up with an awareness and understanding of Japan and its culture. In addition to historical and business reasons for learning about a key international partner, there are more general benefits of broadening horizons and raising aspirations. Through its activities for schools, the Society supports teachers who may have limited experience of Japan themselves in providing these opportunities for their students.

Throughout the year, the Society's education team provides advice and resources to schools engaged in teaching and learning activities relating to Japan. In 2017, the Japan Activity Chest was renewed, with new items and updated accompanying resources. The chest now arrives in schools in the form of a suitcase, with luggage tags as though it had just arrived from Japan and filled with toys, clothing, books and artefacts from daily life. A special project in 2017 involved students from several schools working on designs for tea rooms inspired by the work of architect Shinichiro Hashiguchi (see general events). These ranged from a Year 3 class to GCSE design and technology students.

Japan in Your Classroom visits

During the year over 60 visits were made by volunteers in Greater London, Brighton, Derby, Manchester and South Wales. For most students a Japan in Your Classroom visit is their first opportunity to meet a Japanese person and to hear about Japan first-hand; the visits have a lasting impact. A series of training sessions was held to support the volunteers, covering both general matters such as classroom management and techniques for engaging pupils actively, and subject-specific content.

School links

Support for school links has continued to be an important element of the Society's work. During 2017, new partnerships were established and existing links strengthened through exchange trips. The partnership developed by Takamatsu Daiichi Senior High School with County Upper School, Bury St Edmunds, and Newstead Wood School, London, continued with another science-based exchange in March. Annual exchange visits took place from Komaki Elementary School, Nagano, to schools in Nottingham and between staff at Reepeham Primary School, Norfolk and Sakado Azuma Kindergarten in Saitama. In December, Wavell School and Farnborough College of Technology hosted a taiko group from Mizuma High School, Fukuoka. The taiko group performed at both schools, as well as running a number of workshops.

Work continued on a redesign of the Japan UK LIVE! website, to make it more intuitive and simple to use. The new site will be rolled out in 2018.

Sixth form study day

These were held in Manchester (March 2017, with Manchester University) and London (November 2017, in partnership with

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Ritsumeikan University and SOAS). The London event was fully subscribed, with some 120 students and staff participating in a day of lectures and workshops on Japanese themes. Representatives from universities throughout the UK attended to provide information on opportunities for further study. The Manchester day, postponed from 2016, was opened up to GCSE students, and was found useful by the 30 students who attended.

Communication and marketing

The website and regular email notices continued to be important and efficient tools for communicating information about the Society and its activities. At the same time, monthly event calendars distributed by post on request provided a back-up for those without regular access to the internet. Facebook and Twitter are for many the first contact with the Society, with steady growth in following on these media. Efforts were made in 2017 to include regular email notices also in Japanese, in order to make content more easily accessible to native Japanese speakers.

Financial Review

In 2017 the Society showed a deficit of (£9,220), which reflected the loss of a few small corporate donors, as well as an increase in overhead costs due to inflation.

During the year individual and corporate members continued to provide invaluable support through the higher-level giving scheme both for the general mission and for the schools education programme.

The following companies and individuals have given support at a level above that of regular membership (minimum amounts for each level are given in brackets):

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Companies


President's Circle (£25,000)

JTI
Mitsubishi Corporation International
(Europe) Plc
Mitsui & Co Europe Plc
Nomura International Plc

Platinum Circle (£17,500)

Itochu Europe Plc
Softbank Group
Sumitomo Corporation Europe Ltd

Chairman's Circle (£10,000)

*Chugai Pharma Europe Ltd
Mitsubishi UFJ Financial Group

Corporate Patron (£7,500)


*Astellas Pharma Inc
*Canon Europe Ltd
*Central Japan Railway Company
*Eisai Europe Ltd
Ernst & Young LLP
Marubeni Europe plc
*Mitsubishi Electric Europe BV
Mizuho Financial Group
NSK Europe Ltd
*NYK Group Europe Ltd
*PricewaterhouseCoopers LLP
SMBC Europe Ltd

Corporate Benefactor (£5,000)

Clifford Chance LLP
Dai-ichi Life International Europe
Daiwa Capital Markets Europe Ltd
Hitachi Europe Ltd
Honda Motor Europe Ltd
HSBC Holdings International
KPMG LLP
Nikko Asset Management Europe Ltd
Olympus KeyMed
Toyota (GB) Plc

Corporate Donor (£2,000)

Aberdeen Standard Investments
Allen & Overy LLP
All Nippon Airways Co Ltd
BDO LLP
DAKS Simpson Group plc
*Greenback Alan LLP
Holman Fenwick Willan LLP
Japan Airlines Co Ltd
Japan Post Bank Co Ltd
*"K" Line (Europe) Ltd
Linklaters LLP
Mishcon de Reya LLP
Mitsubishi Heavy Industries Europe
Ltd
MSIG Holding (Europe) Ltd
*NEC (Europe) Ltd
Ricoh (Europe) plc
Sompo Japan Nipponkoa Insurance Co
of Europe Ltd
Tokio Marine Kiln Insurance Ltd
Toshiba of Europe Ltd

*All or part of the donation from
companies marked with an
asterisk (*) has been designated in
support of the schools education
and small grants programmes.
Those with a pilcrow sign () have
given their support through a five
year agreement.*

Individuals

Principal Benefactor (£1,000 +)

Martin & Noriko Barrow
Bill Emmott

Principal Donor (£250)

Penelope Elias
Michael Faber
Ruth Martin
James Noble
Yoshio Noguchi
Heidi Potter
Adrian Thorpe

Donor (£100)

Mark Allsup
Clive & Vivien Bradley
Stephen Codrington
Joe Earle
Robin Fox
Lydia Gomersall
Keiko Itoh
Peter Job
Kathleen Kimura
David Mytton
Pernille Rudlin
M.R. Smith
Andrew Smithers
Simon Sole
Yuko Takano

Individual Supporter (£58)

D G R Bentliff
Deborah Install
Suzanne Hudson
Marilyn Malin
Janusz Mondry
Rosemary Morgan
Suzanne Perrin
Jairaj Thakkar

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Reserves

In the current uncertain political and economic climate, the board has reviewed its reserves policy and has decided that it should maintain reserves of at least 75 per cent of total annual expenditure. Current reserves of over 80 per cent of annual expenditure have been built up as a result of prudence at a time of general economic downturn when prospects for fundraising were uncertain. This guards against risks to the Society's core activity should it fail to meet projected income targets and provides some financial security to a charity which currently relies for almost all its funding on annual donations. Funds have been designated in respect of known maintenance costs and for the employment of a member of staff in Japan as outlined in note 17. As at 31 December 2017, unrestricted reserves less tangible fixed assets were £405,406. The cash reserves are held on deposit.

Plans for the future

In 2018, the Japan Society will continue to develop its programme of events, particularly those of interest to the youth audience, while also maintaining and developing its business and academic programmes. Our schools education programme remains a priority, taking advantage of interest arising from the 2019 Rugby World Cup and Tokyo 2020 Olympic and Paralympic Games. The need to educate the next generation to look beyond national boundaries and equip them for work in a global economy, means that support for school partnerships and work to develop resources for teachers remain extremely relevant. We have ambitious plans for the development of accessible teaching resources and have been encouraged by the emergence of new school-based initiatives in different parts of the country. The forthcoming Japan Season of Culture in the UK and related activity, is also expected to provide opportunities to develop programmes in support of the Society's remit.

Two publications are scheduled for issue in 2018 and 2019, with a third publication, a children's book, also in development. During 2018 the Society's website is being updated, to reflect more accurately the vibrant community it represents.

The Trustees have been kept informed of developments regarding the establishment of "Japan House" in London under the auspices of the Japanese Government, which is due to open in summer 2018. The Society looks forward to working closely with this new organisation as appropriate, in order to provide increased opportunities for the public to engage with Japan. The Japan Society Chairman sits on the steering committee of Japan House.

Although in a strong financial position at the start of 2018, the Society continues to be faced with a need to raise significant funds each year in order to maintain and develop the level of services for members and the wider community. This task will not be easy against a background of continued economic uncertainty, but it is anticipated that the Society's record in doing important educational work will continue to be persuasive and that support from higher-level donors will be sustained.

On behalf of the Board

Satoru Yoshida - Hon. Treasurer

Dated:

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STATEMENT OF TRUSTEES RESPONSIBILITIES for the Year Ended 31 December 2017

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF THE JAPAN SOCIETY

Opinion

I have audited the financial statements of The Japan Society (the 'charitable company') for the year ended 31 December 2017 on pages thirteen to twenty five. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 145 of the Charities Act 2011 and regulations made under Section 154 of that Act. My audit work has been undertaken so that I might state to the charitable company's trustees those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for my audit work, for this report, or for the opinions I have formed.

In my opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 and of its 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.

Basis for opinion

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

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me 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 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and my Report of the Independent Auditor thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Matters on which I am required to report by exception

I have nothing to report in respect of the following matters where the Charities Act 2011 requires me to report to you if, in my opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

**REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES OF
THE JAPAN SOCIETY**

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page ten, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

My responsibilities for the audit of the financial statements

My 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 a Report of the Independent Auditor that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of my Report of the Independent Auditor.

Richard Place Dobson Services Limited
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
1-7 Station Road
Crawley
West Sussex
RH10 1HT

Date:

THE JAPAN SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 December 2017

	Notes	Unrestricted fund £	Designated Fund £	Restricted fund £	31.12.17 Total funds £	31.12.16 Total funds £
INCOME FROM						
Donations and legacies	2	340,227	-	65,380	405,607	443,122
Fundraising activities	3	24,165	-	409	24,574	33,494
Investment income	4	86	-	-	86	451
Other income	5	25,053	-	-	25,053	22,543
Total		389,531	-	65,789	455,320	499,610
EXPENDITURE ON						
Raising funds	6	4,015	-	-	4,015	7,614
Charitable activities	7					
Membership and publications		120,264	-	212	120,476	72,446
Events		183,802	-	-	183,802	201,643
Schools education		90,458	-	45,807	136,265	202,053
Small grants		-	-	19,982	19,982	25,438
Total		398,539	-	66,001	464,540	509,194
NET INCOME/(EXPENDITURE)		(9,008)	-	(212)	(9,220)	(9,584)
Transfers between funds	17	(5,000)	5,000	-	-	-
Net movement in funds		(14,008)	5,000	(212)	(9,220)	(9,584)
RECONCILIATION OF FUNDS						
Total funds brought forward		287,910	614,964	212	903,086	912,670
TOTAL FUNDS CARRIED FORWARD		273,902	619,964	-	893,866	903,086

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

THE JAPAN SOCIETY

BALANCE SHEET
At 31 December 2017

	Notes	Unrestricted fund £	Designated Fund £	Restricted fund £	31.12.17 Total funds £	31.12.16 Total funds £
FIXED ASSETS						
Tangible assets	14	6,725	481,735	-	488,460	495,175
CURRENT ASSETS						
Debtors	15	129,775	-	-	129,775	125,985
Cash at bank		<u>171,164</u>	<u>138,229</u>	-	<u>309,393</u>	<u>327,031</u>
		300,939	138,229	-	439,168	453,016
CREDITORS						
Amounts falling due within one year	16	<u>(33,762)</u>	-	-	<u>(33,762)</u>	<u>(45,105)</u>
NET CURRENT ASSETS		<u>267,177</u>	<u>138,229</u>	-	<u>405,406</u>	<u>407,911</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>273,902</u>	<u>619,964</u>	-	<u>893,866</u>	<u>903,086</u>
NET ASSETS		<u>273,902</u>	<u>619,964</u>	-	<u>893,866</u>	<u>903,086</u>
FUNDS						
Unrestricted funds:	17					
General fund					273,902	287,910
Designated Fund					<u>619,964</u>	<u>614,964</u>
					893,866	902,874
Restricted funds					-	<u>212</u>
TOTAL FUNDS					<u>893,866</u>	<u>903,086</u>

The notes form part of these financial statements

THE JAPAN SOCIETY

BALANCE SHEET - CONTINUED

At 31 December 2017

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2017.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
Sir David Warren – Chairman of the board of Trustees

.....
S Yoshida -Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with 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 (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

Income

Grants - where entitlement is not conditional on the delivery of a specific performance by the charity, grants are recognised when the charity becomes unconditionally entitled to the income.

Subscriptions are credited to the Statement of Financial Activities in respect of the year to which they relate.

Donations and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

Investment income includes interest receivable and is included in the accounts when the charity becomes entitled to the income

Fundraising income includes event income and income for courses and resources. This income is included in the year in which it is receivable, which is when the charity becomes entitled to the resource.

Other incoming resources includes the sale of books and royalties. This income is included when the risks and rewards of ownership are passed from the charity to the buyer.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure includes VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

Costs of raising funds comprise the costs associated with attracting voluntary income and costs of fundraising.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its 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 audit fees.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1. ACCOUNTING POLICIES - continued

Allocation and apportionment of 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 and governance costs which support membership and publications, events, school education and small grant activities. These costs have been allocated and apportioned to the various charitable activities. A percentage basis has been used to apportion the support costs to the charitable activities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures, fittings & equipment - 20% Straight Line
IT Equipment - 33% Straight Line

The library is not depreciated as a policy of revaluation has been adopted due to the fact the library contains rare books which tend to increase in value over time.

All assets costing more than £500 are capitalised.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2017

1. ACCOUNTING POLICIES - continued

Debtors, cash and creditors

Debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably results in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	31.12.17 Total funds £	31.12.16 Total funds £
Corporate Membership Subscriptions	78,535	-	78,535	82,129
Corporate Donations	228,250	65,380	293,630	299,914
Corporate Sponsorship	5,000	-	5,000	25,000
Individual Membership Subscriptions	23,457	-	23,457	23,681
Individual Donations	<u>4,985</u>	<u>-</u>	<u>4,985</u>	<u>12,398</u>
	<u>340,227</u>	<u>65,380</u>	<u>405,607</u>	<u>443,122</u>

3. FUNDRAISING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.12.17 Total funds £	31.12.16 Total funds £
Events income	24,165	-	24,165	32,449
Education income and direct projects	<u>-</u>	<u>409</u>	<u>409</u>	<u>1,045</u>
	<u>24,165</u>	<u>409</u>	<u>24,574</u>	<u>33,494</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.12.17 Total funds £	31.12.16 Total funds £
Deposit account interest	<u>86</u>	<u>-</u>	<u>86</u>	<u>451</u>

THE JAPAN SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2017

5. OTHER INCOME

	Unrestricted funds £	Restricted funds £	31.12.17 Total funds £	31.12.16 Total funds £
Publication and sale of books	5,230	-	5,230	4,243
Rental income	12,323	-	12,323	10,800
Secretariat income	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>7,500</u>
	<u>25,053</u>	<u>-</u>	<u>25,053</u>	<u>22,543</u>

6. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	31.12.17 Total funds £	31.12.16 Total funds £
Fund raising activities	15	-	15	2,379
Marketing, website & database	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>5,235</u>
	<u>4,015</u>	<u>-</u>	<u>4,015</u>	<u>7,614</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Grant funding of activities (See note 8) £	Support costs (See note 9) £	Totals £
Membership and publications	45,064	-	75,412	120,476
Events	68,233	-	115,569	183,802
Schools education	79,047	-	57,218	136,265
Small grants	<u>-</u>	<u>19,982</u>	<u>-</u>	<u>19,982</u>
	<u>192,344</u>	<u>19,982</u>	<u>248,199</u>	<u>460,525</u>

8. GRANTS PAYABLE

	31.12.17 £	31.12.16 £
Small grants	<u>19,982</u>	<u>25,438</u>

THE JAPAN SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2017

8. GRANTS PAYABLE - continued

Material grants paid to institutions during the year:

	31.12.17 £	31.12.16 £
Action factory	-	1,000
Blueprint 22	-	1,000
Blueprint: Film Foundation	-	1,000
British Cartographic Society	1,000	1,000
DCC KEVICC	1,000	-
Devon Guild of Craftsmen	-	1,000
Japanese Garden Society	1,000	-
Japan Society North West	-	1,000
Kotatsu Animation Festival	1,000	-
Modern Culture/M J Colthorpe	-	1,000
Mu:arts	-	1,000
Occidents (Silver Salt Films)	1,000	-
Oldham Council	1,000	-
Ormiston Anademies Trust - Tenbury	1,000	-
Ryoko Akama	-	1,000
Sally Crabtree t/a Poetree	1,000	-
Synergy Multi-Academy Trust	1,000	-
Takehiko Iseki	1,000	-
The Common Guild	-	1,000
The Pagoda North project	-	1,000
Theatre Lapis	-	1,000
Town Hall Events Wirksworth	-	1,000
University of Stirling	-	1,000
Other small grants paid to 21 (22) institutions	<u>9,982</u>	<u>10,438</u>
	<u>19,982</u>	<u>24,438</u>

9. SUPPORT COSTS

	Management £	Other £	Governance costs £	Totals £
Membership and publications	56,583	16,352	2,477	75,412
Events	86,714	25,060	3,795	115,569
Schools education	<u>42,931</u>	<u>12,408</u>	<u>1,879</u>	<u>57,218</u>
	<u>186,228</u>	<u>53,820</u>	<u>8,151</u>	<u>248,199</u>

Support costs, included in the above, are as follows:

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2017

9. SUPPORT COSTS - continued

	Membership and publications £	Events £	Schools education £	31.12.17 Total activities £	31.12.16 Total activities £
Wages	31,559	48,365	23,945	103,869	69,272
Social security	2,540	3,892	1,927	8,359	5,572
Pensions	1,422	2,180	1,079	4,681	-
Establishment expenses	19,022	29,150	14,432	62,604	52,753
Depreciation of tangible and heritage assets	2,040	3,127	1,548	6,715	8,003
Office expenses	4,443	6,809	3,372	14,624	24,068
General expenses	1,126	1,727	855	3,708	1,055
Consultancy	10,783	16,524	8,181	35,488	40,299
Auditors' remuneration	2,173	3,329	1,648	7,150	7,000
Bank charges	304	466	231	1,001	1,997
	<u>75,412</u>	<u>115,569</u>	<u>57,218</u>	<u>248,199</u>	<u>210,019</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.17 £	31.12.16 £
Auditors' remuneration	7,150	7,000
Depreciation - owned assets	6,715	8,003
Other operating leases	<u>14,624</u>	<u>24,068</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2017 nor for the year ended 31 December 2016.

Trustees' expenses

During the year one member of the board was reimbursed for expenses:

Sir David Warren - £26 (2016: £116) in relation to miscellaneous expenses

The charity carried indemnity insurance for its trustees, for which a premium of £2,673 (2016: £1,085) was paid.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2017

12. STAFF COSTS

	31.12.17	31.12.16
	£	£
Wages and salaries	210,977	213,599
Social security costs	16,982	14,991
Other pension costs	<u>9,553</u>	<u>9,423</u>
	<u><u>237,512</u></u>	<u><u>238,013</u></u>

The average monthly number of employees during the year was as follows:

	31.12.17	31.12.16
Employees	<u><u>8</u></u>	<u><u>9</u></u>

No employees received emoluments in excess of £60,000.

13. 2016 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Designated Fund £	Restricted fund £	Total funds £
INCOME FROM				
Donations and legacies	381,259	-	61,863	443,122
Fundraising activities	32,449	-	1,045	33,494
Investment income	451	-	-	451
Other income	<u>22,543</u>	-	-	<u>22,543</u>
Total	436,702	-	62,908	499,610
EXPENDITURE ON				
Raising funds	7,614	-	-	7,614
Charitable activities				
Membership and publications	72,128	318	-	72,446
Events	201,643	-	-	201,643
Schools education	142,544	22,102	37,407	202,053
Small grants	<u>-</u>	<u>-</u>	<u>25,438</u>	<u>25,438</u>
Total	423,929	22,420	62,845	509,194
NET INCOME/(EXPENDITURE)	12,773	(22,420)	63	(9,584)
RECONCILIATION OF FUNDS				
Total funds brought forward	275,137	637,384	149	912,670
TOTAL FUNDS CARRIED FORWARD	<u><u>287,910</u></u>	<u><u>614,964</u></u>	<u><u>212</u></u>	<u><u>903,086</u></u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2017

14. TANGIBLE FIXED ASSETS

	Library £	Fixtures and fittings £	Totals £
COST			
At 1 January 2017 and 31 December 2017	<u>481,735</u>	<u>44,491</u>	<u>526,226</u>
DEPRECIATION			
At 1 January 2017	-	31,051	31,051
Charge for year	<u>-</u>	<u>6,715</u>	<u>6,715</u>
At 31 December 2017	<u>-</u>	<u>37,766</u>	<u>37,766</u>
NET BOOK VALUE			
At 31 December 2017	<u>481,735</u>	<u>6,725</u>	<u>488,460</u>
At 31 December 2016	<u>481,735</u>	<u>13,440</u>	<u>495,175</u>

The last professional valuation of the library was undertaken by Maggs and Sons in 2005. After due consideration and consultation with relevant professionals, a collective decision was taken by the board of trustees not to alter the value of the library. Under Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective 1 January 2015) paragraph 10.34 the charity trustees are required to ensure that valuations are carried out by an experience valuer, although the Charities SORP permits this to be carried out by a trustee or member of staff who has the relevant experience and knowledge.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17	31.12.16
	£	£
Other debtors	106,088	102,833
Prepayments and accrued income	<u>23,687</u>	<u>23,152</u>
	<u>129,775</u>	<u>125,985</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17	31.12.16
	£	£
Trade creditors	1,594	(20)
VAT	4,452	5,170
Other creditors	129	302
Accruals and deferred income	<u>27,587</u>	<u>39,653</u>
	<u>33,762</u>	<u>45,105</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2017

17. MOVEMENT IN FUNDS

Restricted funds:

The funds of the Society include restricted funds. The following are the unexpended balances of such funds:

	Balance at 01.01.17 £	Incoming Resources £	Resources Expended £	Balance at 31.12.17 £
Tohoku Earthquake Fund	212	-	212	-
Education Fund	-	65,789	65,789	-
	<u>212</u>	<u>65,789</u>	<u>66,001</u>	<u>-</u>

	Balance at 01.01.16 £	Incoming resources £	Resources expended £	Balance at 31.12.16 £
Tohoku Earthquake Fund	149	63	-	212
Education Fund	-	62,845	62,845	-
	<u>149</u>	<u>62,908</u>	<u>62,845</u>	<u>212</u>

Certain funds are restricted to expenditure relating to schools education and small grants.

Tohoku Earthquake Fund represents the donations made specifically for the Japan Society Tohoku Relief Fund by members and the general public. During 2011, the Society entered into an agreement with the Sanaburi Foundation in Sendai to provide a framework for the disbursement of these funds in Tohoku.

Designated funds:

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 01.01.2017 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31.12.2017 £
Library	481,735	-	-	-	481,735
Japan office fund	105,242	-	-	-	105,245
Maintenance fund	8,000	-	-	5,000	13,000
Digitisation of books fund	19,984	-	-	-	19,984
	<u>614,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>619,964</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2017

17. MOVEMENT IN FUNDS – continued

	Balance at 01.01.2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31.12.2016 £
Library	481,735	-	-	-	481,735
Japan office fund	127,347	-	22,102	-	105,245
Maintenance fund	8,000	-	-	-	8,000
Digitisation of books fund	20,302	-	318	-	19,984
	<u>637,384</u>	<u>-</u>	<u>22,420</u>	<u>-</u>	<u>614,964</u>

The library fund represents the funds of the charity tied up in the library.

The Japan office fund represents the funds the charity has set aside to cover the cost of a Japan based office and employee over a three to four year period. This is a new venture, with particular responsibility for working on education projects. Designating funding for this purpose ensures that this is a sustainable development in the Society's activity.

The maintenance fund is an amount set aside to cover the Japan Society's share (20%) of the building maintenance work at 13/14 Cornwall Terrace. This work is stipulated by Crown Estates and carried out on a five year cycle.

J Paul Getty donated £30,000 to the Society during the year, which was restriction free, but they indicated they would like the donation to assist with the costs of digitising the library books.

18. RELATED PARTY DISCLOSURES

The Japan Society is a corporate director of Japan Matsuri. The Japan Society gave a contribution of £2,722 (2016: £2,716) during the year.

THE JAPAN SOCIETY

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2017

	Unrestricted funds £	Restricted funds £	31.12.17 Total funds £	31.12.16 Total funds £
INCOME				
Donations and legacies				
Corporate Membership Subscriptions	78,535	-	78,535	82,129
Corporate Donations	228,250	65,380	293,630	299,914
Corporate Sponsorship	5,000	-	5,000	25,000
Individual Membership Subscriptions	23,457	-	23,457	23,681
Individual Donations	4,985	-	4,985	12,398
	<u>340,227</u>	<u>65,380</u>	<u>405,607</u>	443,122
Fundraising activities				
Events income	24,165	-	24,165	32,449
Education income and direct projects	-	409	409	1,045
	<u>24,165</u>	<u>409</u>	<u>24,574</u>	33,494
Investment income				
Deposit account interest	86	-	86	451
Other income				
Publication and sale of books	5,230	-	5,230	4,243
Rental income	12,323	-	12,323	10,800
Secretariat income	7,500	-	7,500	7,500
	<u>25,053</u>	<u>-</u>	<u>25,053</u>	<u>22,543</u>
Total incoming resources	389,531	65,789	455,320	499,610
EXPENDITURE				
Raising donations and legacies				
Fund raising activities	15	-	15	2,379
Marketing, website & database	4,000	-	4,000	5,235
	<u>4,015</u>	<u>-</u>	<u>4,015</u>	7,614
Charitable activities				
Wages	76,141	30,967	107,108	144,327
Social security	8,623	-	8,623	9,419
Pensions	4,872	-	4,872	9,423
Events and Publications	56,689	212	56,901	87,069
Education	-	14,840	14,840	15,885
Grants to institutions	-	19,982	19,982	25,438
	<u>146,325</u>	<u>66,001</u>	<u>212,326</u>	291,561

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THE JAPAN SOCIETY

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2017

	Unrestricted funds £	Restricted funds £	31.12.17 Total funds £	31.12.16 Total funds £
Support costs				
Management				
Wages	103,869	-	103,869	69,272
Social security	8,359	-	8,359	5,572
Pensions	4,681	-	4,681	-
Establishment expenses	62,604	-	62,604	52,753
Fixtures and fittings	<u>6,715</u>	<u>-</u>	<u>6,715</u>	<u>8,003</u>
	186,228	-	186,228	135,600
Other				
Office expenses	14,624	-	14,624	24,068
General expenses	3,708	-	3,708	1,055
Consultancy costs	32,773	-	32,773	37,082
Irrecoverable VAT	2,715	-	2,715	2,808
Entertainment	-	-	-	544
Exchange rate loss/gain	<u>-</u>	<u>-</u>	<u>-</u>	<u>(135)</u>
	53,820	-	53,820	65,422
Governance costs				
Auditors' remuneration	7,150	-	7,150	7,000
Bank charges	<u>1,001</u>	<u>-</u>	<u>1,001</u>	<u>1,997</u>
	8,151	-	8,151	8,997
Total resources expended	398,539	66,001	464,540	509,194
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net expenditure	<u>(9,008)</u>	<u>(212)</u>	<u>(9,220)</u>	<u>(9,584)</u>

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