THE JAPAN SOCIETY

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011
THE JAPAN SOCIETY
LEGAL AND ADMINISTRATIVE INFORMATION

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HE The Japanese Ambassador

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( as at 25 April 2012)
Christopher Purvis, CBE Chairman
David Cairns, Vice Chairman
Hitoshi Noda, Vice Chairman
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Satoru Yoshida, Hon Treasurer
Nigel Welligs, Hon Solicitor
Ryoichi Ramba
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Pauline Chakmakjian
Sean Curtin
Martin Day
Lady Gowersall
Hiroshi Hattori
Stephen McEnally
Keisaku Sano
Michael Spencer
Hiroshi Suzuki
Akihiro Tsuchiya

Chief Executive and Company Secretary Heidi Potter

Charity number 1063952

Company number 3371038

Principal address Swire House, 59 Buckingham Gate
London SW1E 6AJ

Auditors Richard Place Dobson Services Limited
1-7 Station Road
Crawley
West Sussex RH10 1IT
# THE JAPAN SOCIETY

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THE JAPAN SOCIETY

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011

As the leading charity at the heart of the UK-Japan relationship it is inevitable that the activities of the Japan Society this last year have been dominated by the Great East Japan Earthquake. I reported to you last year on the Society's immediate response. We have since then been overwhelmed by the reaction of both members and non-members, by their desire to learn more about Japan and to reach out to the people of Tohoku, and by their generous donations to the Japan Society Tohoku Earthquake Relief Fund. By the year end the Fund had reached £681,226. The trustees' report gives details on how this is being spent. The Society has played an important role in informing people in the UK about the situation in Tohoku and in developing links and increasing knowledge and understanding between our countries in response to the disaster.

At the annual general meeting I shall be standing down as your chairman after six years. During this time, the Society has made significant changes, both in its activities and in its financial structure.

The Society is a charity with an educational mission. Today we are accomplishing that mission both through our activities attended by our members and through engagement with a broader audience, particularly school children. It is important that we remain in touch with our roots as an organisation promoting the academic study of Japan, providing a platform for learned discussion and debate about our two countries through lectures and other events, with a fine library and occasional publications. But an increasing number of our events are now open to the wider public. The larger part of our continuing expenditure is now devoted to our schools education programme. We cannot underestimate the importance of inspiring young people to look beyond their own borders to understand another culture – particularly one as rich and important as that of Japan.

This shift in activity has been reflected in a change in financial model. Almost all our expenditure is now funded by generous donors, individuals and companies, who share this vision for the UK-Japan relationship. The Society has doubled its annual turnover during these six years with income for continuing activities in 2011 reaching £407,138 generating a small surplus of £7,814. Free reserves are now £341,469. I would like to express my great appreciation to all those who have given such support over the last six years.

I would like to thank the two chief executives with whom I have had the pleasure of working, currently Heidi Potter and before her Robert Guy – together with all our committed staff. There is also a very large number of people who do invaluable work for the Society on a voluntary basis: our trustees, members of committees, organizers of events, lecturers, authors and contributors to our publications, Japan in Your Classroom volunteers. The Society is not a large charity but it is able to punch above its weight largely because of the unpaid efforts of all of these people – thank you very much.

In 2012 a major priority is to establish more effective communication with members and a wider public (including many who came forward in response to the earthquake but were hitherto unknown to us). We continue to develop a lively and varied programme of events (both of an academic and of a more popular kind) and encourage an increase in active participation in our activities. Last but not least we will build on continued interest from schools in Japan and capitalize on our nationwide network to increase the impact of our schools programmes.

You will be asked at the annual general meeting to elect a new chairman. Following a selection process by the nominations committee, your board is most happy to recommend Sir David Warren, currently British Ambassador in Japan, for this role. David's credentials are impeccable; as well as...
tours of duty in Japan, he has previously served on the board and knows the Society well. Sir David
is not expected to finish his embassy in Japan until the end of the year. It is therefore proposed that he
be elected with effect from 1 January 2013. In the interim, your board has asked one of the vice
chairmen, David Cairns, to serve as acting chairman, and he has kindly agreed.

During 2011, we bade farewell from the board of trustees to Paul Dimond, Andrew Fraser, Jun
Kobayashi, Koji Nakamura and Ken Okaniwa, whom I should like to thank for what they have done
for the Society. We welcomed to the board Andrew Cahn, Lydia Gomersall, Hiroshi Hattori, Hitoshi
Noda, Akihiro Tsuchiya and Hiroshi Suzuki.

At the annual general meeting in June, Sean Curtin and Sandy Sano will, like me, be standing down
after six years on the board. I should like to thank them both enormously for their contributions to the
Society; Sean has created the highly successful Japan Society Review (which he will continue to edit),
while Sandy has been a valuable member of the development and membership committees and has
done much to make the Japan Matsuri a permanent event in the London calendar.

Five other trustees will have reached the end of their first three year term on the board and will
therefore be retiring by rotation, Ryoichi Bamba, Martin Day, Stephen McNally, George Olof and
Michael Spencer. Ryoichi Bamba has decided to stand down as he returns to Japan; we shall be sad to
lose him and I owe him great thanks for his support. Martin, Stephen, George and Michael have all
indicated their willingness to stand for re-election; all are enthusiastic and valuable members of the
board, which warmly recommends their re-election.

There are three further vacancies for ordinary trustees. Your board recommends the following for
election: Graham Holman, Michiaki Nakamura, and Tetsuro Terada. They all share a strong wish to
encourage the development of stronger UK-Japan relations. The Japan Society is fortunate to have
active participation from both Japanese and non-Japanese members and thus to be able to act as a
bridge between different communities and interest groups. It is important that this is reflected in its
board. Further details of the candidates, the voting procedure and the arrangements for the meeting
will be circulated to members.

Finally, I should like to express my thanks to our President, Ambassador Hayashi, for the great
support he has shown to the Society since taking up his post in February 2011. He and his colleagues
at the Embassy of Japan have been enormously generous with their time and support, despite the
particular pressures they have been under in the past year.

The annual general meeting will be held this year at 6.00pm on Tuesday 12 June 2012 at the Embassy
of Japan, 101-104 Piccadilly. In addition to the formal business there will be a presentation on the
Japan Society Tohoku Earthquake Relief Fund. I look forward to seeing many members on that
occasion.

Christopher Purvis
THE JAPAN SOCIETY
TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The members of the board, who are directors for the purposes of company law and trustees for the purposes of charity law, present their report and accounts for the year ended 31 December 2011.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's constitution, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

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:
Christopher Purvis, CBE - Chairman
Paul Dimond, CMG - Vice Chairman (Resigned 16 June 2011)
Hitoshi Noda - Vice Chairman (Joined (ex officio) February 2011)
Dr George Olcott - Vice Chairman
Satoru Yoshida - Hon Treasurer
Nigel Wellings - Hon Solicitor
David Powers - Hon Editor (Resigned 16 June 2011)
Ryoichi Bamba
Sir Andrew Cahn (Elected 16 June 2011)
David Cairns (Appointed Vice Chairman 21 February 2012)
Pauline Chakmakjian
Sean Curtin
Martin Day
Andrew Fraser, CMG (Resigned 16 June 2011)
Lady Gomersall (Elected 16 June 2011)
Hiroshi Hitoturi (Elected 16 June 2011)
Jun Kuboyashi (Resigned 16 June 2011)
Stephen McNally
Koji Nakamura (Resigned 16 June 2011)
Ken Okaniwa (Resigned 31 August 2011)
Keisaku Sano
Michael Spencer
Hiroshi Suzuki (Joined (ex officio) 15 September 2011)
Akihiro Tsuchiya (Elected 16 June 2011)

At the annual general meeting in June 2012, the chairman, Christopher Purvis, will be standing down at the end of his second three-year term as will Sean Curtin and Keisaku (Sandy) Sano. Ryoichi Bamba will also be standing down on his return to Tokyo.

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 6 times, one meeting being called specifically to discuss the Society's response to the Great East Japan Earthquake. Meetings also included an "awayday" at which longer term issues were considered and the scope and purpose of the Society's activities were reviewed against objectives and with respect to target audiences. The day-to-day running of the Society is carried out by a small permanent staff under the leadership of Heidi Potter, who regularly reports to the chairman and the board. She is supported by her senior management team, Hiroko Kimura, head of education, and Jennifer Anderson, head of communications and events, who also attend board meetings as appropriate. John Toppon left the Society in August 2011 after three and a half years during which time he
made a significant contribution to the development of the website and other communications. The activities of the Society are organized by the office, with essential support provided by activity group committees (currently awards, business, conversation, library, lectures and publications), whose members work on a voluntary basis, and other volunteers most notably the large team involved with Japan in Your Classroom.

The majority of the board is elected. As at 31 December 2011 there were two vice-chairmen, Hitoshi Noda in an ex-officio position as deputy head of mission at the Japanese Embassy and George Olcott, who had been elected as a trustee and was appointed as vice chairman by the board. After the end of the year David Cairns was appointed as vice chairman by the board. Two officers were also appointed by the board: Satoru Yoshida treasurer and Nigel Wellings, solicitor. Ken Okaniwa was an ex officio board member as a member of the Japanese Embassy; on his departure from the UK, his place was taken by Hiroshi Suzuki. The elected members serve for an initial maximum term of three years and may serve for a further three years after re-election.

A nominations committee (comprising Christopher Purvis, David Cairns, Hiroshi Hattori, Hitoshi Noda 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 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 organization's expectations of its board members are discussed with new trustees prior to their election and on election they receive an induction pack and have induction meetings with members of staff.

The audit committee (comprising Heidi Potter, Christopher Purvis and Satoru Yoshida) considers the accounts and the performance of the auditors; the risk committee (comprising Stephen McEnally, Heidi Potter and Satoru Yoshida) considers all aspects of risk; both committees make recommendations to the board. The fundraising committee (Paul Dimond, Robert Guy, George Olcott, Heidi Potter, Christopher Purvis, and Sandy Sano) is responsible for raising higher level donations and sponsorship. Other committees include membership (Martin Barrow, Paul Dimond, Robert Guy, Yutaka Harada, Akihiko Nakamura, Heidi Potter, David Powell and Sandy Sano), which focuses on membership recruitment, and publications & lectures (Jennifer Anderson, Hugh Cortazzi, Sean Curtin, Angus Lockyer, Stephen McEnally, Ian Nish, Heidi Potter and Phillida Purvis).

The board reviews its own performance on an annual basis. The board and the chief executive assess how the board functions as a whole, and, where appropriate, make changes.

Risk Management
A report from the risk committee is considered regularly at board meetings.

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 board has considered and confirmed its view that the Society's role in achieving these objectives is still relevant; it remains the leading independent body in the United Kingdom dedicated to the enhancement and celebration of UK-Japan academic, commercial and cultural relations. As implied by its objects, the central
aim of the Society’s activity is the enhancement of understanding of Japanese life and culture and of links between the two countries. 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, or the small grant programme made in support of Japan-related projects that are organized by others.

The board referred to the guidance provided by the Charity Commission on the public benefit in reviewing its aims and objectives and in planning future activities and development of programmes.

Achievements and performance
The main activities of the Society comprise 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 make the programme accessible both to members and non-members. The majority of the Society’s schools education services are provided free of charge. In addition up to £30,000 has been set aside each year for disbursement through the small grants programme in support of events organized by others which are in furtherance of the Society’s objectives and which will provide opportunities to new audiences across the UK.

Great East Japan Earthquake
The Great East Japan Earthquake of 11 March 2011 had a significant impact on the activities of the Society in the year. The board immediately responded to requests by members that the Society should set up the Tohoku Earthquake Relief Fund in order to support local not-for-profit organizations (NPOs) in their activities directed towards long term recovery, after the immediate disaster relief effort had finished. During the year approximately £682,000 was received for this cause.

A committee of the board comprising Yuko Kobayashi, Stephen McNally, Heidi Potter and Phillida Purvis was established to supervise the distribution of these funds. The Society partnered with the Sanaburi Foundation, a Sendai-based charity, to ensure that donations are disbursed to local NPOs in all three prefectures to meet clearly defined need. Grants are made to Sanaburi which in turn carries out due diligence on applicant organizations, and, on receipt of final approval from the Society’s earthquake committee, makes onward grants to those selected NPOs. Some additional donations to the Japan Society Tohoku Earthquake Relief Fund (known as the Rose Fund in Japan) have been made directly to Sanaburi in Japan and are not shown in the Society’s accounts.

Visits were made to the region by Heidi Potter, Christopher Purvis and Phillida Purvis (which were not funded by the Society) during which meetings were held with Sanaburi as well as with NPOs.

The board confirmed that, through the disbursement of donated funds in support of projects for the recovery in Tohoku, the Society would simultaneously be furthering its objectives by fulfilling its educational mission. It was possible that the Fund would support some specifically educational projects in Tohoku, but through all the projects financed by the Fund the Society would actively seek, not only to provide relief and support, but also to educate, both people in the UK by reporting on the earthquake, the recovery and on the region in general, and people in Japan by developing links with the UK.

Within the schools education programme, the Japan in Your Classroom volunteers made visits to schools where staff felt the need for their pupils to learn more about the country after seeing so much on the news. At the same time, over 100 British schools took part in the ‘Messages to Japan’ project. 6,000 letters and cards with messages of support were sent to schools in Iwate, Miyagi and Fukushima prefectures. Despite the disruption they have faced and continued challenges in re-establishing routines, approximately 25
Japanese schools have sent replies. Over time, it is hoped that these small beginnings will lead to positive links between schools in this relatively isolated region and partners in the UK.

The response of schools was featured in Beyond Words – Beyond Borders: Messages to Tohoku an exhibition at the Embassy of Japan in London. The Society is providing a special talk about the situation in Japan since the earthquake and nuclear emergency at the 2012 Geographical Association Conference, which will be attended by over 700 delegates wishing to find out about the latest ideas and resources in primary and secondary geography.

Two important lecture events were held relating to the earthquake: a roundtable discussion in May, which brought together experts in related fields to consider the response to the disaster and its likely longer term impact, and a report by the Society’s chairman on the impact of the tsunami and the relationship with Sanaburi following his visit to the region in September 2011. The Japan Society was also one of the lead organizers of the Akari project at the Mayor’s Thames Festival, comprising lantern making and other craft workshops as well as Japanese taiko and dance as part of the Night Carnival Procession.

The Society’s website continues to carry information about the region and about the NPOs that have been recipients of funding and the office continues to be a source of information both to members and the general public about Tohoku.

Events
The Society in 2011 arranged some 80 different events over a wide range of activities, both independently and in partnership with other organizations. In keeping with its objective to promote the study and understanding of Japan, the Society’s programme strikes a balance between those activities tailored to particular interests and those designed to provide new opportunities for the public to participate in Japan-related events. The board is convinced of the need to ensure that the programme is widely accessible, and events during the year included those open to both members and non-members, as well as a significant number which were free or low cost.

The 2011 general events programme included:

3 chairman’s lunches / dinners
1 annual dinner
13 Business related events
13 Conversation group events
19 Events aimed at younger members / families / contemporary lifestyle
9 Lectures
8 Art & culture events
12 Other events including those to raise awareness of events following the Great East Japan Earthquake

The chairman held a series of small lunches for key figures from both the UK and Japan. 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.

Larger lunchtime lectures were most generously hosted by JETRO. These included a panel discussion Prospects for Pharmaceuticals involving both UKTI and JETRO, an analysis of a Japan-UK success story in a time of great technological change The Nissan Experience, and discussions on other topics of interest to businesses in both countries including maritime piracy and the future for the UK and Japanese defence industries. 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 the international author, Bill Emmott. Chris
Aylett, the CEO of the Motorsport Industry Association and Lord Malloch-Brown, former Minister of State at the Foreign and Commonwealth Office. Other business-related events included a lunchtime discussion session with Lord Green, the Minister of Trade at the Department of Enterprise and Trade in advance of his visit to Japan.

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 friendly and informal setting. Special events during the year, such as the hanami picnic, are always well-received. The Society’s popular 10-week courses in intermediate Japanese continued, kindly hosted by Toray Europe. Participants included many who had returned from teaching in Japan and the cost remained low, so that anyone with the requisite level of Japanese was able to enrol and to maintain and improve their language skills.

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 has built up a core of regular participants, with others attending for special events or to discuss particular books. Other events included gallery talks, the screening of a film Twice Bombed which focused on those who had been victims of the bombings of both Hiroshima and Nagasaki, social events and concerts, and also opportunities to experience British cultural traditions.

Following the success of the Japan Matsuri held in 2009 and 2010, which were jointly organized by the Japan Society with the Japan Association, Japanese Chamber of Commerce and Industry in the UK and the Nippon Club, it was decided to set up a new company specifically to manage this planned annual event in London. Japan Matsuri is the name of the newly incorporated company limited by guarantee. The Japan Society is a corporate director of this company (as are the other Japan-related organizations mentioned above) with Sean Curtin as its nominated representative on the board. The 2011 Japan Matsuri took place at County Hall on London’s Southbank on Sunday 18 September and was once again a major attraction for people of all ages interested in Japan. The Japan Society, although this year no longer responsible for financial administration of the event, provided advice during the planning stages and organized an information stand on the day. Collections were taken at the event in aid of the Japan Society Tohoku Earthquake Relief Fund.

The lectures programme continued to draw good audiences. The monthly academic lecture, held every third Monday, formed the core of this aspect of our public programming. The subjects of these lectures were varied and included: homelessness among Japanese men in international context; historical references in contemporary Japanese art, the life of Oine Siebold as told through historical record and manga, Japanese investment in the UK past and present, and the role played by Japan Society members in creating impressions of colonial Korea (1910-1939). The second annual lecture in memory of Dr Carmen Blacker took place, organized jointly with the Sainsbury Institute for the Study of Japanese Arts and Cultures, with Professor Anne Bouchy speaking on Shugendo.

Beyond this monthly programme other talks and lectures were organized: Jonathan Watkins, Director of Ikon Gallery gave a talk during Asian Art in London and Morinosuke Kawaguchi gave an analysis of technological innovation born out of Japan’s sub-cultures. The Society took opportunities to work in partnership with other organizations wherever possible including SOAS, Chelsea College of Art and Design and the Great Britain Sasakawa Foundation, thus making these events open to a broad audience of members, general public and students.

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. The board has reviewed the grants scheme and believes that by allocating relatively small sums to
a wide range of projects, its objectives are being met. These grants provide opportunities for people throughout the British Isles to participate in education and exchange relating to Japan. Applications are encouraged from those organizing grassroots projects and from schools and other educational establishments. Attention is focused on projects where a relatively small injection of funds can make a real difference. In 2011, 25 grants were made averaging approximately £600 each. Of these some 13 were organized in schools or provided opportunities for school students to participate in Japan-related activities. These ranged from Japan Days to complement ongoing study of Japan or Japanese language to funding for partnership work with visiting students from the Tohoku region. Small grants enabled event organizers to put on events which introduced people in the UK to activities in Iwate and other parts of Tohoku after the earthquake, showing how the recovery was being managed and focusing on regional culture and artistic exchange. A study day by the Scottish Garden Society and a film festival on Shugendo by the Centre for the Study of Japanese Religions, SOAS, each made specialist subjects accessible to a general audience. Support was also given to community Japan Days in London (Japan Matsuri and ‘With Children For Children’ at the Unicorn Theatre), Essex and Cambridge.

Japan Society Awards
Japan Society Awards for 2011 were presented at the annual dinner on 6 December to Dr Ayako Hotta-Lister and Dr David Hughes. Ayako Hotta-Lister has for some twenty years sought to extend understanding of Japan in the UK at grass roots level and, more recently, through the academic community, in particular through activities to celebrate the centenary of the Japan British Exhibition in 1910. David Hughes has made a very significant contribution to the knowledge and understanding of a variety of Japanese musical traditions and practices. His infectious enthusiasm and willingness to give of his time and expertise have enabled many in the UK to engage with Japan through music and other performance.

Library
The library is a key asset of the Society. It is a valuable research facility for the academic community and of interest to all with an involvement in Japan. Few extra funds were available during the year to improve the collection’s state or to make additions. However, with voluntary help, cataloguing was continued and much general archiving was achieved. Changes in Swire House meant that the library had to be moved within the building; this was achieved with a minimum of disruption. Work has continued on updating the catalogue on the Society’s website and some successful tests carried out with an aim of going live in 2012. To improve awareness and utilization of this valuable resource, it is hoped to add details of the Society’s collection to a specialist online catalogue; this is something to be pursued in future years, should funds be available.

Publications
The Japan Society Review remained an important publication, available to our members and through the website to the general public. Reviews, mainly of books but also of film, were initially published on the website, before the printed document was produced. The Society partnered the Sainsbury Institute for the Study of Japanese Arts and Cultures in the publication of Images of Japan 1885 – 1912: Scenes, Tales and Flowers by Sir Hugh Cortazzi in December.

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.

The national curriculum in England is undergoing major review but opportunities will remain across the curriculum and through extra curricular activity for young people to experience a range of cultures, ideas, and historical contexts. Through its schools education programme, the Society supports teachers who may have limited experience of Japan themselves in providing these opportunities for their students.
On a day to day basis, the Society’s education team provides advice and resources to schools engaged in teaching and learning activities relating to Japan. As well as working in partnership with local authorities, it provides materials directly to schools throughout the country. Loan resources are supplied to approximately 70 schools each year. There were also over 6,000 unique visits to the website to download free resources.

Other targeted activities include:

Sixth form study day
Over 100 sixth form students of Japanese and their teachers attended a one-day conference which aimed to provide insights into life in Japan, less familiar aspects of Japanese culture, and information on opportunities to continue the study of Japan and Japanese beyond school.

Japan in Your Classroom visits
During the year visits were made by volunteers in Greater London, Brighton, Derby, Manchester and South Wales to over 70 schools. 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. In the immediate aftermath of the earthquake in March, there was particular interest in providing pupils with a general introduction to Japan beyond the images of destruction. Many schools managed to make contact independently with local Japanese residents and combined their visits with fundraising activities.

School links
Support for school links has continued to be an important element of the Society’s work with schools. A number of new links were established, while a workshop was held by the chief executive and the head of education in northern Kyoto prefecture to provide advice and support to a group of schools linked with partners in Swindon. It was particularly encouraging to see a number of longer established links developing further. Plans were in train at the end of 2011 for a visit by 10 elementary school students from Hyogo Prefecture to their partner school in Gateshead. During their stay in January 2012, the children took part in successful homestays and gave a performance at the Metro Centre to express their thanks for British support at the time of the earthquake.

Communication and marketing
The website has continued to develop and proves an effective tool for those seeking information on all aspects of our programme; the shop has now been added and all educational content from the former Japan 21 website has been fully incorporated. Together with email advertisements and occasional printed programmes, it has enabled the Society to communicate its activities more effectively.

Over the coming year work will continue on the website to provide access to the full library catalogue and on using social networking tools such as Facebook and Twitter more effectively. A new email marketing tool is being used which allows use of Japanese language and enables the monitoring of the success of email campaigns.

Financial Review
While the Society’s finances shrank in 2011 as a result of the cessation of the direct financial management of Japan Matsuri, the level of income was expanded significantly by donations following the Great East Japan Earthquake. Donations of £679,856 were received for the Japan Society Tohoku Earthquake Relief Fund; during the year grants were made amounting to £148,484. The balance, together with any other donations made towards the Earthquake Fund since the end of the year, is expected to be spent during 2012.

Income and expenditure for continuing activities amounted to £407,138 and £399,324 respectively, resulting in a surplus for the year of £7,814 as outlined in note 16 to the accounts.
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):
THE JAPAN SOCIETY
TRUSTEES’ REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011 (Cont’d)

Companies
President's Circle (£25,000)

JTI
Nomura International Plc

Chairman’s Circle (£10,000)

**Itochu Europe Plc
**Mitsubishi Corporation International (Europe) Plc
**Mitsui & Co Europe Plc
Mitsubishi UFJ Financial Group
**Sumitomo Corporation Europe Ltd

Corporate Patron (£7,500)

**Astellas Pharma Inc
**Canon Europe Ltd
**Central Japan Railway Company
**Chugai Pharma Europe Ltd
**Daichi Sankyo Co Ltd
**Eisai Europe Ltd
Foreign and Commonwealth Office
NSK Europe Ltd
**NYK Group Europe Ltd
**PricewaterhouseCoopers LLP
**Takeda Pharmaceuticals Europe Ltd
**Tokyo Electrical Power Co Inc

Corporate Benefactor (£5,000)

BAE Systems plc
Clifford Chance LLP
Dai-ichi Life International Europe
Daikin Capital Markets Europe Ltd
Hitachi Europe Ltd
HSBC Holdings International
The Japan Centre Group Ltd
KPMG LLP
Marubeni (Europe) Plc
**Mitsubishi Electric Europe BV
Mizuho Financial Group
Nikko Asset Management Europe Ltd
*Olympus KeyMed
Sompo Japan Insurance Co
SMBC (Europe) Ltd
**The Swire Charitable Trust
Toyota (UK) Plc
UBS Investment Bank

Corporate Donor (£2,000)

Aberdeen Asset Management PLC
All Nippon Airways
BDO LLP
DAKS Simpson Group plc
Greenback & Phillipa Purvis
Japan Insurance Brokers Ltd
Japan Airlines
Kajima Europe Ltd
**Kunst (Europe) Ltd
Linklaters LLP
Mitsubishi Heavy Industries Europe
Mitsui Sumitomo Insurance Group
**NEC (Europe) Ltd
Ricoh (Europe) plc
Rothschild
SJ Berwin LLP
Toshiba Europe
Towers Watson
Winton Capital Management
WPP 2005 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 Patron (£2,500)

Sumitaka Fujita
Christopher & Phillipa Purvis

Principal Benefactor (£1,000)

Kuniko Kitayama
Martin Barrow

Benefactor (£500)

Bill Emmott
Akito Tsujiya

Principal Donor (£250)

Michael Faber
Anne Glendinning
Robert Guy
Anthony Loehnis
Boris Piemont
Heidi Potter

Donor (£100)

Stephen Cohen
Clive and Vivien Bradley
Marie Conte-Helm
Koike Itoh
Robin Fox
Lydia Geversall
Kathleen Kimura
Ruth Martin
David Myton
George Oelott
Vernie Rudolf
Andrew Smithers

Individual Supporter (£58)

Mark Allsop
D G R Bentliff
Anthony Cormack
Brendan Griggs
Christopher Hoggart
Suzanne Hudson
Yasuko Kurahachi
James Noble
Sir Michael Palliser
Suzanne Perrin
Matthew Roberts
Suguru Sato
Graham Searleant
Rie Zylinski
Reserves
It is the policy of the board to maintain reserves of approximately 50 per cent of total annual expenditure. The board is also beginning to consider plans to build up an endowment over time, which would provide some financial security to a charity which currently relies for almost all its funding on annual donations. As at 31 December 2011 fund balances excluding the value of the library and monies restricted for Tohoku amounted to £341,469. The cash reserves are held on deposit.

Plans for the future
The 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. Support for school partnerships and work to develop resources for teachers will remain key areas of activity. Publication of Japan Society Proceedings has been significantly delayed in recent years and a priority in 2012 is to resume a regular production schedule.

Work will continue in respect of Tohoku. It is planned to disburse the remainder of the Tohoku Earthquake Relief Fund within 2012. Further reports will be made both on the general situation in Tohoku and on the progress of those NPOs that are the ultimate beneficiaries of the Society’s grants to Sanaburi.

Although in a strong financial position at the start of 2012, 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. Although this task will not be easy against a background of continued economic uncertainty, 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.

The board has begun a process of developing its longer term strategic plan in terms of its activities, its staff, its fund raising and its finances in the lead up to the 125th anniversary of its foundation in 2016. This important planning process will continue in 2012.

On behalf of the Board
Satoru Yoshida - Hon. Treasurer

Dated: .....................
Law applicable to charities in England and Wales requires the trustees to ensure the accounts are prepared for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year.

In preparing accounts giving a true and fair view, the members of the board should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts;
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The members of the board are responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy, the financial position of the charity and which enable them to ensure that the accounts comply with the applicable law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
THE JAPAN SOCIETY

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE JAPAN SOCIETY

We have audited the accounts of the Japan Society for the year ended 31 December 2011 set out on pages 16 to 24. 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 charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors
As explained more fully in the statement of trustees' responsibilities, the trustees, who are also directors of the Japan Society for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts
An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts
In our opinion the accounts:
- give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 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.
THE JAPAN SOCIETY

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF THE JAPAN SOCIETY

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:
- the information given in the Trustees' Report is inconsistent in any material respect with the accounts; or
- the charitable company has not kept adequate accounting records; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Darren Harding (Senior Statutory Auditor)
for and on behalf of Richard Place Dobson Services Limited

Chartered Accountants
Statutory Auditor
1-7 Station Road
Crawley
West Sussex
RH10 1HT

Dated: ......................
Richard Place Dobson Services Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
THE JAPAN SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

<table>
<thead>
<tr>
<th>Notes</th>
<th>Unrestricted funds</th>
<th>Designated funds</th>
<th>Restricted funds</th>
<th>Total 2011</th>
<th>Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Income resources from generated funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscriptions and donations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>290,191</td>
<td>-</td>
<td>772,306</td>
<td>1,062,497</td>
<td>387,148</td>
</tr>
<tr>
<td>Investment income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>1,092</td>
<td>-</td>
<td>1,370</td>
<td>2,462</td>
<td>469</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>291,283</td>
<td>-</td>
<td>773,676</td>
<td>1,064,959</td>
<td>387,617</td>
</tr>
<tr>
<td>Activities in furtherance of the charity's objects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>20,337</td>
<td>-</td>
<td>2,581</td>
<td>22,918</td>
<td>106,585</td>
</tr>
<tr>
<td>Other incoming resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>487</td>
<td>-</td>
<td>-</td>
<td>487</td>
<td>2,254</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>312,107</td>
<td>-</td>
<td>776,257</td>
<td>1,088,364</td>
<td>496,456</td>
</tr>
<tr>
<td>Resources expended</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of generating funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising and publicity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4,480</td>
<td>-</td>
<td>4,481</td>
<td>8,961</td>
<td>6,994</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net incoming resources available</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>307,627</td>
<td>-</td>
<td>771,776</td>
<td>1,079,403</td>
<td>489,462</td>
</tr>
<tr>
<td>Charitable activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Events</td>
<td>50,260</td>
<td>-</td>
<td>9,664</td>
<td>59,924</td>
<td>132,620</td>
</tr>
<tr>
<td>Tohoku earthquake</td>
<td>-</td>
<td>-</td>
<td>148,484</td>
<td>148,484</td>
<td>-</td>
</tr>
<tr>
<td>Schools education</td>
<td>-</td>
<td>-</td>
<td>14,112</td>
<td>14,112</td>
<td>27,051</td>
</tr>
<tr>
<td>Office and establishment expenses</td>
<td>204,749</td>
<td>-</td>
<td>86,552</td>
<td>291,301</td>
<td>269,009</td>
</tr>
<tr>
<td>Small grants</td>
<td>-</td>
<td>-</td>
<td>14,520</td>
<td>14,520</td>
<td>27,021</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total charitable expenditure</td>
<td>255,009</td>
<td>-</td>
<td>273,332</td>
<td>528,341</td>
<td>455,701</td>
</tr>
<tr>
<td>Governance costs</td>
<td>5,641</td>
<td>-</td>
<td>4,865</td>
<td>10,506</td>
<td>8,394</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total resources expended</td>
<td>265,130</td>
<td>-</td>
<td>282,207</td>
<td>547,380</td>
<td>471,095</td>
</tr>
<tr>
<td>Net income for the year/ Net movement in funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>46,977</td>
<td>-</td>
<td>493,579</td>
<td>540,556</td>
<td>25,367</td>
</tr>
<tr>
<td>Fund balances at 1 January 2011</td>
<td>294,492</td>
<td>481,735</td>
<td>39,163</td>
<td>815,390</td>
<td>790,023</td>
</tr>
<tr>
<td>Fund balances at 31 December 2011</td>
<td>341,469</td>
<td>481,735</td>
<td>532,742</td>
<td>1,355,946</td>
<td>815,390</td>
</tr>
</tbody>
</table>

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.
THE JAPAN SOCIETY

BALANCE SHEET

AS AT 31 DECEMBER 2011

<table>
<thead>
<tr>
<th>Fixed assets</th>
<th>Notes</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible assets</td>
<td>9</td>
<td>484,439</td>
<td>485,788</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>10</td>
<td>10,966</td>
<td>22,176</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>915,228</td>
<td>336,823</td>
</tr>
<tr>
<td></td>
<td></td>
<td>926,194</td>
<td>378,999</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>11</td>
<td>(54,687)</td>
<td>(49,397)</td>
</tr>
<tr>
<td>Net current assets</td>
<td></td>
<td>871,507</td>
<td>329,602</td>
</tr>
<tr>
<td>Total assets less current liabilities</td>
<td></td>
<td>1,355,946</td>
<td>815,390</td>
</tr>
</tbody>
</table>

Income funds

Restricted funds | 12 | 532,742 | 39,163 |

Unrestricted funds:

Designated funds | 13 | 481,735 | 481,735 |

Other charitable funds | | 341,469 | 294,492 |

| Income funds | | 1,355,946 | 815,390 |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2011, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the 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 accounts, so far as applicable to the company.

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

The accounts were approved by the Board on .........

Satoru Yoshida - Hon Treasurer
Council

Company Registration No. 03371038

Richard Place Dobson
1 Accounting policies

1.1 Basis of preparation
The financial statements have been prepared under the historical cost convention as modified by the inclusion of the library at market value and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and the Companies Act 2006 and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice, issued in March 2005.

1.2 Incoming resources
Voluntary income is received by way of donations and gifts and is included in the Statement of Financial Activities when received.

Grants receivable are credited to the Statement of Financial Activities in respect of the year for which they are received.

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

1.3 Resources expended
All expenditure is included when incurred.

The Statement of Financial Activities shows expenditure for each of the Society’s main activities, accounted for on an accruals basis.

No cash flow statement has been prepared as the Society complies with the definition of a small company under the Financial Reporting Standard No. 1.

1.4 Tangible fixed assets and depreciation
Tangible fixed assets other than the library are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Depreciation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixtures, fittings &amp; equipment</td>
<td>10% of book value</td>
</tr>
<tr>
<td>IT equipment</td>
<td>33% of book value</td>
</tr>
</tbody>
</table>

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 capitalized.
THE JAPAN SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting Policies

1.5 Constitution

The Society is a company which does not have a share capital and is limited by guarantee. It is also a registered charity. The liability of each member is not to exceed £1.

The Society is registered under the Charities Act 1993 and its Registration Number is 1063952. HMRC has agreed that the Society is considered to be established for charitable purposes only and that it is entitled to relief from tax under Section 505 Income and Corporation Taxes Act 1988.

The management of the Society is vested in a board of trustees, the members of which during 2011 did not receive any remuneration, but whose duties and responsibilities are governed by the rules of the Society and the Companies Act 2006.

2 Subscriptions and donations

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>Total 2011</th>
<th>Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular...</td>
<td>£290,191</td>
<td>£92,450</td>
<td>£382,641</td>
<td>£387,148</td>
</tr>
<tr>
<td>Tohoku Earthquake donations</td>
<td>£-</td>
<td>£679,856</td>
<td>£679,856</td>
<td>£-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£290,191</strong></td>
<td><strong>£772,306</strong></td>
<td><strong>£1,062,497</strong></td>
<td><strong>£387,148</strong></td>
</tr>
</tbody>
</table>

3 Investment income

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>Total 2011</th>
<th>Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest receivable</td>
<td>£1,692</td>
<td>£1,370</td>
<td>£2,062</td>
<td>£469</td>
</tr>
</tbody>
</table>

4 Activities in furtherance of the charity’s objects

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>Total 2011</th>
<th>Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event income</td>
<td>£20,337</td>
<td>£-</td>
<td>£20,337</td>
<td>£104,152</td>
</tr>
<tr>
<td>Income for courses and resources</td>
<td>£-</td>
<td>£2,581</td>
<td>£2,581</td>
<td>£2,433</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£20,337</strong></td>
<td><strong>£2,581</strong></td>
<td><strong>£22,918</strong></td>
<td><strong>£106,585</strong></td>
</tr>
</tbody>
</table>
THE JAPAN SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011

5 Other incoming resources

Sale of books and royalties

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>487</td>
<td>2,254</td>
</tr>
</tbody>
</table>

6 Total resources expended

<table>
<thead>
<tr>
<th>Costs of generating funds</th>
<th>Staff costs</th>
<th>Depreciation</th>
<th>Other costs</th>
<th>Total 2011</th>
<th>Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising and publicity</td>
<td>-</td>
<td>-</td>
<td>8,961</td>
<td>8,961</td>
<td>6,994</td>
</tr>
</tbody>
</table>

Charitable activities

<table>
<thead>
<tr>
<th>Events</th>
<th>Staff costs</th>
<th>Depreciation</th>
<th>Other costs</th>
<th>Total 2011</th>
<th>Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activities undertaken directly</td>
<td>-</td>
<td>-</td>
<td>59,924</td>
<td>59,924</td>
<td>132,620</td>
</tr>
</tbody>
</table>

Tōhoku earthquake

<table>
<thead>
<tr>
<th>Activities undertaken directly</th>
<th>Staff costs</th>
<th>Depreciation</th>
<th>Other costs</th>
<th>Total 2011</th>
<th>Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>148,484</td>
<td>148,484</td>
<td>-</td>
</tr>
</tbody>
</table>

Schools education

<table>
<thead>
<tr>
<th>Activities undertaken directly</th>
<th>Staff costs</th>
<th>Depreciation</th>
<th>Other costs</th>
<th>Total 2011</th>
<th>Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>14,112</td>
<td>14,112</td>
<td>27,051</td>
</tr>
</tbody>
</table>

Office and establishment expenses

<table>
<thead>
<tr>
<th>Activities undertaken directly</th>
<th>Staff costs</th>
<th>Depreciation</th>
<th>Other costs</th>
<th>Total 2011</th>
<th>Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>193,180</td>
<td>1,349</td>
<td>96,772</td>
<td>291,301</td>
<td>269,009</td>
</tr>
</tbody>
</table>

Small grants

<table>
<thead>
<tr>
<th>Activities undertaken directly</th>
<th>Staff costs</th>
<th>Depreciation</th>
<th>Other costs</th>
<th>Total 2011</th>
<th>Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>14,520</td>
<td>14,520</td>
<td>27,021</td>
</tr>
</tbody>
</table>

Governance costs

<table>
<thead>
<tr>
<th>Staff costs</th>
<th>Depreciation</th>
<th>Other costs</th>
<th>Total 2011</th>
<th>Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>193,180</td>
<td>1,349</td>
<td>333,812</td>
<td>528,341</td>
<td>455,701</td>
</tr>
</tbody>
</table>

Governance costs includes payments to the auditors of £6,250 (2010 - £6,250) for audit fees and £1,000 (2010 - £1,000) for consultancy services.

7 Members of the board

None of the members of the board received any remuneration during the year. The charity carried indemnity insurance for its trustees, for which a premium of £1,085 (2010 - £1,024) was paid. Two members of the board were re-imbursed for expenses: Christopher Purvis - £2,079 for expenses in relation to fund raising activities in Japan; and Pauline Chakmakjian - £133 for expenses in relation to certain events organized for the Society.
8 Employees

Number of employees
The average monthly number of employees, six of whom were full-time, during the year was:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Employment costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>176,667</td>
<td>151,585</td>
</tr>
<tr>
<td>Social security costs</td>
<td>16,513</td>
<td>14,166</td>
</tr>
<tr>
<td></td>
<td>193,180</td>
<td>165,751</td>
</tr>
</tbody>
</table>

There were no employees whose annual emoluments were £50,000 or more.

9 Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Library</th>
<th>Fixtures, fittings &amp; equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2011 and at 31 December 2011</td>
<td>481,735</td>
<td>11,037</td>
<td>492,772</td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2011</td>
<td>-</td>
<td>6,984</td>
<td>6,984</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>-</td>
<td>1,349</td>
<td>1,349</td>
</tr>
<tr>
<td>At 31 December 2011</td>
<td>-</td>
<td>8,333</td>
<td>8,333</td>
</tr>
<tr>
<td>Net book value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2011</td>
<td>481,735</td>
<td>2,704</td>
<td>484,439</td>
</tr>
<tr>
<td>At 31 December 2010</td>
<td>481,735</td>
<td>4,053</td>
<td>485,788</td>
</tr>
</tbody>
</table>

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 SORP 2005, paragraph 263, independent formal professional valuations are not mandatory for a charity, which instead may obtain a valuation from a suitably qualified person who may be a trustee or employee.
THE JAPAN SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

10 Debtors

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debtors and prepayments</td>
<td>10,966</td>
<td>22,176</td>
</tr>
</tbody>
</table>

11 Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creditors and accruals</td>
<td>54,687</td>
<td>49,397</td>
</tr>
</tbody>
</table>

12 Restricted funds

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

<table>
<thead>
<tr>
<th></th>
<th>Balance at 1 January 2011</th>
<th>Incoming resources</th>
<th>Resources expended December 2011</th>
<th>Balance at 31 December 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Library</td>
<td>8,922</td>
<td>-</td>
<td>(8,922)</td>
<td>-</td>
</tr>
<tr>
<td>Schools education &amp; small grants</td>
<td>20,577</td>
<td>95,031</td>
<td>(115,608)</td>
<td>-</td>
</tr>
<tr>
<td>Matsuri</td>
<td>9,664</td>
<td>-</td>
<td>(9,664)</td>
<td>-</td>
</tr>
<tr>
<td>Tohoku Earthquake Fund</td>
<td>-</td>
<td>681,226</td>
<td>(148,484)</td>
<td>532,742</td>
</tr>
<tr>
<td></td>
<td>39,163</td>
<td>776,257</td>
<td>(282,678)</td>
<td>532,742</td>
</tr>
</tbody>
</table>

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

Matsuri funds represent income and resources expended against Japan Matsuri, an event which was in 2009 and 2010 financially administered by the Japan Society, but organized in partnership with other Japan-related bodies. Following the establishment of a separate Japan Matsuri company in 2011, the balance of restricted funds held was donated to the new company.

Tohoku Earthquake Fund represents the donations made specifically for the Japan Society Tohoku Earthquake Relief Fund by members and the general public. During the year, the Society entered into an agreement with the Sanaburi Foundation in Sendai to provide a framework for the disbursement of these funds in Tohoku.
13 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:

<table>
<thead>
<tr>
<th>Library</th>
<th>Balance at 1 January 2011</th>
<th>Movement in funds</th>
<th>Balance at 31 December 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Library</td>
<td>481,735</td>
<td>-</td>
<td>481,735</td>
</tr>
<tr>
<td></td>
<td>481,735</td>
<td>-</td>
<td>481,735</td>
</tr>
</tbody>
</table>

The designated library fund represents the funds the charity has set aside to reflect the currently agreed valuation.

14 Analysis of net assets between funds

<table>
<thead>
<tr>
<th>Fund balances at 31 December 2011 are represented by:</th>
<th>Unrestricted funds</th>
<th>Designated funds</th>
<th>Restricted funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible fixed assets</td>
<td>2,704</td>
<td>481,735</td>
<td>-</td>
<td>484,439</td>
</tr>
<tr>
<td>Current assets</td>
<td>393,452</td>
<td>-</td>
<td>532,742</td>
<td>926,194</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>(54,687)</td>
<td>-</td>
<td>-</td>
<td>(54,687)</td>
</tr>
<tr>
<td></td>
<td>341,469</td>
<td>481,735</td>
<td>532,742</td>
<td>1,355,946</td>
</tr>
</tbody>
</table>

15 Commitments under operating leases

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows:

<table>
<thead>
<tr>
<th>Expiry date:</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between two and five years</td>
<td>11,236</td>
<td>11,236</td>
</tr>
</tbody>
</table>
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011

16 Net income for the year

<table>
<thead>
<tr>
<th></th>
<th>Continuing activities</th>
<th>Tohoku Earthquake</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Total incoming</td>
<td>407,138</td>
<td>681,226</td>
<td>1,088,364</td>
</tr>
<tr>
<td>resources</td>
<td>(399,324)</td>
<td>(148,484)</td>
<td>(547,808)</td>
</tr>
<tr>
<td>Total resources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>expended</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>7,814</td>
<td>532,742</td>
<td>540,556</td>
</tr>
</tbody>
</table>

17 Related parties

Phillida Purvis, who sits on both the Japan Society Tohoku Earthquake Relief Fund Committee and the Publications and Lectures Committee, is the wife of Christopher Purvis, chairman of the Japan Society. Phillida is not paid for any of her duties.

Philippa Day, an employee of the charity, is daughter of Martin Day. Mr Day is a trustee of the Japan Society.

Keisaku Sano, a trustee of the Japan Society, is also chairman of Japan Matsuri (Registered company number 07526936). The Japan Society is a corporate director of Japan Matsuri. No transactions other than the transfer of the balance of the Matsuri restricted funds took place between the Japan Society and Japan Matsuri during 2011.