

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 2018

THE JAPAN SOCIETY

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for the Year Ended 31 December 2018**

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REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2018

Patron	HRH The Duke of Gloucester, KG, GCVO
President	HE The Japanese Ambassador
Vice Presidents	Yasuyuki Fujitani Isao Kano Yasuo Kashiwagi Daniel Sciamma
Honorary Vice-Presidents	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 David Warren KCMG
Officers and Trustees (as at 8 April 2019)	Bill Emmott, Chairman Martin Hatfull, Deputy Chairman Takashi Okada, Vice Chairman Jenny White, Vice Chairman Nigel Wellings, Hon Solicitor Satoru Yoshida, Hon Treasurer Tetsuro Hama Tim Harding Sue Hudson Janet Hunter Shinichi Iida Jason James Yuuichiro Nakajima Sarah Parsons Julie Rogers 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

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018. 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	(Resigned 31 December 2018)
Bill Emmott – Chairman	(Elected 18 July 2018, with effect from 1 January 2019)
Martin Hatfull – Deputy Chairman	(Elected 18 July 2018)
Graham Holman - Vice Chairman	(Resigned 18 July 2018)
Takashi Okada – Vice Chairman	
Jenny White - Vice Chairman	
Satoru Yoshida- Hon Treasurer	
Nigel Wellings - Hon Solicitor	
Tetsuro Hama	
Tim Harding	(Elected 18 July 2018)
Sue Hudson	
Janet Hunter	
Shinichi Iida	
Jason James	
Yuuichiro Nakajima	
Morihiko Okudaira	(Resigned 31 August 2018)
Sarah Parsons	
Julie Rogers	(Elected 18 July 2018)
Yoji Saito	
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. In 2018, the board appointed Martin Hatfull as Deputy Chairman to take on a more formal role supporting the Chairman.

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.

Morihiko Okudaira stood down from the board in August on completing his posting in the UK and returning to Japan. At the Annual General Meeting in 2019, Tetsuro Hama will be standing down having served on the board for six years and Sarah Parsons having served for one term of three years. Yoji Saito will be standing down at the end of a three-year term, and is eligible to stand 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 five 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 organized by the office, with support also provided by activity group sub-committees (particularly business, conversation and small grants), which meet on an ad hoc basis and whose members are volunteers. Teams of *Japan in Your Classroom* volunteers are essential to the running of the Society's popular school visit programme.

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A nominations committee (in 2018 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 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.

The audit committee (comprising in 2018, 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 organizations.

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 provision of small grants in support of Japan-related projects that are organized 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: events, schools education, publications, small grants, the library and awards. 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 understanding and awareness of 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

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Society is not a prerequisite to using these services. In addition, up to £20,000 was set aside in the 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 provide opportunities for new audiences across the UK to gain understanding of Japan.

Events

The Society in 2018 arranged some 70 different events spanning a wide range of subject and format, both independently and in partnership with other organizations. 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 2018 general events programme included:

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

The annual dinner, held in November 2018, introduced members to the incoming Chairman and gave us the opportunity to thank Sir David for his leadership of the Society over the past six years. Both were also present at the annual Christmas Party, kindly hosted by the Embassy of Japan.

The **business events** programme in 2018 included a large proportion of events with a focus on the implications of the UK leaving the European Union, though also included sessions on other topical issues. The Chairman held a series of lunches hosted by corporate members, in which key figures were invited to meet senior members of the Society. These events 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. The three guests of honour in 2018 provided insights and analysis on issues around Brexit: Sir Martin Donnelly, former Permanent Secretary for the Department for International Trade; The Rt Hon Keir Starmer MP, Shadow Secretary of State for Exiting the EU, and Bobby McDonagh, Former Irish Ambassador to the UK, Italy and the EU.

Other business lectures and seminars were also generously hosted by corporate members of the Society, or organized in partnership with others. During the year, these included a seminar by Alastair Morgan, British Ambassador to Pyongyang, who gave a briefing on the situation in North Korea and the implications for security in the region; by Hiroshi Watanabe, President of the Institute for International Monetary Affairs, and by Naomi Hirose, Executive Vice Chairman, Fukushima Affairs, TEPCO, who gave an update on the management of the Fukushima accident. At the end of his first year as British Ambassador to Japan, Paul Madden spoke about the work of the Embassy and developments in the UK-Japan relationship.

The Society organised two joint lunches in conjunction with the Japanese Chamber of Commerce and Industry in the UK, at which guest speakers were the Japanese Ambassador, and Graham Stuart MP, Minister for Investment.

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. Its monthly meetings allow Japanese and non-Japanese, members and non-members, to get together in a friendly and informal setting, with language-based activities devised by a dedicated committee who also organize occasional special events, such as the annual *hanami* picnic..

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, food and drink tastings, golf tournaments, and social events. The Japan Society collaborated with the Japanese Embassy and the Japanese business community in London, in managing the installation of a new gate and avenue of stone lanterns at the Japanese garden in Hammersmith Park. A ceremony was held to celebrate these additions and to share the history of this garden, which was originally created for the Japan-British Exhibition in 1910. This was followed by a Japanese Garden Party, which brought together the local community and the Japanese community in London. The tenth annual Japan Matsuri was held in Trafalgar Square on 30 September. The Japan Society has a formal role as Corporate Director of the Japan Matsuri company, with Heidi Potter its nominated board representative.

The **lectures programme** as usual covered a wide range of subject matter. The monthly lecture series formed the core of this aspect of our public programming and the Society is grateful to the academics who generously share their research. Subjects

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in 2018 included: the art of Japanese basketry; the story of Collingwood 'Cherry' Ingram and cherry blossom in Japan; photographic magazines in 1930s Japan; the films of Imamura Shohei in the context of the Japanese studio system; Tango in twentieth century Japan; Oswald White and the Japan Consular Service; and the North Korean community in Japan. The ninth annual lecture in memory of Dr Carmen Blacker took place in London and Norwich, organized jointly with the Sainsbury Institute for the Study of Japanese Arts and Cultures, with Professor Peter Nosco speaking on Individuality in Modern Japan. In January, a one-day conference organized with the Victorian Society marked Meiji at 150 by examining the links between Meiji Japan and Victorian Britain, with panels on diplomacy, exhibitions, the visual arts, and home and garden. This was followed in September by a seminar, held for the first time at the newly opened Japan House, in which a panel of speakers focused on Meiji from a British perspective.

Japan Society Small Grants

In 2018 £20,000 was given in grants to support 25 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.

Twelve grants were awarded for projects taking place in schools or for activity involving young people. This included Taiko drumming workshops for children at a primary school in Brighton, complementing the activities of the school's Japan Club; and the third annual 'Fuji Festival' in Edinburgh enabling Scottish school children to participate in karate, sushi making, origami workshops, music and other Japan related activities. Whitley Academy presented its students with a unique insight into life in Tokyo through a performance by Tokyo-based theatre company, Tarinainanika specialising in corporeal mime. The performance was followed by workshops, which gave the students the opportunity to try out corporeal mime for themselves, as well as a Q&A session and interviews with the group.

During one project in rural Northern Ireland, local traditional Irish musicians collaborated with experienced shinobue and taiko drum facilitators to learn a traditional Japanese piece of music, through which they were able to discover both the similarities and differences between their cultural traditions. The piece was in turn taught to local children and young people who went on to perform on the showcase stage at the 2018 Foyle O-bon Festival.

'Scored in Silence', a digital artwork and performance piece by deaf concept artist, Chisato Minamimura, gave over 50 deaf and hearing young people the opportunity to learn of the experience of deaf hibakusha (survivors of the atomic bomb). A project by Clod Ensemble shared learning about Noh with artists and the general public through events, workshops and online resources; and 'Flight Paths', a collaborative production telling the stories of three visually impaired artists and their migration to the UK, used Japan Society small grant funding to create an online digital resource to provide background and context for the show as it toured the UK in early 2019.

Small grants were also given in support of a series of workshops including tenugui screen printing, wood block printing and haiku run by the West Yorkshire Print Workshop in conjunction with its Japanese summer exhibition; a Japanese translation workshop at the School of Modern Languages in Cardiff; the 2018 Japanese Avant-Garde and Experimental Film Festival, and Japan Now 2018, a festival exploring contemporary Japanese literature, film and culture.

Library

During 2018 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

Two new publications were released in 2018. *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 Turvill, was formally launched in March. At the launch, Professor Jay Rubin joined Turvill to discuss the art of translation. *British Foreign Secretaries and Japan 1850-1990* was launched at the Society's Annual General Meeting in July, with presentations by co-editors Hugh Cortazzi and Antony Best. Work continued on a history of *British Royal and Japanese Imperial Relations* and on a reprint of *The Thames and I*, a translation of the future Emperor's memoir of his time studying at Oxford, both for 2019 publication.

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

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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.

Teacher in-service training

A workshop in Cardiff in May focused on opportunities for cross-curricular work on Japan through haiku, sport and manga. In October, a Japan Conference for Schools, organized with the Japan Foundation and hosted by the British Council, gave teachers the opportunity to meet counterparts to share information and participate in workshops and discussion groups. Topics covered in 2018 included manga as a gateway to learning; curriculum ideas for the secondary classroom; teaching maths through Japanese; and art in the Japanese classroom. Looking toward Tokyo 2020, the keynote speech was given by Rebecca Bolland, co-ordinator of the Coventry Young Ambassadors project.

Japan in Your Classroom visits

During the year some 40 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.

School links

Support for school links has continued to be an important element of the Society's work. During 2018, Takamatsu Daiichi Senior High School again carried out a science-based exchange with County Upper School, Bury St Edmunds, and Newstead Wood School, London. Annual exchange visits took place from Komaki Elementary School, Nagano, to schools in Nottingham and between staff at Reepham Primary School, Norfolk and Sakado Azuma Kindergarten in Saitama.

Sixth form study day

This was held in London in November attended by over 100 students and staff, who participated 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.

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.

Financial Review

In 2018 the Society showed a surplus of £30,000, which reflected an extended period of under-staffing due to turnover in staff during the year, as well as remaining income restricted for use in relation to the Hammersmith Garden project.

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
Out-Sourcing Incorporated UK
Ricoh (Europe) plc
Sompo Japan Nipponkoa Insurance Co
of Europe Ltd
Tokio Marine Kiln Insurance 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 +)

Hugh Cortazzi

Principal Benefactor (£1,000 +)

Martin & Noriko Barrow
Bill Emmott
Midoriko Nakajima and Martin L
O'Neill

Benefactor (£500)

Peter Job

Principal Donor (£250)

Michael Faber
Ruth Martin
James Noble
Yoshio Noguchi
Heidi Potter
Jeremy Raper
Adrian Thorpe
David Warren

Donor (£100)

Mark Allsup
Clive Bradley
Stephen Codrington
Joe Earle
Robin Fox
Lydia Gomersall
Tom Hall
Keiko Itoh
Kathleen Kimura
David Mytton
Mr & Mrs Morihiko Okudaira
Pernille Rudlin
M.R. Smith
Yuko Takano

Individual Supporter (£58)

D G R Bentliff
Suzanne Hudson
Marilyn Malin
Janusz Mondry
Rosemary Morgan
Stephen O'Neill
Suzanne Perrin
Elizabeth Sinclair-House
Jairaj Thakkar
Ian Walker

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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 sufficient for 9 – 12 months' 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 2018, the value of unrestricted reserves less tangible fixed assets was £432,067. The cash reserves are held on deposit.

Plans for the future

In 2019, 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, and work is well underway on the development of a new suite of teaching resources which reflect recent changes to the national curriculum and current needs. The Japan Society is playing an active part in the 2019-2020 Japan Season of Culture in the UK, and particularly in the Sakura Cherry Tree project, where we are coordinating the Cherry Trees for Schools initiative.

Although in a strong financial position at the start of 2019, 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, despite competing claims on donors' generosity.

On behalf of the Board

Satoru Yoshida - Hon. Treasurer

Dated:

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STATEMENT OF TRUSTEES RESPONSIBILITIES for the Year Ended 31 December 2018

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 auditors are 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 auditors are aware of that information.

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

Opinion

We have audited the financial statements of The Japan Society (the 'charitable company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 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

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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
- we have not received all the information and explanations we require for our audit.

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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.

Our responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company'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 charitable company'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 the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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 2018**

	Notes	Unrestricted fund £	Designated Fund £	Restricted fund £	31.12.18 Total funds £	31.12.17 Total funds £
INCOME FROM						
Donations and legacies	2	362,466	-	67,500	429,966	405,607
Charitable activities	3	24,442	-	76,294	100,736	24,574
Investment income	4	437	-	-	437	86
Other income	5	26,561	-	-	26,561	25,053
Total		413,906	-	143,794	557,700	455,320
EXPENDITURE ON						
Raising funds	6	22,723	-	-	22,723	4,015
Charitable activities	7					
Membership and publications		136,660	-	-	136,660	120,476
Events		156,097	-	-	156,097	183,802
Schools education		78,213	-	50,505	128,718	136,265
Small grants		-	-	17,766	17,766	19,982
Hammersmith Garden project		277	-	65,429	65,706	-
Total		393,970	-	133,700	527,670	464,540
NET INCOME/(EXPENDITURE)		19,936	-	10,094	30,030	(9,220)
RECONCILIATION OF FUNDS						
Total funds brought forward		273,902	619,964	-	893,866	903,086
TOTAL FUNDS CARRIED FORWARD		293,838	619,964	10,094	923,896	893,866

The notes form part of these financial statements

THE JAPAN SOCIETY

BALANCE SHEET
At 31 December 2018

	Notes	Unrestricted fund £	Designated Fund £	Restricted fund £	31.12.18 Total funds £	31.12.17 Total funds £
FIXED ASSETS						
Tangible assets	14	1,383	481,735	-	483,118	488,460
CURRENT ASSETS						
Debtors	15	89,464	-	-	89,464	129,775
Cash at bank		<u>242,465</u>	<u>138,229</u>	<u>10,094</u>	<u>390,788</u>	<u>309,393</u>
		331,929	138,229	10,094	480,252	439,168
CREDITORS						
Amounts falling due within one year	16	<u>(39,474)</u>	-	-	<u>(39,474)</u>	<u>(33,762)</u>
NET CURRENT ASSETS		<u>292,455</u>	<u>138,229</u>	<u>10,094</u>	<u>440,778</u>	<u>405,406</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>293,838</u>	<u>619,964</u>	<u>10,094</u>	<u>923,896</u>	<u>893,866</u>
NET ASSETS		<u>293,838</u>	<u>619,964</u>	<u>10,094</u>	<u>923,896</u>	<u>893,866</u>
FUNDS						
Unrestricted funds:	17					
General fund					293,838	273,902
Designated Fund					<u>619,964</u>	<u>619,964</u>
					913,802	893,866
Restricted funds					<u>10,094</u>	-
TOTAL FUNDS					<u>923,896</u>	<u>893,866</u>

The notes form part of these financial statements

THE JAPAN SOCIETY

BALANCE SHEET - CONTINUED
At 31 December 2018

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2018.

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 144 of the Charities Act 2011.

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

.....
B Emmott -Trustee

.....
S Yoshida -Trustee

The notes form part of these financial statements

THE JAPAN SOCIETY

**CASH FLOW STATEMENT
for the Year Ended 31 December 2018**

	Notes	31.12.18 £	31.12.17 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>81,547</u>	<u>(17,724)</u>
Net cash provided by (used in) operating activities		<u>81,547</u>	<u>(17,724)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(589)	-
Interest received		<u>437</u>	<u>86</u>
Net cash provided by (used in) investing activities		(152)	86
Change in cash and cash equivalents in the reporting period		<u>81,395</u>	<u>(17,638)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>309,393</u>	<u>327,031</u>
Cash and cash equivalents at the end of the reporting period		<u>390,788</u>	<u>309,393</u>

The notes form part of these financial statements

THE JAPAN SOCIETY

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.12.18	31.12.17
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	30,030	(9,220)
Adjustments for:		
Depreciation charges	5,931	6,715
Interest received	(437)	(86)
Decrease/(increase) in debtors	40,311	(3,790)
Increase/(decrease) in creditors	<u>5,712</u>	<u>(11,343)</u>
Net cash provided by (used in) operating activities	<u>81,547</u>	<u>(17,724)</u>

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.

Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Valuation of the Library

The valuation of the books which are included within fixed assets is a material figure in the accounts and is primarily based on the historical cost value that the society paid a number of years ago. Given that many of these items are not available to be purchased on the open market, it has been estimated that their value has not fluctuated since the original cost incurred by the society.

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.

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charitable company 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.

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.

1. ACCOUNTING POLICIES - continued

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 2018

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.

Basic financial instruments

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

Financial instruments are recognised in the balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

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

Employee benefits

The costs of short-term employee benefits are recognised as a liability and as an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
Corporate Membership Subscriptions	75,996	-	75,996	78,535
Corporate Donations	236,550	67,500	304,050	293,630
Corporate Sponsorship	14,167	-	14,167	5,000
Individual Membership Subscriptions	25,160	-	25,160	23,457
Individual Donations	<u>10,593</u>	<u>-</u>	<u>10,593</u>	<u>4,985</u>
	<u>362,466</u>	<u>67,500</u>	<u>429,966</u>	<u>405,607</u>

THE JAPAN SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2018

3. CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
Hammersmith Garden Project	-	75,523	75,523	-
Events income	24,442	-	24,442	24,165
Education income and direct projects	-	771	771	409
	<u>24,442</u>	<u>76,294</u>	<u>100,736</u>	<u>24,574</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
Deposit account interest	<u>437</u>	-	<u>437</u>	<u>86</u>

5. OTHER INCOME

	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
Publication and sale of books	5,635	-	5,635	5,230
Office services income	14,099	-	14,099	12,323
Secretariat income	<u>6,827</u>	-	<u>6,827</u>	<u>7,500</u>
	<u>26,561</u>	-	<u>26,561</u>	<u>25,053</u>

6. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
Fund raising activities	18,374	-	18,374	15
Marketing, website & database	<u>4,349</u>	-	<u>4,349</u>	<u>4,000</u>
	<u>22,723</u>	-	<u>22,723</u>	<u>4,015</u>

THE JAPAN SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2018

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 8)	Support costs (See note 9)	Totals
	£	£	£	£
Membership and publications	85,982	-	50,678	136,660
Events	102,348	-	53,749	156,097
Schools education	79,025	-	49,693	128,718
Hammersmith Garden project	65,706	-	-	65,706
Small grants	-	17,766	-	17,766
	<u>333,061</u>	<u>17,766</u>	<u>154,120</u>	<u>504,947</u>

8. GRANTS PAYABLE

	31.12.18	31.12.17
	£	£
Small grants	<u>17,766</u>	<u>19,982</u>

Material grants paid to institutions during the year:

	31.12.18	31.12.17
	£	£
AME	1,000	-
Blueprint: Film Foundation	1,500	-
British cartographic Society	-	1,000
CCC Howes Primary School LMS	2,000	-
Chisato Minamimura	1,000	-
DCC KEVICC	-	1,000
Japanese Garden Society	-	1,000
Japan Society North West	1,000	-
Japanese Avant	1,000	-
Judith Adams	1,000	-
Keys of Change CIO	1,000	-
Kotatsu Animation Festival	-	1,000
Modern Culture/M J Colthorpe	1,000	-
Occidents (Silver Salt Films)	-	1,000
Oldham Council	-	1,000
Ormiston Anademies Trust - Tenbury	-	1,000
Sally Crabtree t/a Poetree	-	1,000
Synergy Multi-Academy Trust	-	1,000
Takehiko Iseki	-	1,000
West Yorkshire Print Workshop	1,000	-
Whiteley Academy	1,000	-
Other small grants paid to 10 (22) institutions	<u>5,266</u>	<u>9,982</u>
	<u>17,776</u>	<u>19,982</u>

THE JAPAN SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2018

9. SUPPORT COSTS

	Management	Other	Governance	Totals
	£	£	costs	£
	£	£	£	£
Membership and publications	28,652	19,006	3,020	50,678
Events	30,390	20,156	3,203	53,749
Schools education	<u>27,785</u>	<u>18,980</u>	<u>2,928</u>	<u>49,693</u>
	<u>86,827</u>	<u>58,142</u>	<u>9,151</u>	<u>154,120</u>

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

				31.12.18	31.12.17
	Membership and publications	Events	Schools education	Total activities	Total activities
	£	£	£	£	£
Wages	7,238	7,677	7,019	21,934	103,869
Social security	166	176	161	503	8,359
Pensions	95	101	92	288	4,681
Establishment expenses	19,196	20,360	18,615	58,171	62,604
Depreciation of tangible and heritage assets	1,957	2,076	1,898	5,931	6,715
Office expenses	7,622	8,083	7,390	23,095	14,624
General expenses	298	316	289	903	3,708
Consultancy	11,086	11,757	11,301	34,144	35,488
Auditors' remuneration	2,359	2,503	2,288	7,150	7,150
Bank charges	<u>661</u>	<u>700</u>	<u>640</u>	<u>2,001</u>	<u>1,001</u>
	<u>50,678</u>	<u>53,749</u>	<u>49,693</u>	<u>154,120</u>	<u>248,199</u>

10. NET INCOME/(EXPENDITURE)

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

	31.12.18	31.12.17
	£	£
Auditors' remuneration	7,150	7,150
Depreciation - owned assets	5,931	6,715
Other operating leases	<u>23,095</u>	<u>14,624</u>

THE JAPAN SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2018

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2018 nor for the year ended 31 December 2017.

Trustees' expenses

During the year no member of the board was reimbursed for expenses: (2017 – 1

The charity carried indemnity insurance for its trustees, for which a premium of £2,722 (2017: £2,673) was paid.

12. STAFF COSTS

	31.12.18	31.12.17
	£	£
Wages and salaries	180,490	210,977
Social security costs	13,413	16,982
Other pension costs	<u>7,686</u>	<u>9,553</u>
	<u>201,589</u>	<u>237,512</u>

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

	31.12.18	31.12.17
Employees	<u>7</u>	<u>8</u>

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

13. 2017 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Designated Fund £	Restricted fund £	Total funds £
INCOME FROM				
Donations and legacies	340,227	-	65,380	405,607
Fundraising activities	24,165	-	409	24,574
Investment income	86	-	-	86
Other income	<u>25,053</u>	<u>-</u>	<u>-</u>	<u>25,053</u>
Total	389,531	-	65,789	455,320
EXPENDITURE ON				
Raising funds	4,015	-	-	4,015
Charitable activities				
Membership and publications	120,264	-	212	120,476
Events	183,802	-	-	183,802
Schools education	90,458	-	45,807	136,265
Small grants	<u>-</u>	<u>-</u>	<u>19,982</u>	<u>19,982</u>
Total	398,539	-	66,001	464,540

THE JAPAN SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2018

13. 2017 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – continued

	Unrestricted fund £	Designated Fund £	Restricted fund £	Total funds £
NET INCOME/(EXPENDITURE)	(9,008)	-	(212)	(9,220)
Transfers between funds	<u>(5,000)</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Net movement in funds	(14,008)	5,000	(212)	(9,220)
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>287,910</u>	<u>614,964</u>	<u>212</u>	<u>903,086</u>
TOTAL FUNDS CARRIED FORWARD	<u>273,902</u>	<u>619,964</u>	<u>-</u>	<u>893,866</u>

14. TANGIBLE FIXED ASSETS

	Library £	Fixtures and fittings £	Totals £
COST			
At 1 January 2018	481,735	44,491	526,226
Additions	<u>-</u>	<u>589</u>	<u>589</u>
At 31 December 2018	<u>481,735</u>	<u>45,080</u>	<u>526,815</u>
DEPRECIATION			
At 1 January 2018	-	37,766	37,766
Charge for year	<u>-</u>	<u>5,931</u>	<u>5,931</u>
At 31 December 2018	<u>-</u>	<u>43,697</u>	<u>43,697</u>
NET BOOK VALUE			
At 31 December 2018	<u>481,735</u>	<u>1,383</u>	<u>483,118</u>
At 31 December 2017	<u>481,735</u>	<u>6,725</u>	<u>488,460</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.

THE JAPAN SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2018

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Other debtors	66,047	106,088
Prepayments and accrued income	<u>23,417</u>	<u>23,687</u>
	<u>89,464</u>	<u>129,775</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Trade creditors	1,369	1,594
VAT	5,964	4,452
Other creditors	134	129
Accruals and deferred income	<u>32,007</u>	<u>27,587</u>
	<u>39,474</u>	<u>33,762</u>

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 01.01.18	Incoming Resources	Resources Expended	Balance at 31.12.18
	£	£	£	£
Education Fund	-	68,271	(68,271)	-
Hammersmith Garden Fund	-	75,523	(65,429)	10,094
	<u>-</u>	<u>143,794</u>	<u>(133,700)</u>	<u>10,094</u>

	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>

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

Tohoku Earthquake Fund represented the donations made specifically for the Japan Society Tohoku Relief Fund. 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. The fund was closed in 2017

The Hammersmith Garden Fund represents the contributions made specifically for installation of a new gate and avenue of stone lanterns at the Japanese garden in Hammersmith Park, and for activities linked to this.

THE JAPAN SOCIETY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
for the Year Ended 31 December 2018

17. MOVEMENT IN FUNDS - continued

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 01.01.2018	Incoming resources	Resources expended	Transfers	Balance at 31.12.2018
	£	£	£	£	£
Library	481,735	-	-	-	481,735
Japan office fund	105,245	-	-	-	105,245
Maintenance fund	13,000	-	-	-	13,000
Digitisation of books fund	19,984	-	-	-	19,984
	<u>619,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>619,964</u>

	Balance at 01.01.2017	Incoming resources	Resources expended	Transfers	Balance at 31.12.2017
	£	£	£	£	£
Library	481,735	-	-	-	481,735
Japan office fund	105,245	-	-	-	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>5,000</u>	<u>619,964</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, which was restriction free but they indicated they would like the donation to assist with the cost 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 £2,579 (2017: £2,722) during the year.

THE JAPAN SOCIETY

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2018**

	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
INCOME				
Donations and legacies				
Corporate Membership Subscriptions	75,996	-	75,996	78,535
Corporate Donations	236,550	67,500	304,050	293,630
Corporate Sponsorship	14,167	-	14,167	5,000
Individual Membership Subscriptions	25,160	-	25,160	23,457
Individual Donations	10,593	-	10,593	4,985
	<u>362,466</u>	<u>67,500</u>	<u>429,966</u>	405,607
Charitable activities				
Hammersmith Garden Project	-	75,523	75,523	-
Events income	24,442	-	24,442	24,165
Education income and direct projects	-	771	771	409
	<u>24,442</u>	<u>76,294</u>	<u>100,736</u>	24,574
Investment income				
Deposit account interest	437	-	437	86
Other income				
Publication and sale of books	5,635	-	5,635	5,230
Office services income	14,099	-	14,099	12,323
Secretariat income	6,827	-	6,827	7,500
	<u>26,561</u>	<u>-</u>	<u>26,561</u>	<u>25,053</u>
Total incoming resources	413,906	143,794	557,700	455,320
EXPENDITURE				
Raising donations and legacies				
Fund raising activities	18,374	-	18,374	15
Marketing, website & database	4,349	-	4,349	4,000
	<u>22,723</u>	<u>-</u>	<u>22,723</u>	4,015
Charitable activities				
Wages	127,152	31,404	158,556	107,108
Social security	12,910	-	12,910	8,623
Pensions	7,398	-	7,398	4,872
Events and Publications	69,390	-	69,390	56,901
Education	-	19,101	19,101	14,840
Carried forward	216,850	50,505	267,355	192,344

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THE JAPAN SOCIETY

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
for the Year Ended 31 December 2018

	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
Charitable activities				
Brought forward	216,850	50,505	267,355	192,344
Projects	277	65,429	65,706	-
Grants to institutions	<u>-</u>	<u>17,766</u>	<u>17,766</u>	<u>19,982</u>
	217,127	133,700	350,827	212,326
Support costs				
Management				
Wages	21,934	-	21,934	103,869
Social security	503	-	503	8,359
Pensions	288	-	288	4,681
Establishment expenses	58,171	-	58,171	62,604
Fixtures and fittings	<u>5,931</u>	<u>-</u>	<u>5,931</u>	<u>6,715</u>
	86,827	-	86,827	186,228
Other				
Office expenses	23,095	-	23,095	14,624
General expenses	903	-	903	3,708
Consultancy costs	30,595	-	30,595	32,773
Irrecoverable VAT	2,353	-	2,353	2,715
Library Maintenance Expenses	552	-	552	-
Entertainment	701	-	701	-
Exchange rate loss/gain	<u>(57)</u>	<u>-</u>	<u>(57)</u>	<u>-</u>
	58,142	-	58,142	53,820
Governance costs				
Auditors' remuneration	7,150	-	7,150	7,150
Bank charges	<u>2,001</u>	<u>-</u>	<u>2,001</u>	<u>1,001</u>
	9,151	-	9,151	8,151
Total resources expended	393,970	133,700	527,670	464,540
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net income/(expenditure)	<u>19,936</u>	<u>10,094</u>	<u>30,030</u>	<u>(9,220)</u>

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