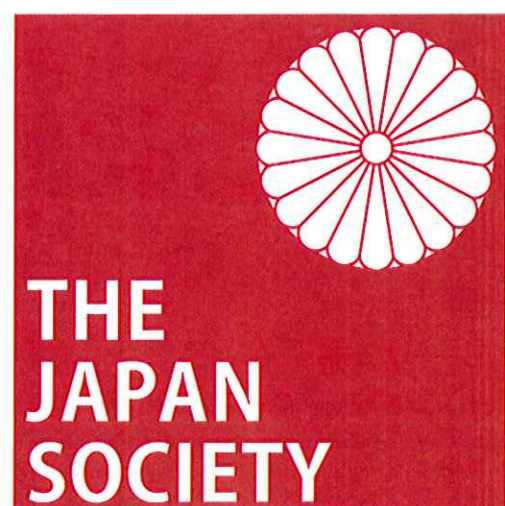


Charity Registration No. 1063952

THE JAPAN SOCIETY

**COUNCIL'S REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013**



THE JAPAN SOCIETY

LEGAL AND ADMINISTRATIVE INFORMATION

Patron HRH The Duke of Gloucester, KG, GCVO

President HE The Japanese Ambassador

Vice-Presidents Sir Hugh Cortazzi, GCMG

Shin Ebihara

Hiroaki Fujii

Haruko Fukuda OBE

Haruki Hayashi

Sadayuki Hayashi

Hironobu Ishikawa

Hiroshi Kitamura

Prof. Ian Nish, CBE

Yoshiji Nogami

Masaki Orita

Christopher Purvis CBE

John Snaith

Viscount Trenchard

Ben Thorne, CMG, MBE

Officers and Trustees Sir David Warren KCMG, Chairman

(as at 23 April 2014) David Cairns, Vice Chairman

Akio Miyajima, Vice Chairman

Dr George Olcott, Vice Chairman

Alison Scott, Hon Editor

Nigel Wellings, Hon Solicitor

Satoru Yoshida, Hon Treasurer

Mr Hideki Asari

Sir Andrew Cahn

Pauline Chakmakjian

Martin Day

Lady Gomersall

Tetsuro Hama

Graham Holman

Stephen McEnally

Michael Spencer

Akihiro Tsuchiya

Chief Executive and Company Secretary Heidi Potter

Charity number 1063952

Company number 3371038

Principal address 13/14 Cornwall Terrace
London NW1 4 QP

Auditors Richard Place Dobson Services Limited
1-7 Station Road
Crawley
West Sussex RH10 1HT

THE JAPAN SOCIETY

CONTENTS

	Page
Chairman's Statement	1
Trustees' report	2 - 9
Statement of trustees' responsibilities	10
Independent auditors' report	11 - 12
Statement of financial activities	13
Balance sheet	14 - 15
Notes to the accounts	16 - 23

THE JAPAN SOCIETY

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

Since taking up the chairmanship in January 2013, I have enjoyed getting to know many corporate and individual members, and discussing with them ways in which the Society can continue to develop programmes which are relevant to their needs and which will support educational and business relationships for the future. We are very much aware of the Charity Commission's guidance on public benefit and our own stated objectives to promote learning and advance education, both among our members and the wider public, including school children.

2013 was another successful year for the Society. We have had a full programme of academic, business, cultural and social events, some specifically for members but some also open to the general public. The majority of our activities take place in London, but our schools education and small grants programme extends the work of the Society to other parts of the UK and to Japan. In keeping with our educational mission, we create opportunities for members to discover more about Japan and, conversely, the United Kingdom, as well as engaging with new audiences, both young and old, who are keen to look beyond their own borders to understand another culture.

Details of the activities of the Japan Society and results in 2013 may be found in the trustees' report. I am pleased to report that the Society showed a surplus of £27,019 for the year. Faced with the unexpected cost of moving and fitting out a new office, we remained cautious in our commitments. We are now in a good position to take on more challenges in developing our programmes in 2014, responding to changes in the school curriculum, engaging with the public at special events and extending the scope of our business programme.

During 2013, we bade farewell to two of our trustees, Hitoshi Noda and Tetsuro Terada, whom I should like to thank for their contributions to the Society during their time in the UK. We welcomed to the board Masaaki Goto and Tetsuro Hama, who were elected at the AGM, and also, from the Japanese Embassy, Akio Miyajima and Hideki Asari, who joined us in March and September 2013 respectively. This year, we have been sorry to see Masaaki Goto and Hiroshi Hattori leave the UK; we owe them great thanks for all they have done for the Society during the course of their time in London and particularly as trustees. Our board tends to have a high proportion of members joining and leaving, especially as Japanese trustees are often posted back to Japan in mid-term. But the benefits of having a board whose members represent the diversity of the UK-Japan community are enormous and we are grateful to all those who volunteer their services in this way.

At the Annual General Meeting in June 2014, three further trustees will be standing down Pauline Chakmakjian and George Olcott have each served six years on the board, while Andrew Cahn has completed one term. All have made valuable contributions to the Society, in George's case providing an important link with corporate members based in Japan, and I thank them for their enthusiastic support. Akihiro Tsuchiya will be retiring by rotation. He plays an important role on the board, which warmly recommends his re-election.

There are five candidates standing for election or re-election: Anna Dingley, Masahiro Imai, Shinichiro Masunaga, Akihiro Tsuchiya and Jenny White. All share a strong wish to encourage the development of stronger UK-Japan relations and will bring a variety of skills to the board. It is important that the Japan Society's board includes a good balance of Japanese and non-Japanese members who can contribute to its mission to enhance the relationship between our countries through education. 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 continued to give the Society over the past year. He and his colleagues at the Embassy of Japan have as always been enormously generous with their time and support.

The annual general meeting will be held this year at 6.00pm on Wednesday 18 June 2014 at the Embassy of Japan, 101-104 Piccadilly. The formal business will be followed by an informal reception. I look forward to seeing as many members as possible on that occasion.

David Warren

THE JAPAN SOCIETY TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

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 2013.

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:

Sir David Warren, KCMG - Chairman	(Elected 12 June 2012, effective from 1 January 2013)
David Cairns - Vice Chairman	
Akio Miyajima - Vice Chairman	(Appointed 1 March 2013)
Hitoshi Noda - Vice Chairman	(Resigned 31 March 2013)
Dr George Olcott - Vice Chairman	
Satoru Yoshida - Hon Treasurer	
Nigel Wellings - Hon Solicitor	
Alison Scott - Hon Editor	
Hideki Asari	(Appointed 1 September 2013)
Sir Andrew Cahn	
Pauline Chakmakjian	
Martin Day	
Lady Gomersall	
Masaaki Goto	(Elected 27 June 2013)
Tetsuro Hama	(Elected 27 June 2013)
Hiroshi Hattori	
Graham Holman	
Stephen McEnally	
Michael Spencer	
Tetsuro Terada	(Resigned 31 March 2013)
Akihiro Tsuchiya	

At the annual general meeting in June 2014, two trustees, Pauline Chakmakjian and George Olcott, will be standing down having served for six years on the board.

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 meeting being an 'awayday' 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 Hiroko Kimura, head of education, and a team of paid staff and occasional interns. The activities of the Society are organised by the office, with support also provided by activity group committees (particularly awards, 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.

The majority of the board is elected. Having been elected at the AGM in June 2012 while still serving as HM Ambassador in Tokyo, David Warren took up the position of chairman with effect from 1 January 2013. As at 31 December 2013 there were three vice chairmen, Akio Miyajima in an ex-officio position as deputy head of mission at the Japanese Embassy, David Cairns and George Olcott, who had been elected as trustees and appointed as vice chairmen by the board. Three officers were also appointed by the board: Satoru Yoshida, treasurer; Nigel Wellings, solicitor and Alison Scott, Editor. Hideki Asari was an ex officio board member as a member of the Japanese Embassy since being appointed director of the Japan Information & Cultural Centre in September 2013. 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 headed by David Warren 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 organisation's expectations of its board members are discussed with new trustees prior to their election and on election they receive an induction pack which includes copies of the Society's

THE JAPAN SOCIETY TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTD)

Memorandum and Articles of Association , accounts and board papers.

The audit committee (comprising Heidi Potter, David Warren 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 David Warren) is responsible for raising higher level donations and sponsorship. A membership committee chaired by Graham Holman focuses on membership issues and recruitment.

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 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 programme of small grants made in support of Japan-related projects that are organised by others.

The board refers 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 organised by others which are in furtherance of the Society's objectives and which will provide opportunities to new audiences across the UK.

In December 2013 the Japan Society moved to new offices occupying the top floor of Daiwa Foundation Japan House. John Swire & Sons which had since 1996 been a generous landlord, first for Japan 21 but later also for the Japan Society, required the space for its own business; we remain grateful to its directors and staff for their support. Thanks to the trustees and director-general of the Daiwa Anglo-Japanese Foundation, the Society has been able to rent office and library space in Japan House. The move to Cornwall Terrace involved much preparation and upheaval for the Society, though efforts were made to ensure there was as little disruption to the activities as possible.

Great East Japan Earthquake

The Great East Japan Earthquake of 11 March 2011 had made a significant impact on the activities of the Society in that year. The Tohoku Earthquake Relief Fund was established in order to support local not-for-profit organisations (NPOs) in their activities directed towards long term recovery, after the immediate disaster relief effort had finished. Donations continued to be received for this cause in 2013, which once interest had been added totalled some £9,177 for the year.

A committee of the board comprising Stephen McEnally, Heidi Potter and Phillida Purvis continued to supervise the distribution of these funds and work with the Society's partner, the Sanaburi Foundation, 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 organisations, 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.

THE JAPAN SOCIETY TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTD)

Christopher Purvis, Phillida Purvis and Heidi Potter visited the region during private visits to Japan in October 2013 when they met with representatives of Sanaburi as well as with NPOs which had been supported by the Fund. A subsequent update, was disseminated via the Society's website, which continues to carry information about the region and about the NPOs that have been recipients of funding. Themes relating to the triple disaster were addressed in many areas of the 2013 events programme.

Events

The Society in 2013 arranged over 80 different events spanning a wide range of subject and format, both independently and in partnership with other organisations. 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 participation by the general public. The Society played an active part in Japan400, a year-long celebration of the 400th anniversary of the first official encounter between Japan and the UK. 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 2013 general events programme included:

- 5 chairman's lunches / dinners
- 1 annual dinner
- 11 Business related events
- 13 Conversation group events
- 23 Events aimed at younger members or families under the 'lifestyle' programme heading
- 14 Lectures
- 11 Art & culture events

The chairman held a series of small lunches in which key figures based in both the UK and Japan were invited to meet senior members of the Society. These provided opportunities for decision makers to share ideas and information, and ensured that those involved in business and government were well informed on topical issues relating to the Japan-UK relationship in a global context. Subjects in 2013 included international relations (The Rt Hon Hugo Swire, The Rt Hon David Lidington) UK-Japan business links (The Lord Mayor of London, Alderman Roger Gifford) and the pharmaceutical industry (The Rt Hon Jeremy Hunt).

Larger lunchtime business seminars were again generously hosted by JETRO. These included an overview of the global economy by Dr Gerard Lyons, economic adviser to the Mayor of London, given in the run up to the 2013 G8 summit in the UK. Other seminars were given by Lori Henderson, executive director, British Chamber of Commerce in Japan, who briefed participants on the work of the Chamber in supporting recovery in Tohoku; Aidan Foster-Carter who gave an overview of developments in North Korea; and Dr Ken Koyama, Institute of Energy Economics, Japan, who led a seminar on the world energy outlook, including the impact of the shale revolution. The Society continued to arrange joint lunches in conjunction with the Japanese Chamber of Commerce and Industry in the UK, which provided opportunities for Japanese and non-Japanese to meet and to hear from guest speakers, who were during the year: Sir John Beddington, Government chief scientific officer; Charles Grant of the Centre for European Reform; and Sir Simon Fraser, Permanent Under-Secretary at the Foreign & Commonwealth Office. A special lunch was also organised with members of the UK Japan 21st Century Group in advance of its 30th annual meeting.

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 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 remained active with a good mix of regular and occasional participants. Book choices were varied and discussions lively, particular at two events addressed by translators of the books being read, Peter MacMillan and Angus Turvill. Other events included gallery talks and museum visits, food and drink tastings, film screenings, golf tournaments, and social events.

The Society played an active role in Japan400 events: the chairman was a member of the Advisory Council and the chief executive a member of the Steering Committee and Executive Group. The Society's office assisted with logistics for a number of Japan400 events including launch events, an anniversary concert in June and a celebration of tea culture at the Banqueting House in September. Japan Society events with an historical focus were registered as part of Japan400, including a special family day on board the Golden Hinde.

Japan Matsuri took place in Trafalgar Square for the second time on 5 October. The Japan Society has a formal role as

THE JAPAN SOCIETY TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTD)

corporate director of the Japan Matsuri company, with Sean Curtin its nominated representative on the board in 2013. The Society also played an active part in planning and programming the 2013 event. Staging Matsuri in Trafalgar Square requires the engagement of a specialist production team which increases the cost of the event, but has reduced the administrative burden on the four partner organisations: the Japanese Chamber of Commerce and Industry in the UK, the Japan Association, the Nippon Club and the Japan Society.

The lectures programme as usual covered a wide range of subject matter. The monthly academic lecture, held every third Monday, formed the core of this aspect of our public programming. The subjects in 2013 included: the art of Mariko Mori; Western climbers in the Japanese Alps; Sir Alfred East and Japan; discoveries in Jomon archaeology; the literature of Kajii Motojiro; Japan UK relations in popular music and post war responses to the war crimes issue. The fourth annual lecture in memory of Dr Carmen Blacker took place in London and Norwich, organised jointly with the Sainsbury Institute for the Study of Japanese Arts and Cultures, with Professor Toshio Yokoyama speaking about the *Setsuyoshu*, family encyclopedias. The Society also partnered with the Japan Foundation and Japan Room on other lecture events.

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 UK to participate in education and exchange relating to Japan and thus contribute to raising awareness and understanding of the country and its culture. Priority is given to applications for grassroots projects and for activities involving schools and other educational establishments. In 2013, 33 grants were made averaging approximately £600 each. Of these some 17 were organised 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 activities in preparation for a trip to Japan and workshops in Japanese music where primary school children learned about shamisen through making and performing on their own instruments. Grants were also awarded to projects which allowed people to engage with and learn about Japan. A family day at the Serpentine Gallery's Summer Pavilion designed by Fujimoto Sou explored contemporary Japanese architecture in tandem with contemporary Japanese music, while the Russell Cotes Art Gallery and Museum in Bournemouth engaged in an ambitious family learning programme drawing from its Japanese collection. Support was also given to community Japan Days in Cambridge, Glasgow, London and Sheffield.

Japan Society Awards

Japan Society Awards for 2013 were presented at the annual dinner on 4 November to Kimie Markarian and Rona Nish. Since 1970, Kimie Markarian has been promoting understanding of Japan and its culture to school children and the general public. Her particular expertise is in soroban, which she uses both to teach the Japanese number system and to introduce many general facts about Japan in a memorable way. Through regular workshops, Kimie has trained British teachers and other Japanese volunteers to teach soroban. For nearly 50 years, Rona Nish has been a positive presence in the Anglo-Japanese world, making generations of Japanese women, whose husbands have been assigned to posts here, feel welcomed and appreciated. Through her long term membership of the Nichi Ei Otomodachi Kai, including a term as chairman, Rona has befriended, as formal otomodachi, over 40 Japanese ladies, and currently co-organises the music interest group.

Library

The library is a key asset of the Society. It has much potential as a research facility for the academic community and holds materials 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 acquisitions. However, with voluntary help, further cataloguing of miscellaneous correspondence and other loose documents has improved the accessibility of this valuable resource.

Publications

Sean Curtin, editor of *The Japan Society Review*, and his team of volunteer reviewers continued to assess many of the new works relating to Japan published during the year, as well as covering films and other cultural events. Reviews are firstly published on the Japan Society website before being collated into issues. *Proceedings 149 (2012)* was published in May and provided a good record of activity over the 2012 calendar year, which also coincides with the Society's financial year. This pattern will continue, with a target publication date in future years to coincide with the Annual General Meeting. Work was done to prepare for publication *The Art lover's guide to Japanese museums* for publication, a personal selection by art historian, Sophie Richard, as an introduction to the general visitor to Japan.

Schools Education

The schools education programme has been developed out of a belief in the value to young people in the UK of growing up with an awareness and understanding of Japan and its culture. In addition to historical and business reasons for learning about a key international partner, there are more general benefits of broadening horizons and raising aspirations. Through its

THE JAPAN SOCIETY TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTD)

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. As well as working in partnership with local authorities, it offers materials directly to schools throughout the country, including loan resources supplied to approximately 70 schools each year. Other targeted activities include:

Sixth form study day

140 sixth form students of Japanese and their teachers attended a one-day conference on 8 November 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 at university either in the UK or Japan.

Japan in Your Classroom visits

During the year visits were made by volunteers in Greater London, Brighton, Derby, Manchester and South Wales to some 80 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. Special visits to schools were arranged with Kimie Markarian, who taught both students and teachers how to use soroban. These complemented other work the schools were doing on Japan and broadened pupils' experience and understanding of the country.

School links

Support for school links has continued to be an important element of the Society's work. During 2013, new partnerships were established and existing links strengthened through exchange trips. Kobe University Fuzoku Junior High School brought 150 students to visit their new partner school, Cirencester Deer Park School, and Cropwell Primary School in Nottingham had another successful visit from their partner, Komaki Elementary School in Nagano. In the virtual world, some 60 school partnerships are now using Japan UK LIVE! and related services to develop their links.

Teacher in-service training

A Discover Japan course was held in Havering, providing information, ideas and resources for teachers interested in bring work on Japan into their curriculum. The Japan Conference for Schools organized with the Japan Foundation at the Embassy of Japan involved over 50 schools. The day encompassed a series of primary and secondary language and school linking workshops, along with a key note speech by Bernadette Holmes of Languages First on the new National Curriculum.

Communication and marketing

The website and email 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. A new email marketing software was employed in 2013, and resolved problems experienced with the previous system. Experiments were carried out to encourage visitors to the website and the Society's social media to opt into email marketing.

Financial Review

The Society's income fell again in 2013 compared to the previous year. This again reflected the impact of donations to the Japan Society Tohoku Earthquake Relief Fund, but as in 2012 the underlying picture showed that income for Japan Society core activity had increased. In 2013, a further £8,000 was received in donations to the Fund; during the year a fourth round of grants were made amounting to £120,134. The balance, together with any other donations made towards the Earthquake Fund since the end of the year, is expected to be spent in a final round of grants during 2014.

Income and expenditure for continuing activities amounted to £484,353 and £457,334 respectively, resulting in a surplus for the year of £27,019 as outlined in note 17 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 2013 (CONTD)

Companies

President's Circle (£25,000)

J Paul Getty Trust
JTI
Mitsubishi Corporation International
(Europe) Plc
Nomura International Plc

Platinum Circle (£17,500)

Sumitomo Corporation Europe Ltd

Chairman's Circle (£10,000)

Itochu Europe Plc
Mitsubishi UFJ Financial Group
Mitsui & Co Europe Plc

Corporate Patron (£7,500)

*¶Astellas Pharma Inc
*¶Canon Europe Ltd
*¶Central Japan Railway Company
*¶Chugai Pharma Europe Ltd
*¶Eisai Europe Ltd
Ernst & Young LLP
Mizuho Financial Group
Nikko Asset Management Europe Ltd
¶NSK Europe Ltd
*¶NYK Group Europe Ltd
*¶PricewaterhouseCoopers LLP
SMBC (Europe) Ltd

Corporate Benefactor (£5,000)

BAE Systems plc
Clifford Chance LLP
Dai-ichi Life International Europe
*¶Daiichi Sankyo Co Ltd
Daiwa Capital Markets Europe Ltd
¶Hitachi Europe Ltd
Honda Motor Europe
HSBC Holdings International
The Japan Centre Group Ltd
KPMG LLP
Marubeni (Europe) Plc
*¶Mitsubishi Electric Europe BV
¶Olympus KeyMed
Sompo Japan Insurance Co
*¶The Swire Charitable Trust
Toyota (GB) Plc
UBS Investment Bank

Corporate Donor (£2,000)

Aberdeen Asset Management PLC
All Nippon Airways
BDO LLP
DAKS Simpson Group plc
Five Cool Consulting Ltd
*Greenback Alan LLP
Japan Airlines
Japan England Insurance Brokers Ltd
Japan Post Bank Co Ltd
JRPass Ltd
*"K" Line (Europe) Ltd
¶Linklaters LLP
Mitsubishi Heavy Industries Europe
Mitsui Sumitomo Insurance Group
*NEC (Europe) Ltd
Ricoh (Europe) plc
Rothschild Ltd
SJ Berwin LLP
Tokio Marine Europe Insurance Ltd
Toray Industries
Toshiba of Europe
¶Winton Capital Management

*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 pilerow sign (¶) have
given their support through a five
year agreement.*

Individuals

Principal Benefactor (£1,000)

Christopher & Phillida Purvis
Martin Barrow
Bill Emmott

Principal Donor (£250)

Miranda Curtis
Michael Faber
Robert Guy
Anthony Loehnis
Heidi Potter

Donor (£100)

Mark Allsup
Clive and Vivien Bradley
Stephen Codrington
Paul & Carolyn Dimond
Robin Fox
Lydia Gomersall
Paul Hearn
Keiko Itoh
Keiko Kato-Warburg
Kathleen Kimura
Ruth Martin
David Mytton
Noriko Ogawa
George Olcott
Stephen O'Neill
Pernille Rudlin
William Waggott

Individual Supporter (£58)

D G R Bentliff
Anthony Cormack
Gerard Dempsey
Paul Flood
Suzanne Hudson
Yasko Kurahachi
Marilyn Malin
Rosemary Morgan
James Noble
Suzanne Perrin

**THE JAPAN SOCIETY
TRUSTEES' REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTD)

Reserves

It is the policy of the board to maintain reserves of at least 50 per cent of total annual expenditure. Current reserves of approximately 100 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. As at 31 December 2013 fund balances excluding the value of the library and monies restricted for Tohoku amounted to £404,968. The cash reserves are held on deposit.

Plans for the future

In 2014, 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. A priority for the coming year is continuing to provide opportunities for in depth briefing and debate on current topics of particular relevance to business and government. The need to educate the next generation to look beyond national boundaries and equip them for work in a global economy, means that support for school partnerships and work to develop resources for teachers remain extremely relevant. Regular publication of *Japan Society Proceedings* remains a priority. There are plans for two other publications in 2014: *Britain & Japan Biographical Portraits Vol IX* and the collected despatches of Sir John Pilcher, Ambassador to Japan 1967-72.

Work will continue in respect of Tohoku. It is planned to disburse the remainder of the Tohoku Earthquake Relief Fund in 2014. 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 2014, 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, 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 2014.

On behalf of the Board

Satoru Yoshida - Hon. Treasurer

Dated:

THE JAPAN SOCIETY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

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):

Companies	Corporate Donor (£2,000)	Individuals
President's Circle (£25,000)	Aberdeen Asset Management PLC	Principal Benefactor (£1,000)
J Paul Getty Trust	All Nippon Airways	Christopher & Phillida Purvis
JTI	BDO LLP	Martin Barrow
Mitsubishi Corporation International (Europe) Plc	DAKS Simpson Group plc	Bill Emmott
Nomura International Plc	Five Cool Consulting Ltd	
	*Greenback Alan LLP	
	Japan Airlines	Principal Donor (£250)
	Japan England Insurance Brokers Ltd	Miranda Curtis
Platinum Circle (£17,500)	JR Pass Ltd	Michael Faber
Sumitomo Corporation Europe Ltd	Japan Post Bank Co Ltd	Robert Guy
	*"K" Line (Europe) Ltd	Anthony Loehnis
	¶Linklaters LLP	Heidi Potter
Chairman's Circle (£10,000)	Mitsubishi Heavy Industries Europe	
Itochu Europe Plc	Mitsui Sumitomo Insurance Group	Donor (£100)
Mitsubishi UFJ Financial Group	*NEC (Europe) Ltd	Mark Allsup
Mitsui & Co Europe Plc	Ricoh (Europe) plc	Clive and Vivien Bradley
	Rothschild Ltd	Robin Fox
	SJ Berwin LLP	Lydia Gomersall
Corporate Patron (£7,500)	Tokio Marine Europe Insurance Ltd	Paul Hearn
*¶Astellas Pharma Inc	Toray Industries	Keiko Itoh
*¶Canon Europe Ltd	Toshiba of Europe	Keiko Kato-Warburg
*¶Central Japan Railway Company	¶Winton Capital Management	Kathleen Kimura
*¶Chugai Pharma Europe Ltd		Ruth Martin
*¶Eisai Europe Ltd		David Mytton
Ernst & Young LLP		Noriko Ogawa
Mizuho Financial Group		George Olcott
Nikko Asset Management Europe Ltd		Stephen O'Neill
NSK Europe Ltd		Pernille Rudlin
*NYK Group Europe Ltd		William Waggott
*¶PricewaterhouseCoopers LLP		
SMBC (Europe) Ltd		
	<i>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.</i>	
Corporate Benefactor (£5,000)		Individual Supporter (£58)
BAE Systems plc		D G R Bentliff
Clifford Chance LLP		Suzanne Hudson
Dai-ichi Life International Europe		Yasko Kurahachi
*¶Daiichi Sankyo Co Ltd		Marilyn Malin
Daiwa Capital Markets Europe Ltd		James Noble
¶Hitachi Europe Ltd		Suzanne Perrin
Honda Motor Europe		
HSBC Holdings International		
The Japan Centre Group Ltd		
KPMG LLP		
Marubeni (Europe) Plc		
*¶Mitsubishi Electric Europe BV		
¶Olympus KeyMed		
Sompo Japan Insurance Co		
*¶The Swire Charitable Trust		
Toyota (GB) Plc		
UBS Investment Bank		

THE JAPAN SOCIETY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

Reserves

It is the policy of the board to maintain unrestricted reserves of at least 50 per cent of total annual expenditure. Current reserves of approximately 100 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. As at 31 December 2013 fund balances excluding the value of the library and monies restricted for Tohoku amounted to £404,968. The cash reserves are held on deposit.

Plans for the future

In 2014, 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. A priority for the coming year is continuing to provide opportunities for in depth briefing and debate on current topics of particular relevance to business and government. The need to educate the next generation to look beyond national boundaries and equip them for work in a global economy, means that support for school partnerships and work to develop resources for teachers remain extremely relevant. Regular publication of *Japan Society Proceedings* remains a priority. There are plans for two other publications in 2014: *Britain & Japan Biographical Portraits Vol IX* and the collected despatches of Sir John Pilcher, Ambassador to Japan 1967-72.

Work will continue in respect of Tohoku. It is planned to disburse the remainder of the Tohoku Earthquake Relief Fund in 2014. 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 2014, 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, 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 2014.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the charitable company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board

Satoru Yoshida - Hon. Treasurer

Dated:.....

THE JAPAN SOCIETY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention 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 2013 set out on pages 13 to 23. 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 the 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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 19 to the accounts.

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 2013 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; or
- the directors were not entitled to prepare the financial statements of the trustees' report in accordance with the small companies regime.

Darren Harding ACA FCCA DChA (Senior Statutory Auditor)

for and on behalf of

Richard Place Dobson Services Limited

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 2013

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2013 £	Total 2012 £
Incoming resources from generated funds						
Subscriptions and donations	2	368,098	-	80,606	448,704	488,813
Investment income	3	694	-	1,121	1,815	808
		<u>368,792</u>	<u>-</u>	<u>81,727</u>	<u>450,519</u>	<u>489,621</u>
Activities in furtherance of the charity's objects	4	29,995	-	2,290	32,285	42,626
Other incoming resources	5	4,226	-	6,500	10,726	673
		<u>403,013</u>	<u>-</u>	<u>90,517</u>	<u>493,530</u>	<u>532,920</u>
Resources expended						
Costs of generating funds	6					
Fundraising and publicity		6,363	-	-	6,363	20,172
		<u>6,363</u>	<u>-</u>	<u>-</u>	<u>6,363</u>	<u>20,172</u>
Net incoming resources available		<u>396,650</u>	<u>-</u>	<u>90,517</u>	<u>487,167</u>	<u>512,748</u>
Charitable activities						
Events		61,268	-	12,548	73,816	59,433
Tohoku earthquake		-	-	120,134	120,134	354,011
Schools education		-	-	30,075	30,075	23,858
Office and establishment expenses		290,098	-	25,956	316,054	282,948
Small grants		-	-	18,809	18,809	23,899
		<u>351,366</u>	<u>-</u>	<u>207,522</u>	<u>558,888</u>	<u>744,149</u>
Governance costs		12,217	-	104	12,321	12,268
		<u>12,217</u>	<u>-</u>	<u>104</u>	<u>12,321</u>	<u>12,268</u>
Total resources expended		<u>369,946</u>	<u>-</u>	<u>207,626</u>	<u>577,572</u>	<u>776,589</u>
Net incoming/(outgoing) resources before transfers		<u>33,067</u>	<u>-</u>	<u>(117,109)</u>	<u>(84,042)</u>	<u>(243,669)</u>
Gross transfers between funds		(6,048)	-	6,048	-	-
		<u>(6,048)</u>	<u>-</u>	<u>6,048</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for the year/ Net movement in funds		<u>27,019</u>	<u>-</u>	<u>(111,061)</u>	<u>(84,042)</u>	<u>(243,669)</u>
Fund balances at 1 January		377,949	481,735	252,593	1,112,277	1,355,946
		<u>377,949</u>	<u>481,735</u>	<u>252,593</u>	<u>1,112,277</u>	<u>1,355,946</u>
Fund balances at 31 December		<u>404,968</u>	<u>481,735</u>	<u>141,532</u>	<u>1,028,235</u>	<u>1,112,277</u>

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

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

THE JAPAN SOCIETY

BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	2013		2012	
		£	£	£	£
Fixed assets					
Tangible assets	9		516,097		486,266
Current assets					
Debtors	10	67,569		19,195	
Cash at bank and in hand		629,936		658,994	
		<u>697,505</u>		<u>678,189</u>	
Creditors: amounts falling due within one year	11	<u>(185,367)</u>		<u>(52,178)</u>	
Net current assets			<u>512,138</u>		<u>626,011</u>
Total assets less current liabilities			<u>1,028,235</u>		<u>1,112,277</u>
Income funds					
Restricted funds	13		141,532		252,593
Unrestricted funds:					
Designated funds	14		481,735		481,735
Other charitable funds			404,968		377,949
			<u>1,028,235</u>		<u>1,112,277</u>

THE JAPAN SOCIETY

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2013

The charitable 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 2013, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the charitable 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 charitable 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 charitable 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 charitable company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The accounts were approved by the Board on and signed on its behalf by:

.....
Satoru Yoshida - Hon Treasurer
Council

Company Registration No. 03371038

THE JAPAN SOCIETY

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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 April 2008) and follow the recommendations in Accounting and Reporting by Charities: Statement of Recommended Practice, issued in March 2005.

1.2 Incoming resources

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

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

Activities in furtherance of the charity's objects 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.

1.3 Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred.

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

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

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:

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.

1.5 Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

THE JAPAN SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting Policies

(continued)

1.6 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

1.7 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

1.8 Taxation

HMRC have agreed that the society is considered to be established for charitable purposes and that it is entitled to relief from tax.

1.9 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes and relate to the value of the library. The designated fund includes a revaluation reserve relating to the restatement of rare books to market value.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

2 Subscriptions and donations

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Corporate membership subscriptions	86,863	-	86,863	87,911
Corporate donations	237,138	72,550	309,688	270,900
Corporate sponsorship	23,558	-	23,558	25,000
Individual membership subscriptions	15,297	-	15,297	24,685
Individual donations	5,242	-	5,242	6,455
Project funding	-	8,056	8,056	73,862
	<u>368,098</u>	<u>80,606</u>	<u>448,704</u>	<u>488,813</u>

3 Investment income

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Interest receivable	<u>694</u>	<u>1,121</u>	<u>1,815</u>	<u>808</u>

THE JAPAN SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

4 Activities in furtherance of the charity's objects

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Event income	29,995	-	29,995	33,455
Education income and direct projects	-	2,290	2,290	9,171
	<u>29,995</u>	<u>2,290</u>	<u>32,285</u>	<u>42,626</u>

5 Other incoming resources

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Publication and sale of books	1,526	6,500	8,026	673
Rental income	2,700	-	2,700	-
	<u>4,226</u>	<u>6,500</u>	<u>10,726</u>	<u>673</u>

THE JAPAN SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

6 Total resources expended	Staff costs £	Depreciation £	Other costs £	Total 2013 £	Total 2012 £
Costs of generating funds					
Fundraising and publicity	-	-	6,363	6,363	20,172
Charitable activities					
<u>Events</u>					
Activities undertaken directly	-	-	73,816	73,816	59,433
<u>Tohoku earthquake</u>					
Activities undertaken directly	-	-	120,134	120,134	354,011
<u>Schools education</u>					
Activities undertaken directly	-	-	30,075	30,075	23,858
<u>Office and establishment expenses</u>					
Activities undertaken directly	182,095	3,638	130,321	316,054	282,948
<u>Small grants</u>					
Activities undertaken directly	-	-	18,809	18,809	23,899
	<u>182,095</u>	<u>3,638</u>	<u>373,155</u>	<u>558,888</u>	<u>744,149</u>
Governance costs	-	-	12,321	12,321	12,268
	<u>182,095</u>	<u>3,638</u>	<u>391,839</u>	<u>577,572</u>	<u>776,589</u>

Governance costs includes payments to the auditors of £6,750 (2012 - £6,750) for audit fees and £Nil (2012 - £4,300) 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 (2012 - £1,085) was paid. Two members of the board were reimbursed for expenses: Pauline Chakmakjian - £225 and David Warren - £265 for expenses in relation to travelling expenses and events organised for the Society (one member, Pauline Chakmakjian was reimbursed a total of £100 in 2012 for events costs).

THE JAPAN SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

8 Employees

Number of employees

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

	2013	2012
	Number	Number
Employees	8	7

Employment costs	2013	2012
	£	£
Wages and salaries	158,423	166,580
Social security costs	15,214	15,543
Other pension costs	8,458	-
	<u>182,095</u>	<u>182,123</u>

There were no employees whose annual emoluments were £60,000 or more.

9 Tangible fixed assets

	Library	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2013	481,735	5,020	486,755
Additions	-	33,469	33,469
At 31 December 2013	<u>481,735</u>	<u>38,489</u>	<u>520,224</u>
Depreciation			
At 1 January 2013	-	489	489
Charge for the year	-	3,638	3,638
At 31 December 2013	<u>-</u>	<u>4,127</u>	<u>4,127</u>
Net book value			
At 31 December 2013	<u>481,735</u>	<u>34,362</u>	<u>516,097</u>
At 31 December 2012	<u>481,735</u>	<u>4,531</u>	<u>486,266</u>

THE JAPAN SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

9 Tangible fixed assets (continued)

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 265, 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 trustees have performed a review of the value of the library and consider the value carried in the accounts to be reasonable.

10 Debtors	2013	2012
	£	£
Other debtors	42,420	5,973
VAT	574	-
Prepayments	24,575	13,222
	<u>67,569</u>	<u>19,195</u>

11 Creditors: amounts falling due within one year	2013	2012
	£	£
Trade creditors	18,911	13,076
Taxes and social security costs	4,855	2,503
VAT	-	3,950
Other creditors	120,134	-
Accruals	41,467	32,649
	<u>185,367</u>	<u>52,178</u>

12 Pension and other post-retirement benefit commitments Defined contribution

	2013	2012
	£	£
Contributions payable by the company for the year	<u>8,458</u>	<u>-</u>

THE JAPAN SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

13 Restricted funds

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

	Balance at 1 January 2013 £	Movement in funds		Transfers £	Balance at 31 December 2013 £
		Incoming Resources £	Resources Expended £		
Schools education & small grants	-	74,840	(74,840)	-	-
Tohoku Earthquake Fund	252,593	9,177	(120,238)	-	141,532
Book project	-	6,500	(12,548)	6,048	-
	<u>252,593</u>	<u>90,517</u>	<u>(207,626)</u>	<u>6,048</u>	<u>141,532</u>

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

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

The Book project fund represents income and expenditure relating to the production of specific Society publications.

14 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 1 January 2013 £	Movement in funds		Balance at 31 December 2013 £
		Incoming resources £	Resources expended £	
Library	481,735	-	-	481,735
	<u>481,735</u>	<u>-</u>	<u>-</u>	<u>481,735</u>

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

THE JAPAN SOCIETY

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

15 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 December 2013 are represented by:				
Tangible fixed assets	34,362	481,735	-	516,097
Current assets	555,973	-	141,532	697,505
Creditors: amounts falling due within one year	(185,367)	-	-	(185,367)
	<u>404,968</u>	<u>481,735</u>	<u>141,532</u>	<u>1,028,235</u>

16 Commitments under operating leases

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Expiry date:				
Within one year	-	14,668	8,427	-
Between two and five years	30,800	-	-	11,236
	<u>30,800</u>	<u>14,668</u>	<u>8,427</u>	<u>11,236</u>

17 Net income for the year

	Continuing activities £	Tohoku Earthquake £	Total £
Total incoming resources	484,353	9,177	493,530
Total resources expended	(457,334)	(120,238)	(577,572)
Net income	<u>27,019</u>	<u>(111,061)</u>	<u>(84,042)</u>

18 Related parties

The Japan Society is a corporate director of Japan Matsuri. The Japan Society gave a contribution of £2,500 to Japan Matsuri during 2013 (a contribution of £2,000 in 2012).

19 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts.