

**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 2016**



**THE JAPAN SOCIETY**

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for the Year Ended 31 December 2016**

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# THE JAPAN SOCIETY

## REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2016

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<b>Patron</b>	HRH The Duke of Gloucester, KG, GCVO	
<b>President</b>	HE The Japanese Ambassador	
<b>Vice Presidents</b>	Haruki Hayashi Daniel Sciamma	Atsushi Kume Minoru Shinohara
<b>Honorary Vice-Presidents</b>	Sir Hugh Cortazzi, GCMG Hiroaki Fujii Sadayuki Hayashi Prof. Ian Nish, CBE Masaki Orita Viscount Trenchard	Shin Ebihara Haruko Fukuda OBE Hiroshi Kitamura Yoshiji Nogami Christopher Purvis CBE Ben Thorne, CMG, MBE
<b>Officers and Trustees</b> (as at 25 April 2017)	Sir David Warren KCMG, Chairman Motohiko Kato, Vice Chairman Alison Scott, Hon Editor Satoru Yoshida, Hon Treasurer Lydia Gomersall Janet Hunter Jason James Morihiro Okudaira Yoji Saito Eiji Wakiwaka	Graham Holman, Vice Chairman Jenny White, Vice Chairman Nigel Wellings, Hon Solicitor Tom Burn Tetsuro Hama Shinichi Iida Mami Mizutori Sarah Parsons Akihiro Tsuchiya
<b>Chief Executive and Company Secretary</b>	Heidi Potter	
<b>Charity number</b>	1063952	
<b>Company number</b>	3371038	
<b>Principal address</b>	13/14 Cornwall Terrace London NW1 4 QP	
<b>Auditors</b>	Richard Place Dobson Services Limited 1-7 Station Road Crawley West Sussex RH10 1HT	

## THE JAPAN SOCIETY

### CHAIRMAN'S REPORT

for the Year Ended 31 December 2016

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The Japan Society celebrated its 125th anniversary in 2016. Its founders conceived it as a society 'for the encouragement of Japanese studies and for the purpose of bringing together all those in the United Kingdom interested in Japanese matters' and these ideals remain central to our activities.

It was appropriate therefore that the Society published in 2016 *Japanese Studies in Britain: A Survey and History*, which assesses the state of Japanese studies today and in which its two editors, Sir Hugh Cortazzi and Professor Peter Kornicki, argue that the language skills base in the UK should be a matter of concern at the highest levels of government and business. This is particularly relevant at a time when Britain is going through a radical re-evaluation of its role in the world in the wake of the referendum vote to leave the European Union. The Society's second publication of 2016, *Britain and Japan: Biographical Portraits Vol. X*, celebrated some of those whose interest in Japanese matters has contributed to the bi-lateral relationship. Members now have easy access to the nearly 500 essays in the *Biographical Portraits* series via the Society's e-library.

The Society is a charity which continues to encourage Japanese studies. In addition to our publications, and regular events for members, we accomplish our mission through engagement with a broader audience, including school children. As outlined in the Trustees' Report to the annual accounts, the Japan Society provides a forum for members and non-members to meet in a varied programme of London events. Our challenge is always to respond to the needs and interests of both corporate and individual members, while providing opportunities for others who might be encountering Japan for the first time. Thus the programme includes not only seminars and lectures on specialist subjects, but also workshops, festivals and family days, and has a strong focus on learning and provision of support for schools. Our major business-facing events - both lunches and lectures - have focused specifically on the implications of Brexit, a subject of major concern to our corporate members and supporters.

None of our activities would be possible without the generous support of our corporate and individual donors, who are listed in the Trustees' Report and who share our vision for the UK-Japan relationship. Against a background of continued financial uncertainty, I am pleased to note that our income has remained broadly stable, though slightly down on 2015. While we have lost a few donors, others have joined and some have increased the level of their support in 2016. There is no room for complacency, however, and we face many challenges ahead as companies respond to the challenges of Brexit and assess their future commitment to the UK.

During 2016, we bade farewell from the board of trustees to Hideki Asari, Anna Dingley, Masahiro Imai and Shinichiro Masunaga, whom I should like to thank for their contributions to the Society. We welcomed to the board Morihiko Okudaira, Sarah Parsons and Yoji Saito, who were elected at the AGM, as well as Shinichi Iida, the cultural minister at the Japan Embassy, who arrived in London in July.

At the 2017 Annual General Meeting, Lydia Gomersall and Akihiro Tsuchiya will be standing down having served on the board for the maximum six year term, and Tom Burn is resigning on being posted overseas as is Motohiko Kato on his return to Japan. All have made valuable contributions to the Society, and I thank them for their continued enthusiastic support. In addition, Jenny White will be standing down at the end of a three year term, and Mami Mizutori will retire by rotation; both are eligible for re-election.

There are therefore five vacancies for ordinary trustees and five candidates standing for election or re-appointment: Sue Hudson, Mami Mizutori, Yuuichiro Nakajima, Richard Oppenheim, and Jenny White. All are involved in activities which further the development of stronger UK-Japan relations and, between them, bring a range of skills to the board. Further details of the candidates, the voting procedure and the arrangements for the meeting will be circulated to members. It is important for the Japan Society that the board reflects its membership in representing the diversity of the UK-Japan community, including Japanese and non-Japanese trustees, those who are long-term residents in the UK, and those who volunteer their services during shorter postings in this country.

I would also like to express my thanks to our President, Ambassador Tsuruoka, for the great support he has shown to the Society since his arrival in the UK in June 2016. Over the past year, he and his colleagues at the Embassy of Japan have been enormously generous with their time and in many other ways.

The annual general meeting is being held this year at 5.00pm on Wednesday 12 July 2017 at the Embassy of Japan, 101-104 Piccadilly. The formal business will be followed by an informal reception, and I look forward to seeing many members on that occasion.

David Warren

## **THE JAPAN SOCIETY**

### **REPORT OF THE TRUSTEES for the Year Ended 31 December 2016**

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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 2016. 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).

#### **OBJECTIVES AND ACTIVITIES**

##### **Mission**

The Society's objects are:

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

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

In 2016 the Japan Society celebrated its 125th anniversary; in the years since its establishment the role of the Society and its scope has evolved considerably in response to social and cultural change over this period. 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.

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.

#### **ACHIEVEMENT AND PERFORMANCE**

The main areas of activity of the Society are: awards, events, the library, publications, schools education and small grants. The Society is grateful to the companies and individuals who share its belief in the importance of promoting a good mutual understanding between the UK and Japan, and who provide essential financial support. This enables the Society to include a significant number of low cost or free events to provide opportunities to people from a variety of backgrounds regardless of ability to pay. This is an important factor in ensuring that the Society achieves its charitable objective to promote the study and advance education in regard to Japan. Where charges are levied, these are set at a level to cover direct costs to the Society, excluding overheads. A significant proportion of events, including the monthly lecture programme, is also open to non-members. The majority of the Society's schools education services are provided free of charge; membership of the Society is not a prerequisite to using these services. In addition up to £30,000 has been set aside each year for disbursement through the small grants programme in support of events organised by others which are in furtherance of the Society's objectives and which will provide opportunities to new audiences across the UK.

##### **Events**

The Society in 2016 arranged over 80 different events spanning a wide range of subject and format, both independently and in partnership with other organisations. The programme is designed to be accessible and strikes a balance between those activities tailored to particular interests and those designed to provide new opportunities for participation by the general public to learn about Japan.

The 2016 general events programme included:

- 10 Business related events
- 13 Conversation group events
- 11 Events aimed at younger members or families
- 15 Lectures
- 7 Art & culture events

Two dinners took place during the year, including a special event to celebrate the Japan Society's 125<sup>th</sup> anniversary, with special guest Sir John Major. Over 200 members attended the dinner at which the Japanese Ambassador bestowed the Foreign Minister's Commendation on the Society for its role in promoting mutual understanding between Japan and the United Kingdom. In his remarks, Ambassador Tsuruoka praised the Japan Society as a major player in the evolution of the Japan-UK partnership, having striven tirelessly over its long history to foster the warm ties that unite our two countries. In response, speaking on behalf of the Japan Society, Sir David thanked the Japanese Government for extending its recognition in this way and paid tribute to the many individual and cooperate members whose support had been crucial to the Society's success.

2016 saw slightly fewer high level **business events** than in normal years. This was partly caused by readjustment in staff roles after the retirement of Robert Guy and partly by difficulties in scheduling in the lead up to the EU referendum, in tandem with uncertainties about its implication. Nevertheless, a number of successful events were held including a chairman's lunch, hosted by King & Wood Mallesons LLP where Bridget Kendall MBE, Master of Peterhouse, University of Cambridge, and former BBC diplomatic correspondent, spoke about the state of Russian-EU relations. This provided senior members of the Society's business community with the opportunity to meet to share ideas and information, while being briefed on an issue of particular relevance.

Other larger-scale business lectures and seminars were also generously hosted by corporate members of the Society, or organised in partnership with others. One such was a seminar by Robert Ward, Editorial Director of the Economist Intelligence Unit, who introduced the Unit's long-term forecasts for the UK and Japan, looking ahead to 2050. Tadakazu Kimura, former editor of the Asahi Shimbun joined Japan Society Chairman, David Warren, in conversation about the occasionally difficult relationship between the media and politics. In the annual lecture by the British Ambassador to Japan, Tim Hitchens reviewed the previous year and briefed members on the relationship between the British and Japanese governments, and opportunities for cooperation and partnership.

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 Edward Lister, Chief of Staff and Deputy Mayor for Policy and Planning, GLA; the Japanese Ambassador, Mr Keiichi Hayashi; and Lord Mandelson.

The Japan Society values its partnerships with other organisations with similar aims and interests in developing a programme which is of interest and benefit to the membership. In the current economic climate, the sharing of up to date information and best practice is particularly important. Two seminars were held in association with JETRO, in which Ken Koyama, Chief Economist of the Institute of Energy Economics, gave a Japanese perspective on World Energy; and a seminar with Kenichi Kawasaki of the National Graduate Institute for Policy Studies, considered the impact of the EU-Japan EPA Free Trade Agreement.

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

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 regularly 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.

**REPORT OF THE TRUSTEES (CONTINUED)**  
**for the Year Ended 31 December 2016**

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Other events included gallery talks and museum visits, cultural workshops, music and theatre, food and drink tastings, golf tournaments, and social events. One of the most popular events of the year was an evening in conversation with Eddie Jones, England rugby's head coach and former coach of the Japanese national team. From his experience working with top sportsmen in the two countries, Eddie Jones provided cultural insights which in a very practical context fulfilled our charitable objective to enhance understanding and advance education with regard to Japan and Britain. Other events celebrating cultural traditions and dialogue included a lecture by Koji Toyoda, one of Shinichi Suzuki's first students, who spoke about the pioneering Suzuki method of teaching the violin and its international impact, and *Hamlet and Japan*, an evening of talks and performances at Shakespeare's Globe.

The Society again partnered with Kew Gardens and the Embassy of Japan in organising a tanabata festival celebration, appropriately held in Kew's bamboo garden over two days in August. This was followed by the eighth annual Japan Matsuri, held in Trafalgar Square on 25 September. The Japan Society has a formal role as corporate director of the Japan Matsuri company, with Heidi Potter its nominated representative on the board. In 2016, the Society was asked to take on the management of stalls at the event, ensuring their safe operation and compliance with GLA and Westminster Council regulations. As usual, the event was managed by a production company which reduced the administrative burden and risk to the four partner organisations: the Japanese Chamber of Commerce and Industry in the UK, the Japan Association, the Nippon Club and the Japan Society. In 2016, the event received special support from the Japan Foundation to bring Aozasa Shishi-Odori Dance Troupe and Tezuma the magician to London.

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. These lectures are held at Swedenborg Hall, a convenient, central London venue, easily accessible to students; this is an audience we are particularly keen to encourage and build. Subjects in 2016 included: the work of anthropologists in Japan; Japan's role in the First World War; media and religion in contemporary Japan; Treaty port life from 1859-99 and the work of the British consular court; Freedom of speech in contemporary Japan; and mental health issues in Japan from the Meiji Period. The seventh 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 James McMullen speaking on Confucian ceremonies in Tokugawa Japan. A rare opportunity to view archive film of Japan's Mingei movement, featuring Bernard Leach and Shoji Hamada among others, proved particularly popular in a presentation by Canadian film maker, Marty Gross.

**Japan Society Small Grants**

An annual sum of up to £30,000 is set aside for grants in support of small-scale projects and events related to Japan. These grants provide opportunities for people throughout the UK to participate in education and exchange relating to Japan and thus contribute to raising awareness and understanding of the country and its culture in places where the Japan Society has no regular contact. Priority is given to applications for grassroots projects and for activities involving schools and other educational establishments. In 2016, 30 grants were made averaging £700 with funding totalling £21,000 being awarded in support of grassroots projects in the UK. In line with the objectives of the grants scheme, most of the activities supported had an educational element, fostered exchange between the UK and Japan, or provided opportunities to bring Japanese culture to a wide group of people.

As in previous years, the Society supported a number of school-based extended projects, ranging from whole school Japan days to interdisciplinary learning days and enrichment weeks. With relatively small amounts of additional funding, schools are able to bring in experts to run specialist workshops to complement and enrich curriculum-based studies. The Japan Club at Fraserburgh Academy ran alternate language and craft weeks, giving participating students an introduction to Japanese and its cultural context. Other schools organised cross-curricular events over a shorter period, with a day or week of concentrated activity. The British Cartographic Society continued its Restless Earth workshop series using the Great East Japan Earthquake and tsunami as a case study to learn about disaster response activities: with authentic materials and real data, participants gain an understanding of Japanese human and physical geography.

The Society also supported projects involving young people outside the school system. On the Sussex coast, a group of 16 - 25 year olds engaged in a three month programme of workshops exploring different aspects of Japanese culture, while Fife Scouts welcomed a group from Iwate for ten days of activities and homestay, and in south Wales, manga workshops formed part of the annual Kotatsu Japanese Animation Festival.

## THE JAPAN SOCIETY

### REPORT OF THE TRUSTEES (CONTINUED) for the Year Ended 31 December 2016

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A collaboration between the Royal Armouries in Leeds and the Halifax-based Textile Arts Group created an exhibition of textiles which explored traditional techniques and the construction of Japanese armour, in the context of their contemporary uses. In addition to the exhibition, members of the Group held public sessions to demonstrate techniques used in the artworks and to discuss the inspiration for the contemporary works and their links to the collection and Japanese heritage.

The Society again supported the Wasurenagusa project, a valuable initiative which aims to tell the story of the Japanese community in the UK through personal narratives with a grant in 2016 enabling the project to be extended to include interviews in the North of England, Scotland and further afield. Funding made to the Devon Guild of Craftsmen supported music and theatre performances to accompany an exhibition of the work of four Japan-based potters. The ground-breaking Yo no Bi project entered its second phase, with sound artists Oshiro Makoto and Suzueri touring the North of England, producing new sonic works and holding performances and talks. Small grants also supported community-based Japan festivals in Cambridge, Edinburgh, Glasgow, Kent, Lincoln and Sheffield.

#### **Japan Society Awards**

Japan Society Awards were not presented in 2016.

#### **Library**

During 2015 work continued on cataloguing and documenting ephemera and loose correspondence held in the library. A small number of researchers visited, primarily to use the historical archive and copies of the Transactions and Proceedings of the Society.

#### **Publications**

At the end of 2014, the board re-established a publications committee (comprising Sir Hugh Cortazzi, Sean Curtin, Janet Hunter, Stephen McEnally, Heidi Potter, Alison Scott (Chair), Jenny White) with a brief to review the Society's work in publishing and identify material for future consideration. Following a second invitation for proposals issued in early 2016, nine were received which were reviewed by the committee alongside some 2015 proposals carried forward for follow up. It was decided to proceed with publication of a selection of short stories by Japanese women writers.

The tenth volume in the series, *Japan and Britain, Biographical Portraits* was published in 2016 and launched at the Annual General Meeting in June. Containing some 69 portraits, the volume brought the collection of memoirs to a cumulative total of nearly 500. Turning the spotlight onto individuals and organisations that have contributed to the relationship between Japan and the UK, this series has been instrumental in fulfilling the Society's mission to promote learning in respect of the two countries. In October, the Society launched a second publication: *Japanese Studies in Britain: a survey and history*, which assesses the state of Japanese studies in the UK today and argues that this should remain a priority at a time when Britain is going through a radical re-evaluation of its role in the world.

2016 also saw the launch of the Japan Society e-library which currently includes thirteen volumes, including the *Biographical Portraits* series and related publications. The ability to search by keyword and theme enables readers to discover new connections within the wealth of content contained in these publications.

#### **Schools Education**

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

Throughout the year, the Society's education team provides advice and resources to schools engaged in teaching and learning activities relating to Japan. 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:



## THE JAPAN SOCIETY

### REPORT OF THE TRUSTEES (CONTINUED) for the Year Ended 31 December 2016

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#### *Japan in Your Classroom visits*

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

#### *School links*

Support for school links has continued to be an important element of the Society's work. During 2016, new partnerships were established and existing links strengthened through exchange trips. Kobe University Fuzoku Junior High School again visited the UK, this time taking students to participate in exchanges with Cirencester Deer Park School and Alleyn's School in London. Takamatsu Daiichi Senior High School again visited County Upper School in Bury St Edmunds, for an exchange focused on science activities, with Newstead Wood School joining this partnership in the autumn. A number of primary school exchanges also took place: Cropwell Primary School in Nottingham had another successful visit from their partner, Komaki Elementary School in Nagano and teachers from Reepham Primary School participated in an exchange visit to Japanese partner, Sadako Azuma Kindergarten in Saitama. In January, Escomb Primary School, Bishop Auckland hosted a visit from their partner school Ogawara Minami Elementary School near Sendai before making a reciprocal visit in October. In the virtual world, Japan UK LIVE! and related services continued to support schools in developing their links and work began to redevelop the site to take advantage of improvements in technology available to schools. Ysgol Gymuned Y Fali and its partner, Kitauchi Elementary School in Nara Prefecture, completed a joint musical collaboration Welsh Breeze. Students in the two schools worked together to compose and write lyrics for a song, which was recorded and edited with footage of their localities, to create an inspiring video record of the friendships developed online.

#### *Teacher in-service training*

The Japan Conference for Schools organised with the Japan Foundation at the Embassy of Japan involved over 50 teachers taking part in a series of practical workshops alongside discussion groups on topics including school linking; preparation for speaking exams; the Online Resource for Japanese Archaeology and Cultural Heritage (ORJACH); and an update from Pearson on changes to GCSE Japanese. In this year's key note lecture, Baroness Coussins (Co-Chair of the All-Party Parliamentary Group on Modern Languages) spoke about the importance of language education.

#### *Sixth form study day*

Following the success of the annual sixth form study day, which had been held regularly in London since 2010, the 2016 event was planned at Manchester University. Under this new initiative, which aims to make the event accessible to students over a wider geographic area, it is our intention that the event take place in alternate years in London and another university city with strong Japanese studies department. After a slow take up of places for this November event, it was decided to postpone the 2016 workshop to March 2017 and then to review plans.

#### **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 2016 the Society showed a deficit of (£9,584), which reflected the decision to draw down some reserves in order to employ someone in Japan, to further develop the education programme with schools in that country.

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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## REPORT OF THE TRUSTEES (CONTINUED) for the Year Ended 31 December 2016

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### FINANCIAL REVIEW

#### 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  
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  
HSBC Holdings International  
KPMG LLP  
\*☞Mitsubishi Electric Europe BV  
Nikko Asset Management Europe Ltd  
☞Olympus KeyMed  
Sompo Japan Nipponkoa Insurance Co of Europe Ltd  
Toyota (GB) Plc

##### Corporate Donor (£2,000)

Aberdeen Asset Management PLC  
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  
The Japan Centre Group Ltd  
Japan Post Bank Co Ltd  
\*"K" Line (Europe) Ltd  
King & Wood Mallesons LLP  
☞Linklaters LLP  
Mitsubishi Heavy Industries Europe  
Ltd  
Mitsui Sumitomo Insurance Group  
\*NEC (Europe) Ltd  
Ricoh (Europe) plc  
Tokio Marine Kiln Insurance Ltd  
Toshiba of Europe Ltd  
☞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 pilcrow sign (☞) have  
given their support through a five  
year agreement.*

#### Individuals

##### Principal Benefactor (£1,000 +)

Koichi Nezu  
Martin & Noriko Barrow  
Hugh & Elizabeth Cortazzi  
Bill Emmott  
Akihiro & Noriko Tsuchiya

##### Benefactor (£500)

Anna Dingley  
Christopher & Phillida Purvis

##### Principal Donor (£250)

Penelope Elias  
Michael Faber  
Ruth Martin  
James Noble  
Heidi Potter

##### Donor (£100)

Mark Allsup  
Clive & Vivien Bradley  
Stephen Codrington  
Robin Fox  
Lydia Gomersall  
Keiko Itoh  
Peter Job  
Kathleen Kimura  
David Mytton  
Pernille Rudlin  
Andrew Smithers

##### Individual Supporter (£58)

D G R Bentliff  
Reg Clark  
Gerard Dempsey  
Suzanne Hudson  
Rosemary Morgan  
Suzanne Perrin  
Jairaj Thakkar

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### Reserves

In the current uncertain political and economic climate, the board has reviewed its reserves policy and has decided that it should maintain reserves of at least 75 per cent of total annual expenditure. Current reserves of approximately 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 14. As noted above, this has entailed drawing down some £9,500 of reserves during the year. As at 31 December 2016, unrestricted reserves less tangible fixed assets were £407,699. The cash reserves are held on deposit.

### PLANS FOR THE FUTURE

In 2017, 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. Providing support in Japan for our schools education programme remains a priority. 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.

Two books selected by the Publications Committee in 2015 and 2016 are due to be issued in 2017. Work will also continue to develop content within the e-library portal to make accessible material from the Society's archives.

The trustees have been kept informed of developments regarding the establishment of "Japan House" in London under the auspices of the Japanese Government, which is due to open in late 2017. The Society looks forward to working closely with this new organisation as appropriate, in order to provide increased opportunities for the public to engage with Japan. The Japan Society Chairman sits on the steering committee of Japan House.

Although in a strong financial position at the start of 2017, 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.

## THE JAPAN SOCIETY

### REPORT OF THE TRUSTEES (CONTINUED) for the Year Ended 31 December 2016

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing document

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

The members of board who served during the year were:

Sir David Warren, KCMG - Chairman

Graham Holman - Vice Chairman

Motohiko Kato - Vice Chairman

Jenny White - Vice Chairman

Satoru Yoshida- Hon Treasurer

Nigel Wellings - Hon Solicitor

Alison Scott - Hon Editor

Hideki Asari

(Resigned 12 July 2016)

Tom Burn

Anna Dingley

(Resigned 22 June 2016)

Lydia Gomersall

Tetsuro Hama

Janet Hunter

Shinichi Iida

(Appointed 27 July 2016)

Masahiro Imai

(Resigned 22 June 2016)

Jason James

Shinichiro Masunaga

(Resigned 22 June 2016)

Mami Mizutori

Morihiko Okudaira

(Elected 22 June 2016)

Sarah Parsons

(Elected 22 June 2016)

Yoji Saito

(Elected 22 June 2016)

Akihiro Tsuchiya

Eiji Wakiwaka

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Recruitment and appointment of new trustees

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

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

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

At the annual general meeting in June 2017, two trustees, Lydia Gomersall and Akihiro Tsuchiya will be standing down having served on the board for six years; Tom Burn is resigning on being posted overseas. Jenny White will be standing down at the end of a three year term, and Mami Mizutori will retire by rotation; both are eligible for reelection.

The board meets at regular intervals in order to provide strategic direction and to monitor and review the activities of the Society. During the year the board met four times, one being an extended meeting at which the board and executive considered together issues facing the Society in the medium to long term. The day-to-day running of the Society is carried out by the permanent staff under the leadership of Heidi Potter, who regularly reports to the chairman and the board. She is supported by 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 sub-committees (particularly awards, business, conversation, publications and small grants), which meet on an ad hoc basis and whose members are volunteers. Teams of Japan in Your Classroom volunteers are essential to the running of the Society's popular school visit programme.

A nominations committee (comprising David Warren, Tom Burn, Shinichi Iida, and Heidi Potter) reviews the skills that are required on the board from time to time and the succession policy, making recommendations to the board on possible future appointments. The following skills / interests have been identified as particularly relevant to the Japan Society and are represented on the current board: the arts; the Japan-related business community; education; fundraising; the general Japanese community. The board in turn makes proposals to the members of the Society in advance of the annual general meeting. The recommendations for election at the forthcoming annual general meeting are detailed in the chairman's letter at the start of this report as well as in the papers for the annual general meeting. The role of the board and the organisation's expectations of its board members are discussed with new trustees prior to their election. In 2017, the nominations committee has been extended to include members (Marie Conte-Helm, Andrew Fraser, Tetsuro Hama and Mami Mizutori) with broad experience and networks, as well as in depth knowledge of the organisation, in order to consider and advise on the future chairmanship of the Society .

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

### Pay policy

The pay of staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other similar organisations.

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

**THE JAPAN SOCIETY**

**REPORT OF THE TRUSTEES (CONTINUED)**  
**for the Year Ended 31 December 2016**

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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**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.

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

Approved by order of the board of trustees on ..... and signed on its behalf by:

.....  
**Satoru Yoshida – Hon. Treasurer**

## THE JAPAN SOCIETY

### STATEMENT OF TRUSTEES RESPONSIBILITIES for the Year Ended 31 December 2016

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

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We have audited the financial statements of The Japan Society for the year ended 31 December 2016 on pages sixteen to twenty eight. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees Responsibilities set out on page thirteen, 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.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under Section 145 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 financial statements 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 financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company'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 financial statements. In addition, we read all the financial and non-financial information in the Chairman's Report and the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

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 2016 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.



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

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**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.

**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 2016

	Notes	Unrestricted fund £	Designated Fund £	Restricted fund £	31.12.16 Total funds £	31.12.15 Total funds £
<b>INCOME FROM</b>						
Donations and legacies	2	381,259	-	61,863	443,122	466,439
Fundraising activities	3	32,449	-	1,045	33,494	30,333
Investment income	4	451	-	-	451	441
Other income	5	22,543	-	-	22,543	20,207
<b>Total</b>		<b>436,702</b>	<b>-</b>	<b>62,908</b>	<b>499,610</b>	<b>517,420</b>
<b>EXPENDITURE ON</b>						
Raising funds	6	7,614	-	-	7,614	11,677
<b>Charitable activities</b>	7					
Membership and publications		72,128	318	-	72,446	181,744
Events		201,643	-	-	201,643	135,293
Schools education		142,544	22,102	37,407	202,053	172,337
Small grants		-	-	25,438	25,438	32,228
<b>Total</b>		<b>423,929</b>	<b>22,420</b>	<b>62,845</b>	<b>509,194</b>	<b>533,279</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>12,773</b>	<b>(22,420)</b>	<b>63</b>	<b>(9,584)</b>	<b>(15,859)</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<b>275,137</b>	<b>637,384</b>	<b>149</b>	<b>912,670</b>	<b>928,529</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>287,910</b>	<b>614,964</b>	<b>212</b>	<b>903,086</b>	<b>912,670</b>

**CONTINUING OPERATIONS**

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

THE JAPAN SOCIETY

**BALANCE SHEET**  
At 31 December 2016

	Notes	Unrestricted fund £	Designated Fund £	Restricted fund £	31.12.16 Total funds £	31.12.15 Total funds £
<b>FIXED ASSETS</b>						
Tangible assets	14	13,440	481,735	-	495,175	503,178
<b>CURRENT ASSETS</b>						
Debtors	15	125,985	-	-	125,985	65,793
Cash at bank		<u>193,590</u>	<u>133,229</u>	<u>212</u>	<u>327,031</u>	<u>397,561</u>
		319,575	133,229	212	453,016	463,354
<b>CREDITORS</b>						
Amounts falling due within one year	16	<u>(45,105)</u>	-	-	<u>(45,105)</u>	<u>(53,862)</u>
<b>NET CURRENT ASSETS</b>		<u>274,470</u>	<u>133,229</u>	<u>212</u>	<u>407,911</u>	<u>409,492</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>287,910</u>	<u>614,964</u>	<u>212</u>	<u>903,086</u>	<u>912,670</u>
<b>NET ASSETS</b>		<u>287,910</u>	<u>614,964</u>	<u>212</u>	<u>903,086</u>	<u>912,670</u>
<b>FUNDS</b>						
Unrestricted funds:	17					
General fund					287,910	275,137
Designated Fund					<u>614,964</u>	<u>637,384</u>
					902,874	912,521
Restricted funds					<u>212</u>	<u>149</u>
<b>TOTAL FUNDS</b>					<u>903,086</u>	<u>912,670</u>

The notes form part of these financial statements

**THE JAPAN SOCIETY**

**BALANCE SHEET - CONTINUED**

**At 31 December 2016**

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The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

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

The trustees acknowledge their responsibilities for

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

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

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

.....  
**Sir David Warren KCMG, Chairman**

.....  
**Satoru Yoshida, Hon. Treasurer**

The notes form part of these financial statements

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**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Income**

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

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

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

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

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

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

**Expenditure**

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

**1. ACCOUNTING POLICIES - continued**

**Allocation and apportionment of costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office and governance costs which support membership and publications, events, school education and small grant activities. These costs have been allocated and apportioned to the various charitable activities. A percentage basis has been used to apportion the support costs to the charitable activities.

**Tangible fixed assets**

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

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

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

All assets costing more than £500 are capitalised.

**Taxation**

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

**Fund accounting**

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

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

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

**Foreign currencies**

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

**Hire purchase and leasing commitments**

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

**Pension costs and other post-retirement benefits**

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 December 2016

1. ACCOUNTING POLICIES - continued

**Debtors, cash and creditors**

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

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

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

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	31.12.16 Total funds £	31.12.15 Total funds £
Corporate Membership Subscriptions	82,129	-	82,129	90,404
Corporate Donations	238,051	61,863	299,914	320,855
Corporate Sponsorship	25,000	-	25,000	24,007
Individual Membership Subscriptions	23,681	-	23,681	24,432
Individual Donations	<u>12,398</u>	<u>-</u>	<u>12,398</u>	<u>6,741</u>
	<u>381,259</u>	<u>61,863</u>	<u>443,122</u>	<u>466,439</u>

3. FUNDRAISING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.12.16 Total funds £	31.12.15 Total funds £
Events income	32,449	-	32,449	27,030
Education income and direct projects	<u>-</u>	<u>1,045</u>	<u>1,045</u>	<u>3,303</u>
	<u>32,449</u>	<u>1,045</u>	<u>33,494</u>	<u>30,333</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.12.16 Total funds £	31.12.15 Total funds £
Deposit account interest	<u>451</u>	<u>-</u>	<u>451</u>	<u>441</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 December 2016

5. OTHER INCOME

	Unrestricted funds £	Restricted funds £	31.12.16 Total funds £	31.12.15 Total funds £
Publication and sale of books	4,243	-	4,243	4,657
Rental income	10,800	-	10,800	10,800
Secretariat income	<u>7,500</u>	<u>-</u>	<u>7,500</u>	<u>4,750</u>
	<u>22,543</u>	<u>-</u>	<u>22,543</u>	<u>20,207</u>

6. RAISING FUNDS

Raising donations and legacies

	Unrestricted funds £	Restricted funds £	31.12.16 Total funds £	31.12.15 Total funds £
Fund raising activities	2,379	-	2,379	3,675
Marketing, website & database	<u>5,235</u>	<u>-</u>	<u>5,235</u>	<u>8,002</u>
	<u>7,614</u>	<u>-</u>	<u>7,614</u>	<u>11,677</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Grant funding of activities (See note 8) £	Support costs (See note 9) £	Totals £
Membership and publications	36,100	-	36,346	72,446
Events	99,917	-	101,726	201,643
Schools education	130,106	-	71,947	202,053
Small grants	<u>-</u>	<u>25,438</u>	<u>-</u>	<u>25,438</u>
	<u>266,123</u>	<u>25,438</u>	<u>210,019</u>	<u>501,580</u>

8. GRANTS PAYABLE

	31.12.16 £	31.12.15 £
Small grants	<u>25,438</u>	<u>21,295</u>



NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 December 2016

8. GRANTS PAYABLE - continued

Material grants paid to institutions during the year:

	31.12.16 £	31.12.15 £
Action factory	1,000	-
Blueprint 22	1,000	-
Blueprint: Film Foundation	1,000	-
British cartographic Society	1,000	-
Devon Guild of Craftsmen	1,000	-
Japan Society North West	1,000	-
Modern Culture/M J Colthorpe	1,000	-
Mu:arts	1,000	-
Ryoko Akama	1,000	-
The Common Guild	1,000	-
The Pagoda North project	1,000	-
Theatre Lapis	1,000	-
Town Hall Events Wirksworth	1,000	-
University of Stirling	1,000	1,000
Musicity Limited	-	1,000
University for the Creative Arts	-	1,000
Satsuma 150	-	1,000
Greenthorpe CE Primary School	-	1,000
Foundation for Art & Creative Culture	-	1,000
Other small grants paid to 22 (27) institutions	<u>10,438</u>	<u>14,295</u>
	<u><u>24,438</u></u>	<u><u>21,295</u></u>

9. SUPPORT COSTS

	Management £	Other £	Governance costs £	Totals £
Membership and publications	23,454	11,334	1,558	36,346
Events	65,722	31,651	4,353	101,726
Schools education	<u>46,424</u>	<u>22,437</u>	<u>3,086</u>	<u>71,947</u>
	<u><u>135,600</u></u>	<u><u>65,422</u></u>	<u><u>8,997</u></u>	<u><u>210,019</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 December 2016

9. SUPPORT COSTS - continued

	Membership and publications £	Events £	Schools education £	31.12.16 Total activities £	31.12.15 Total activities £
Wages	12,002	33,514	23,756	69,272	19,116
Social security	965	2,696	1,911	5,572	1,040
Pensions	-	-	-	-	541
Establishment expenses	9,101	25,640	18,012	52,753	67,235
Depreciation of tangible and heritage assets	1,386	3,872	2,745	8,003	10,496
Office expenses	4,170	11,644	8,254	24,068	15,537
General expenses	182	511	362	1,055	6,790
Consultancy	6,982	19,496	13,821	40,299	2,160
Auditors' remuneration	1,212	3,387	2,401	7,000	6,950
Bank charges	346	966	685	1,997	1,219
	<u>36,346</u>	<u>101,726</u>	<u>71,947</u>	<u>210,019</u>	<u>131,084</u>

10. NET INCOME/(EXPENDITURE)

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

	31.12.16 £	31.12.15 £
Auditors' remuneration	7,000	6,950
Depreciation - owned assets	8,003	9,770
Other operating leases	<u>24,068</u>	<u>15,537</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2016 nor for the year ended 31 December 2015.

**Trustees' expenses**

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

Sir David Warren - £116 (2015: £254) in relation to miscellaneous expenses

The charity carried indemnity insurance for its trustees, for which a premium of £1,085 (2015: £1,085) was paid.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 December 2016

## 12. STAFF COSTS

	31.12.16	31.12.15
	£	£
Wages and salaries	213,599	200,749
Social security costs	14,991	19,046
Other pension costs	9,423	9,911
	<u>238,013</u>	<u>229,706</u>

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

	31.12.16	31.12.15
Employees	<u>9</u>	<u>9</u>

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

## 13. 2015 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Designated Fund £	Restricted fund £	Total funds £
<b>INCOME FROM</b>				
Donations and legacies	373,484	30,000	62,955	466,439
Fundraising activities	27,030	-	3,303	30,333
Investment income	441	-	-	441
Other income	<u>20,183</u>	<u>-</u>	<u>24</u>	<u>20,207</u>
<b>Total</b>	<b>421,138</b>	<b>30,000</b>	<b>66,282</b>	<b>517,420</b>
<b>EXPENDITURE ON</b>				
Raising funds	11,677	-	-	11,677
<b>Charitable activities</b>				
Membership and publications	179,755	28,314	(26,325)	181,744
Events	125,595	9,698	-	135,293
Schools education	101,049	-	71,288	172,337
Small grants	<u>10,933</u>	<u>-</u>	<u>21,295</u>	<u>32,228</u>
<b>Total</b>	<b>429,009</b>	<b>38,012</b>	<b>66,258</b>	<b>533,279</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>(7,871)</b>	<b>(8,012)</b>	<b>24</b>	<b>(15,859)</b>
<b>Transfers between funds</b>	<b>(5,661)</b>	<b>5,661</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>	<b>(13,532)</b>	<b>(2,351)</b>	<b>24</b>	<b>(15,859)</b>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
for the Year Ended 31 December 2016

13. 2015 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – continued

	Unrestricted fund £	Designated Fund £	Restricted fund £	Total funds £
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	288,670	639,734	125	928,529
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>275,138</u>	<u>637,383</u>	<u>149</u>	<u>912,670</u>

14. TANGIBLE FIXED ASSETS

	Library £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 January 2016 and 31 December 2016	<u>481,735</u>	<u>44,491</u>	<u>526,226</u>
<b>DEPRECIATION</b>			
At 1 January 2016	-	23,048	23,048
Charge for year	-	<u>8,003</u>	<u>8,003</u>
At 31 December 2016	-	<u>31,051</u>	<u>31,051</u>
<b>NET BOOK VALUE</b>			
At 31 December 2016	<u>481,735</u>	<u>13,440</u>	<u>495,175</u>
At 31 December 2015	<u>481,735</u>	<u>21,443</u>	<u>503,178</u>

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

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16 £	31.12.15 £
Other debtors	102,833	42,667
Prepayments and accrued income	<u>23,152</u>	<u>23,126</u>
	<u>125,985</u>	<u>65,793</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 December 2016**

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31.12.16</b>	31.12.15
	£	£
Trade creditors	(20)	60
Social security and other taxes	-	5,146
VAT	5,170	5,110
Other creditors	302	12,880
Accruals and deferred income	<u>39,653</u>	<u>30,666</u>
	<u><b>45,105</b></u>	<u><b>53,862</b></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 01.01.16 £	Incoming Resources £	Resources Expended £	Balance at 31.12.16 £
Tohoku Earthquake Fund	149	63	-	212
Education Fund	-	62,845	62,845	-
	<u>149</u>	<u>62,908</u>	<u>62,845</u>	<u>212</u>

	Balance at 01.01.15 £	Incoming resources £	Resources expended £	Balance at 31.12.15 £
Tohoku Earthquake Fund	125	24	-	149
Education Fund	-	66,258	66,258	-
	<u>125</u>	<u>66,282</u>	<u>66,258</u>	<u>149</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Year Ended 31 December 2016**
**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 01.01.2016 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31.12.2016 £
Library	481,735	-	-	-	481,735
Japan office fund	127,347	-	22,102	-	105,245
Maintenance fund	8,000	-	-	-	8,000
Digitisation of books fund	20,302	-	318	-	19,984
	<u>637,384</u>	<u>-</u>	<u>22,420</u>	<u>-</u>	<u>614,964</u>

	Balance at 01.01.2015 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31.12.2015 £
Library	481,735	-	-	-	481,735
Japan office fund	150,000	-	22,653	-	127,347
Maintenance fund	8,000	-	5,661	5,661	8,000
Digitisation of books fund	-	30,000	9,698	-	20,302
	<u>639,735</u>	<u>30,000</u>	<u>38,012</u>	<u>5,661</u>	<u>637,384</u>

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

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

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

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

**18. RELATED PARTY DISCLOSURES**

The Japan Society is a corporate director of Japan Matsuri. The Japan Society gave a contribution of £2,716 (2015: £2,500) during the year.