

Charity Registration No. 1063952

Company Registration No. 3371038 (England and Wales)

THE JAPAN SOCIETY
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009



RICHARD PLACE DOBSON

CHARTERED ACCOUNTANTS



LEGAL AND ADMINISTRATIVE INFORMATION

Officers and Trustees
(as at 31 December 2009)

Christopher Purvis, CBE Chairman
Paul Dimond, CMG, Vice Chairman
Sumio Kusaka, Vice Chairman
Dr George Olcott, Vice Chairman
Satoru Yoshida, Hon Treasurer
Nigel Wellings, Hon Solicitor
David Powers, Hon Editor
Ryoichi Bamba
Pauline Chakmakjian
Sean Curtin
Martin Day
Anna Dingley
Andrew Fraser, CMG
Jun Kobayashi
Stephen McEnally
Masamichi Morooka
Ken Okaniwa
Keisaku Sano
Michael Spencer

Chief Executive and Company Secretary

Heidi Potter

Charity number

1063952

Company number

3371038

Principal address

Swire House
59 Buckingham Gate
London
SW1E 6AJ

Auditors

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



THE JAPAN SOCIETY

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CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

Despite the financial pressures, 2009 proved to be a successful year for the Japan Society. Although our membership declined slightly, the effects of the recession have been limited and we remain financially robust. We have arranged a varied programme of events which have provided information, guidance, useful background and good contacts for our individual and corporate members. During 2010, the Society continued to provide support to schools, their pupils and staff, engaged in activities relating to Japan. The business and cultural programmes have been well attended throughout and the various lectures, visits and talks have been as popular as ever; the variety of events has once again been aimed at reflecting the broad spectrum of interests within the Society. The Japan Society took a leading role in the organization of the Japan Matsuri in September, which was attended by some 35,000 people, and was involved in many of the events of the Japan-UK 150 celebrations.

We are mindful of the Charity Commission's guidance on public benefit and our own stated objectives to promote learning and advance education. We are continuing to develop our programmes, whether for our members or for the wider public including school children. More details about the activities of the Society may be found in the trustees' report on page 3.

In 2009 the Society showed a surplus of £29,602. Against a background of economic uncertainty, continued efforts were made to achieve efficiencies in working and a conservative approach was taken in developing new programmes. We will need to invest more in our programmes in 2010 and the coming years and still face a significant challenge to raise further funds in order to maintain and develop the important schools educational programme and larger scale public events.

Fundraising efforts in 2009 successfully built on the previous efforts both by the Society and the former Japan 21 in attracting donors to support activities for young people, both as part of the Society's traditional programme and within the schools educational work. We are extremely grateful to all our donors and members for their continued financial support without which the important activities of the Society would not take place. All donations made under the former Japan 21 umbrella continue to be applied to the schools educational programme and small grants scheme; we are also pleased to note that there are significant donations which have been made for the Society's mission as a whole and that a number of donors increased the level of their support in 2009.

In 2010 we will continue to deliver our existing programmes and develop new activities of relevance to members, to donors, to volunteers and to schools and other partner organizations. The Society will work to fulfil its objective to be the leading body in the United Kingdom dedicated to the enhancement and celebration of UK-Japan academic, commercial and cultural affairs.

Our board tends to have a high proportion of members joining and leaving; our Japanese board members are often posted back to Japan; and some of our non-Japanese too depart to spend time in Japan. During the year we said goodbye to Victor Harris, Marie Conte-Helm, Tsunao Kijima, Wataru Nishigahiro, Katsuhito Nishihori and Nicholas Reeve; I would like to thank all of them for their contributions to the Society. We welcomed Ryoichi Bamba, Martin Day, Jun Kobayashi, Stephen McEnally, Masamichi Morooka and Michael Spencer.

At the annual general meeting in June, Anna Dingley and Masamichi Morooka will be resigning from the board. Both are taking up permanent appointments in Japan and, on behalf of the board and the wider membership, I should like to thank them for their contributions to the Society and wish them well. Two members of the board will be retiring by rotation, Pauline Chakmakjian and Andrew Fraser. They have indicated their willingness to stand for re-election. Both Pauline and Andrew play important roles in the Society and the council warmly proposes their re-election.

There are two candidates who are standing for election to the board at the annual general meeting: David Cairns and Koji Nakamura. Both are very familiar to Japan Society members. David Cairns is returning to the UK from Japan, where he has been Head of Trade & Investment at the British Embassy, while Koji Nakamura has been in London since 2009 as Managing Director of Mitsui & Co. Europe. Further details of the candidates, the voting procedure and the arrangements for the meeting will be circulated to members.

I would also like to express my thanks to our President Ambassador Ebihara, for the great support he has shown to the Society since his arrival in the UK in June 2008.

The annual general meeting will be held this year at 6.00pm on Wednesday 16 June 2010 at the Japanese Embassy, 101-104 Piccadilly and I look forward to seeing many of you there.

Christopher Purvis



**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

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 2009.

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

Structure, governance and management

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

The members of board who served during the year were:

Christopher Purvis, CBE - Chairman	
Paul Dimond, CMG - Vice Chairman	
Sumio Kusaka - Vice Chairman	(Appointed 10 June 2009)
Wataru Nishigahiro - Vice Chairman	(Resigned 10 June 2009)
Dr George Olcott - Vice Chairman	
Satoru Yoshida - Hon Treasurer	
Nigel Wellings - Hon Solicitor	
David Powers - Hon Editor	
Victor Harris - Hon Librarian	(Resigned 11 September 2009)
Ryoichi Bamba	(Elected 10 June 2009)
Pauline Chakmakjian	
Professor Marie Conte-Helm	(Resigned 10 June 2009)
Sean Curtin	
Martin Day	(Elected 10 June 2009)
Anna Dingley	
Andrew Fraser, CMG	
Tsunao Kijima	(Resigned 10 June 2009)
Jun Kobayashi	(Elected 10 June 2009)
Stephen McEnally	(Elected 10 June 2009)
Masamichi Morooka	(Elected 10 June 2009)
Katsuhito Nishihori	(Resigned 10 June 2009)
Ken Okaniwa	(Appointed 1 January 2009)
Nicholas Reeve	(Resigned 10 June 2009)
Keisaku Sano	
Michael Spencer	(Elected 10 June 2009)

At the AGM in June 2010, the following members of the board will be resigning: Anna Dingley and Masamichi Morooka.

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 5 times, one meeting being an "awayday" at which longer term issues were considered and the scope and purpose of the Society's activities were reviewed against our objectives and with respect to our target audiences. The day-to-day running of the Society is carried out by a small permanent staff under the leadership of Heidi Potter, who regularly reports to the chairman and the board. The activities of the Society are organized through the office, with essential support provided by activity group committees (currently business, contemporary lifestyle, conversation, Japan British Exhibition 100 working group, library, lectures and publications), whose members work on a voluntary basis.

The majority of the board is elected. As at 31 December 2009 there were three vice chairmen, Sumio Kusaka, Paul Dimond and George Olcott: the first held the position ex-officio as deputy head of mission at the Japanese Embassy; the latter two were elected by fellow ordinary elected members of the board. There were three officers who were appointed by the board:



**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

(Contd)

Satoru Yoshida, treasurer, Nigel Wellings, solicitor, and David Powers, editor. Victor Harris stood down during the year and there was no appointed librarian at the year end. Ken Okaniwa was an ex officio board member as a member of the Japanese Embassy. 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 reviews the skills that are required on the board from time to time and the succession policy; and it makes 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 role of the board and the organization's expectations of its board members are discussed with new trustees prior to their election and an induction pack of information is given to them.

The audit and risk committee considers the accounts, the performance of the auditors and risk. The fundraising committee is responsible for raising higher level donations and sponsorship, while the membership committee focuses on membership recruitment. The awards committee makes recommendations to the board on the granting of Japan Society awards.

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

Risk Management

A report from the risk and audit committee is considered regularly at board meetings.

Mission

The Society's objects are:

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

The board has considered and confirmed its view that the Society's role in achieving these objectives was still relevant; it remained the leading independent body in the United Kingdom dedicated to the enhancement and celebration of UK-Japan academic, commercial and cultural relations. Since its merger in October 2007 with Japan 21 (charity number 328701), the Society's activity had expanded to incorporate programmes focused on schools, young people and grassroots organizations. These complemented its existing educational and social activities in the business, academic and cultural fields.

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

Achievements and performance

The main activities of the Society comprise awards, events, the library, publications, schools education and small grants. The Society is grateful to the companies and individuals who share its belief in the importance of promoting a good mutual understanding between the UK and Japan, and who provide essential financial support. This enables the Society to include a significant number of low cost or free events to make the programme accessible both to members and non-members. It should be noted that the majority of schools education services are provided free of charge. In addition £30,000 has been set aside each year for disbursement through the small grants programme in support of events organized by others which are in furtherance of the Society's objectives and which will provide opportunities to new audiences across the UK.

Awards

Japan Society Awards for 2009 were presented at the annual dinner (held in January 2010) to Professor David Cope and the Reverend Professor Kemmyo Taira Sato. David Cope has contributed to knowledge and analysis of various aspects of Japan in both the scientific and social studies areas, and was responsible for the first Anglo-Japanese conference on environmental issues. In 1994, Kemmyo Taira Sato established Three Wheels, a Shin Buddhist Centre in West London and branch of Shogyoji Temple in Japan. Through his work at the Centre and beyond he has worked to foster mutual understanding and spiritual exchange in the context of Anglo-Japanese relationships.



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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

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Events

The Society in 2009 arranged some 90 different events over a wide range of activities, both independently and in partnership with other organizations. In keeping with its objective to promote the study and understanding of Japan, the Society's programme strikes a balance between those activities tailored to particular interests and those designed to provide new opportunities for the public to participate in Japan-related events. The board is convinced of the need to ensure 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 2009 general events programme included:

- 6 Chairman's lunches / dinners
- 16 Business related events
- 13 Conversation group events
- 10 Events aimed at younger members / families / contemporary lifestyle
- 20 Lectures
- 19 Art & Culture events
- 7 Other events

The chairman held a series of small lunches for key figures from both the UK and Japan. These provided opportunities for decision makers to share ideas and information, and ensured that those involved in business and government were well informed on topical issues relating to the Japan British relationship in a global context.

Larger lunchtime lectures were hosted most generously by JETRO. These included business updates from the Head of Trade and Investment at the British Embassy in Tokyo and Director of the British Chamber of Commerce in Japan. A review of reforms of the European financial systems and a discussion of the financial services legislation were particularly relevant in the aftermath of the financial crisis. A seminar on the UK's Response to Climate Change: Challenges and Opportunities for Business was also of interest to many. 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, including the chairman of the Olympic Delivery Authority, the Minister for Security and Shadow Secretary of State for Business and Enterprise.

As in previous years, the Japan Society has worked with other organizations in providing business related lectures and activities: with the Anglo Pacific Technology Network (APTN) a look at Japan's investment in the automobile industry, and with the British Japanese Law Association (BJLA) lectures at the London Stock Exchange and Lloyds of London.

The conversation group has 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, including the *hanami* picnic, Christmas party and *karaoke* evenings, are also popular. The Society's popular 10-week courses in intermediate Japanese continued, again kindly hosted by the Japan Local Government Centre. These were open to both members and non-members, including many who had returned from teaching in Japan, so that anyone with the requisite level of Japanese was able to enrol and to maintain and improve their language skills.

The Society continued to build on previous years' successes in developing a programme of activities aimed at involving people of all ages including families. 2009 saw the first Japan Society Members' Art Exhibition 'Knowing Me, Knowing You', which revealed the breadth of talent within the membership. Some thirty entries were received, including paintings and drawings, ceramics, textiles, installation, photography, and illustrated books. The Society was closely involved in work to restore the Hammersmith Park Japanese Garden, providing a large number of volunteer gardeners who helped tidy the site, and co-organizing the Japanese Garden Party in the park in May. A major new undertaking was September's Japan Matsuri 2009 at Spitalfields, which attracted some 35,000 people and in which the Society took a leading role in partnership with other Japan-related organizations.

The lectures programme continued to draw good audiences. Lectures were held on a variety of subjects, including an update



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by the British Ambassador in Japan, Kenji Miyazawa (Japan's popular 20th century poet), Japanese woodblock craftsmen, Japanese Freemasonry, Thomas Blakiston, British pioneer naturalist in Meiji Japan and on Noh mask carving. A lecture series combined with the Japanese Embassy included titles on Diplomacy, Tokugawa Japan and Economic relations and the very successful joint series with the Daiwa Anglo-Japanese Foundation in 2009 covered such titles as "India and the UK-Japan dialogue", "Asia-Pacific relations", "Negotiating the Russian Relationship and Japan's Open Future: an agenda for Global Citizenship" under its theme 'Changing World Views; International Challenges for the UK and Japan'.

The Society has also continued to further its aim of promoting the study of Britain and its culture, with a series of events designed to attract Japanese members and to make them more aware of the workings of this country. These events also proved popular with non-Japanese members, who welcomed the chance to learn about little known aspect of British society.

Japan Society Small Grants (former Japan 21 Awards)

An annual sum of £30,000 is set aside for grants awarded in support of small scale projects and events related to Japan. The board has reviewed the grants scheme and is of the belief that by allocating relatively small sums to a wide range of projects, its objectives are being met. These grants provide opportunities for people throughout the British Isles to participate in education and exchange relating to Japan. Applications are encouraged from those organizing grassroots projects and from schools and other educational establishments. Attention is focused on projects where a relatively small injection of funds can make a real difference. In 2009, 49 grants were made averaging just over £630; a slight increase on 2008. Of these some 20 applications were received from schools and 8 were for projects involving schools.

Support was also given to community Japan days in Brighton, Cambridge, Dumfries, Loughborough and Rugby. A significant number of projects this year involved or were inspired by traditional and contemporary theatre and music, including bunraku, noh, Japan-inspired Shakespeare, kamishibai storytelling, kabuki, dance, orchestra exchange and taiko workshops.

Library

The library is a key asset of the Society. It is an important research facility for the academic community and of interest to all with an involvement in Japan. Few extra funds were available during the year to improve the collection's state or to make additions. However, with voluntary help, good progress was made on cataloguing and completing the reshelving work following the 2007 office move. To improve awareness and utilization of this valuable resource, it is hoped to add details of the Society's collection to a specialist online catalogue; this is something to be pursued in future years, should funds be available.

Publications

The Japan Society Review continued to be published bi-monthly in hard copy and on the website. The Society published Proceedings 146 (2008), which covered the period from October 2007 – December 2008. Work began on a seventh volume of Biographical Portraits and on a publication to commemorate the 100th anniversary of the Japan British Exhibition of 1910.

Schools Education (former Japan 21 core programmes)

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

The national curriculum stresses the value of 'putting the world into world class education' and in providing opportunities across the curriculum for young people to experience a range of cultures, ideas, and historical contexts. Through its schools education programme, the Society supports teachers who may have limited experience of Japan themselves in providing these opportunities for their students.

On a day to day basis, the Society's education team provides advice and resources to schools engaged in teaching and learning activities relating to Japan. As well as working in partnership with local authorities, it provides materials directly to schools throughout the country. Loan resources are supplied to approximately 70 schools each year, with many others downloading free resources from the website.

Other targeted activities include:

In-service training (INSET) days for teachers

A workshop for secondary art teachers was held in London, during which participants worked on woodblock prints, sumi-e,



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FOR THE YEAR ENDED 31 DECEMBER 2009**

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manga and dogu-inspired clay figurines. They studied the history of Japanese art and discussed ways to incorporate Japanese themes in the curriculum. Two Japan Days, organized with the British Council, Embassy of Japan and Japan Foundation, provided teachers with the opportunity to meet with colleagues and attend presentations on successful Japan-related curriculum work and tips for successful school linking.

Japan in Your Classroom visits

Our programme to bring a taste of Japanese culture to schools continued to be as popular as ever. Thanks to the efforts of the 180 Japanese volunteers, over 80 schools in Greater London, Brighton, Derby, Manchester and South Wales received visits. For most students a JIYC visit is their first opportunity to meet a Japanese person and to hear about Japan at first-hand; the visits have a lasting impact. The volunteers were active outside the classroom too, providing family activities at Japan Matsuri, at the Hammersmith Park Japanese Garden Party and at the Premiere Japan film festival etc.

School links

Support for school links has continued to be an important element of the Society's work with schools. Thousands of students in both countries are involved in projects which give them a strong awareness of the wider world and which bring a human dimension to the idea of internationalism. In addition to providing introductions to appropriate link schools, we provide an ongoing advice and support service. In links involving younger students, where language may be a stumbling block, the Japan UK LIVE! website continues to be an indispensable tool in enabling schools to maintain regular contact. These services are used by approximately 40 link partnerships.

Communication and marketing

A major achievement during the year was the launch of the new Japan Society website, which now includes information on all our activities in one place. The new site has enabled us to provide online information on most of our activities in Japanese as well as English. The website has a number of features, including links to online calendars and news feeds which make it easier to keep members better informed of all our activities and to provide a useful information service to members of the public with an interest in Japan. The regular printed events programme and email advertising to members continue to prove effective in creating awareness of activities and ensuring good attendance at events.

Points which continue to require attention are the dissemination of information within member companies, to reach all staff and family members, and marketing of the Japan Society beyond its membership.

Financial Review

In 2009 the Society showed a surplus of £29,602. This comprised a surplus on unrestricted funds of £78,372 and a deficit on restricted funds of £48,770.

During the year the level of income from subscriptions and donations remained stable. 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.

Reserves

It is the policy of the board to maintain reserves of approximately 50 per cent of total annual expenditure. The board is also beginning to consider plans to build up an endowment over time, which would provide some financial security to a charity which currently relies for the majority of its funding on annual donations. As at 31 December 2009 fund balances excluding the value of the library amounted to £308,288, an increase of £29,602 over the level at the end of the previous year. Unrestricted funds amounted to £232,880. Total expenditure was £431,768. The cash reserves are held on deposit.

Plans for the future

During 2010 the Society plans to continue the activities outlined in this report.

The Society will continue to place emphasis on events which are of interest to the youth audience, while also maintaining and developing its business and academic programmes. Support for school partnerships and work to develop resources for teachers will remain priority areas of activity.



**TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

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Over the coming year, a priority is to complete the merger of the Japan Society and former Japan 21 databases, which will enable us to share information more effectively with all contacts. Continued efforts are needed to increase awareness of the Society beyond its membership and to ensure that anyone with an interest in Japan has the opportunity to participate.

The Society continues to be faced with a need to raise significant funds annually in order to maintain the current level of services for members and the wider community. Although this task will not be easy against a background of continued economic uncertainty, it is anticipated that the Society's record in doing important educational work will continue to be persuasive and that support from higher level donors will be sustained.

During its 2009 awayday, the board began the process of developing its longer term strategic plan and considered how the Society should be developed 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 2010.

On behalf of the Board
Satoru Yoshida - Hon. Treasurer

Dated:



THE JAPAN SOCIETY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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



THE JAPAN SOCIETY

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE JAPAN SOCIETY

We have audited the accounts of The Japan Society for the year ended 31 December 2009 set out on pages 11 to 18. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 13.

This report is made solely to the charity's trustees (its board), as a body, in accordance with Section 43 of the Charities Act 1993. 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 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 charity and the charity's 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 described on page 8, the members of the board 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).

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustees Report is not consistent with those accounts, if the charity has not kept sufficient accounting records, if the charity's accounts are not in agreement with these accounting records or if we have not received all the information and explanations we require for our audit.

We read the Trustees Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.



THE JAPAN SOCIETY

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF THE JAPAN SOCIETY

Opinion

In our opinion:

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the Charity's affairs as at 31 December 2009 and of its incoming resources and application of resources in the year then ended;
- the accounts have been prepared in accordance with the Charities Act 1993.
- the information given in the Trustees' Report is consistent with the accounts.

Richard Place Dobson Services Limited

Chartered Accountants

Statutory Auditor

1-7 Station Road

Crawley

West Sussex

RH10 1HT

Dated:



THE JAPAN SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2009 £	Total 2008 £
Incoming resources from generated funds						
Subscriptions and donations	2	243,074	-	113,250	356,324	346,235
Investment income	3	78	-	1,003	1,081	10,520
		243,152	-	114,253	357,405	356,755
Activities in furtherance of the charity's objects	4	28,787	-	74,885	103,672	48,600
Other incoming resources	5	293	-	-	293	817
Total incoming resources		272,232	-	189,138	461,370	406,172
Resources expended						
Costs of generating funds	6					
Fundraising and publicity		6,537	-	6,709	13,246	14,727
Net incoming resources available		265,695	-	182,429	448,124	391,445
Charitable activities						
Events		39,459	-	57,340	96,799	51,161
Schools education		-	-	17,014	17,014	34,814
Office and establishment expenses		141,651	-	124,244	265,895	240,429
Small grants		-	-	30,781	30,781	27,298
Total charitable expenditure		181,110	-	229,379	410,489	353,702
Governance costs		4,213	-	3,820	8,033	9,864
Total resources expended		191,860	-	239,908	431,768	378,293
Net incoming/(outgoing) resources before transfers		80,372	-	(50,770)	29,602	27,879
Gross transfers between funds		(2,000)	-	2,000	-	-
Net income/(expenditure) for the year/ Net movement in funds		78,372	-	(48,770)	29,602	27,879
Fund balances at 1 January 2009		154,508	481,735	124,178	760,421	732,542
Fund balances at 31 December 2009		232,880	481,735	75,408	790,023	760,421

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



THE JAPAN SOCIETY

BALANCE SHEET

AS AT 31 DECEMBER 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	9		485,621		487,030
Current assets					
Debtors	10	45,175		23,040	
Cash at bank and in hand		281,829		273,626	
		<u>327,004</u>		<u>296,666</u>	
Creditors: amounts falling due within one year	11	<u>(22,602)</u>		<u>(23,275)</u>	
Net current assets			<u>304,402</u>		<u>273,391</u>
Total assets less current liabilities			<u><u>790,023</u></u>		<u><u>760,421</u></u>
Income funds					
Restricted funds	12		75,408		124,178
Unrestricted funds:					
Designated funds	13		481,735		481,735
Other charitable funds			232,880		154,508
			<u><u>790,023</u></u>		<u><u>760,421</u></u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2009, although an audit has been carried out under section 43 of the Charities Act 1993. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The accounts were approved by the Board on

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Satoru Yoshida - Hon Treasurer

Company Registration No. 3371038



THE JAPAN SOCIETY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

1.1 Basis of preparation

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

1.2 Incoming resources

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

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

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

1.3 Resources expended

All expenditure is included when incurred.

The SOFA shows expenditure for each of the group's main activities, accounted for on an accruals basis.

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

1.4 Tangible fixed assets and depreciation

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

Fixtures, fittings & equipment	10% of book value
IT equipment	33% of book value

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

All assets costing more than £500 are capitalized.



NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting Policies (continued)

1.5 Constitution

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

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

The management of the Society is vested in a board of trustees, the members of which during 2009 did not receive any remuneration, but whose duties and responsibilities are governed by the rules of the Society and the Companies Act 2006.

2 Subscriptions and donations

	Unrestricted funds £	Restricted funds £	Total 2009 £	Total 2008 £
Regular subscriptions and donations	243,074	113,250	356,324	346,235

3 Investment income

	Unrestricted funds £	Restricted funds £	Total 2009 £	Total 2008 £
Interest receivable	78	1,003	1,081	10,520

4 Activities in furtherance of the charity's objects

	Unrestricted funds £	Restricted funds £	Total 2009 £	Total 2008 £
Event income	28,787	68,534	97,321	38,784
Courses and resources	-	6,351	6,351	-
	28,787	74,885	103,672	48,600



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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

5 Other incoming resources

	2009 £	2008 £
Sale of books and royalties	293	817

6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2009 £	Total 2008 £
Costs of generating funds					
Fundraising and publicity	-	-	13,246	13,246	14,727
Charitable activities					
<u>Events</u>					
Activities undertaken directly	-	-	96,799	96,799	51,161
<u>Schools education</u>					
Activities undertaken directly	-	-	17,014	17,014	34,814
<u>Office and establishment expenses</u>					
Activities undertaken directly	174,034	1,408	90,453	265,895	240,429
<u>Small grants</u>					
Activities undertaken directly	-	-	30,781	30,781	27,298
	<u>174,034</u>	<u>1,408</u>	<u>235,047</u>	<u>410,489</u>	<u>353,702</u>
Governance costs	-	-	8,033	8,033	9,864
	<u>174,034</u>	<u>1,408</u>	<u>256,326</u>	<u>431,768</u>	<u>378,293</u>

Governance costs includes payments to the auditors of £6,000 (2008- £6,500) for audit fees and £1,000 (2008- £1,750) for consultancy services.

7 Members of the board

None of the members of the board (or any persons connected with them) received any remuneration during the year. The charity carried indemnity insurance for its trustees, for which a premium of £1,023 (2008 - £977) was paid. Two members of the board were re-imbursed for expenses: Christopher Purvis - £1,269 for expenses in relation to fund raising activities in Japan; and Pauline Chakmakjian - £645 for expenses in relation to certain events organized for the society.

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

8 Employees

Number of employees

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

	2009 Number	2008 Number
Employees	<u>7</u>	<u>6</u>
Employment costs	2009	2008
	£	£
Wages and salaries	159,185	135,623
Social security costs	14,849	12,506
	<u>174,034</u>	<u>148,129</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 2009 and at 31 December 2009	<u>481,735</u>	<u>9,292</u>	<u>491,027</u>
Depreciation			
At 1 January 2009	-	3,998	3,998
Charge for the year	-	1,408	1,408
At 31 December 2009	<u>-</u>	<u>5,406</u>	<u>5,406</u>
Net book value			
At 31 December 2009	<u>481,735</u>	<u>3,886</u>	<u>485,621</u>
At 31 December 2008	<u>481,735</u>	<u>5,295</u>	<u>487,030</u>

The value of the Library for insurance purposes was confirmed by a review by Maggs and Sons in 2005. After due consideration the Trustees confirmed that the value remained unchanged during the year.

10 Debtors

	2009 £	2008 £
Debtors and prepayments	<u>45,175</u>	<u>23,040</u>

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

11	Creditors: amounts falling due within one year	2009	2008
		£	£
	Creditors and accruals	<u>22,602</u>	<u>23,275</u>

12 Restricted funds

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

	Balance at 1 January 2009	Incoming resources	Resources expended	Transfers	Balance at 31 December 2009
	£	£	£	£	£
Library	21,951	58	(6,568)	-	15,441
Schools education & small grants	102,227	120,546	(176,000)	-	46,773
Matsuri	-	45,664	(39,879)	2,000	7,785
Other projects	-	22,870	(17,461)	-	5,409
	<u>124,178</u>	<u>189,138</u>	<u>(239,908)</u>	<u>2,000</u>	<u>75,408</u>

Certain funds are restricted to expenditure relating to the library and certain funds are restricted to expenditure relating to schools education and small grants. During 2008, £6,100 of expenditure on library rent and related expenses was incorrectly allocated against schools education and small grants. The respective balances brought forward have been adjusted to rectify this.

Matsuri funds represent income and resources expended against Japan Matsuri 2009, an event financially administered by the Japan Society but organised in partnership with the Japanese Residents' Association and in association with the Japanese Embassy, Japanese Chamber of Commerce & Industry and Nippon Club. The balance of £7,785 is restricted for use in future matsuri events.

Other Projects fund includes Pagoda Noh, Hammersmith Garden and the Josiah Conder exhibition.



NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

13 Designated funds

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

	Balance at 1 January 2009	Movement in funds		Balance at 31 December 2009
		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.

14 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 December 2009 are represented by:				
Tangible fixed assets	3,886	481,735	-	485,621
Current assets	251,596	-	75,408	327,004
Creditors: amounts falling due within one year	(22,602)	-	-	(22,602)
	<u>232,880</u>	<u>481,735</u>	<u>75,408</u>	<u>790,023</u>

15 Commitments under operating leases

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows:

	2009	2008
	£	£
Expiry date:		
Between two and five years	<u>11,236</u>	<u>10,301</u>