

**Deloitte &
Touche**

Deloitte Touche
Tohmatsu



Company Registration No.2042768

**UNITED KINGDOM-JAPAN 21ST
CENTURY GROUP
(formerly UNITED KINGDOM - JAPAN 2000
GROUP)
(A company limited by guarantee)**

Report and Financial Statements

31 March 1999

**Deloitte & Touche
Leda House
Station Road
Cambridge CB1 2RN**

**30/06/99
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REPORT AND FINANCIAL STATEMENTS 1999

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REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

MEMBERS OF THE GOVERNING BODY (DIRECTORS)

The Rt Hon Lord Howell of Guildford (Chairman)
The Rt Hon Viscount Blakenham
Menzies Campbell CBE QC MP
Admiral Sir James Eberle GCB (resigned 30 September 1998)
Andrew Fraser (appointed 21 July 1998)
Air Marshal Sir Timothy Garden (resigned 21 July 1998)
Sir John Guinness CB
Sir Christopher Harding
The Rt Hon the Lord Jenkin of Roding PC
Sir Martin Laing CBE
Anthony Loehnis CMG
The Rt Hon Sir Richard Needham
Sir Peter Parker KBE LVO
Sir Julian Ridsdale CBE
Derek Wanless
Sir John Whitehead GCMG CVO
Sir Michael Wilford GCMG
Sir Peter Williams CBE (appointed 21 July 1998)

EXECUTIVE SECRETARY

Richard L Grant (resigned 1 December 1998)
Professor David Wall (appointed 1 December 1998)

REGISTERED OFFICE

Royal Institute of International Affairs
Chatham House
10 St James's Square
London
SW1Y 4LE

BANKERS

Lloyds Bank Plc
Pall Mall Branch
8-10 Waterloo Place
London SW1Y 4BE

SOLICITORS

Stephenson Harwood
Saddlers' Hall
Gutter Lane
Cheapside
London EC2V 6BS

AUDITORS

Deloitte & Touche
Chartered Accountants
Leda House
Station Road
Cambridge CB1 2RN

Registered with the Charity Commission - Registration Number 295006.

**UNITED KINGDOM-JAPAN 21ST CENTURY GROUP**
(formerly UNITED KINGDOM - JAPAN 2000 GROUP)
(A company limited by guarantee)**REPORT OF THE GOVERNING BODY****GOVERNING BODY**

The members of the Governing Body are the directors of the company for the purposes of Company Law. The directors are shown on page 1.

Unless indicated, members of the Governing Body served throughout the year.

Directors and others are nominated to the management committee which comprises:

The Rt Hon Lord Howell of Guildford *
Admiral Sir James Eberle GCB (resigned 30 September 1998) *
Andrew Fraser (appointed 21 July 1998) *
Jane Griffiths MP (appointed 30 March 1999)
The Rt Hon the Lord Jenkin of Roding PC *
The Rt Hon Sir Richard Needham *
Sir Peter Parker KBE LVO *
Phillida Purvis (appointed 1 October 1998)
Sir John Whitehead GCMG CVO *
Sir Michael Wilford GCMG *
Sir Peter Williams CBE * (appointed 21 July 1998)

* indicates directors of the company.

None of the directors has any share interest in the company.

ACTIVITIES

To advance the education of the citizens of the United Kingdom and Japan in all aspects of each other's culture, economy, and politics. The company, set up in 1984 as a result of an agreement between the British and Japanese Prime Ministers, holds an annual conference with its Japanese counterparts, alternately in Britain and Japan.

The fifteenth annual conference was held in Kisarazu in March 1999. The chairman gave a report at a meeting of members on 23 March 1999.

In June 1999 the name of the Group was changed to the United Kingdom-Japan 21st Century Group.

The next annual conference will be held in the United Kingdom at Warren House, Kingston from 2-5 March 2000.

At 31 March 1999, the reserves stood at £25,610 (1998 - £16,990). The profit of £8,620 (1998 - deficit of £31,583) for the year was transferred to reserves. Major expenditure each year has been on the annual conference and Secretariat.

The company is a registered charity under the terms of the Charities Act, with Charity number 295006. Its company registration number is 2042768.

INCORPORATION

The company is incorporated under the Companies Act 1985 and is limited by guarantee. At 31 March 1999 there were 104 members and associate members (1998 - 102). The Secretariat of the Group is based at the Royal Institute of International Affairs.



REPORT OF THE GOVERNING BODY

YEAR 2000

The company is currently in the process of addressing the Year 2000 issue. Although the company expects to be Year 2000 compliant by the required date, it cannot guarantee the compliance of any third party systems. The total cost of the Year 2000 compliance exercise is not anticipated to be material.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year 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 the incoming resources and application of resources of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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 company will continue in business.

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

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Governing Body
and signed on behalf of the Governing Body

Director

1 July 1999



**UNITED KINGDOM-JAPAN 21ST CENTURY GROUP
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AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1999 and of its incoming resources and application of resources, including the income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and
Registered Auditors

5 JULY 1999



UNITED KINGDOM-JAPAN 21ST CENTURY GROUP
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STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 March 1999

	Note	£	1999 £	£	1998 £
INCOME AND EXPENDITURE					
INCOMING RESOURCES					
Donations	3		50,732		45,187
Interest			1,037		237
Investment income			1,100		2,976
Sponsorship of conference delegates			1,957		18,844
TOTAL INCOMING RESOURCES			54,826		67,244
RESOURCES EXPENDED					
Direct charitable expenditure					
Annual conference expenses	4	10,058		75,836	
Support costs	5	12,813		16,630	
			22,871		92,466
Other expenditure					
Management and administration	6	21,529		23,758	
TOTAL RESOURCES EXPENDED			(44,400)		(116,224)
NET INCOMING RESOURCES/(NET RESOURCES EXPENDED)			10,426		(48,980)
OTHER RECOGNISED GAINS AND LOSSES					
(Loss) gains on revaluations and investment asset disposals held for charity use:					
Realised from investments			(1,806)		317
Unrealised from investments			-		17,080
NET MOVEMENT IN FUNDS			8,620		(31,583)
TOTAL FUNDS brought forward			16,990		48,573
TOTAL FUNDS carried forward	9		25,610		16,990

The net outgoing resources for the current and the preceding year are derived from continuing operations.



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BALANCE SHEET
31 March 1999

	Note	1999 £	1998 £
CURRENT ASSETS			
Debtors	7	15,545	23,107
Investments	8	-	61,449
Cash at bank and in hand		27,876	12,353
		<u>43,421</u>	<u>96,909</u>
CREDITORS: amounts falling due within one year			
Accruals		(17,811)	(79,919)
NET CURRENT ASSETS		<u>25,610</u>	<u>16,990</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>25,610</u>	<u>16,990</u>
UNRESTRICTED FUND			
Income and expenditure account	9	<u>25,610</u>	<u>16,990</u>

Approved by the Governing Body on 1st of July 1999
Signed on behalf of the Governing Body

Michael Wilford
Director

NOTES TO THE ACCOUNTS
Year ended 31 March 1999

1. INCORPORATION

The company is incorporated under the Companies Act 1985 and limited by guarantee, the liability of each member being limited to £1. At 31 March 1999 there were 104 members.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Charities" and applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investments.

Income

Income from donations, deeds of covenant and bank interest is accounted for on an accruals basis.

Investments

Investments held as current assets are stated at market value.

Direct charitable expenditure

Direct charitable expenditure includes all expenditure directly related to the objects of the charity and comprises the following:

Annual conference expenses

Annual conference expenses comprises hotel, transport and subsistence.

Support costs

Support costs represent the staffing and associated costs of supporting the operational programmes for which the charity is responsible.

Other expenditure

Management and administration

Management and administration costs represent expenditure incurred in the management of the charity's assets, organisational administration, and compliance with constitutional and statutory requirements.

NOTES TO THE ACCOUNTS
Year ended 31 March 1999

3. DONATIONS

	1999 £	1998 £
Abbey National	3,000	-
British Aerospace Plc	2,000	-
British Nuclear Fuels Plc	2,000	2,597
British Telecommunications Plc	1,500	-
Clifford Chance	700	1,400
Crown Agents	1,000	-
J Henry Schroder Wagg	500	1,000
Foreign & Commonwealth Office	4,000	4,000
Friends' Provident	-	1,000
Glaxo Wellcome	2,500	2,500
Inchcape Plc	2,000	2,000
John Laing Plc	3,000	3,000
John Swire & Son Limited	-	2,316
Dresdner Kleinwort Benson	1,000	2,000
Dyson Plc	3,000	-
KPMG	1,000	-
National Westminster Bank Plc	2,000	-
Oxford Instruments Limited	2,500	2,000
Pearson Plc	1,000	1,000
Royal Sun Alliance	2,500	750
Economist	-	2,000
Robert Fleming	1,000	1,000
Marks & Spencer	-	2,000
M & G Investment Bank	2,000	-
Standard Chartered	-	2,000
Brunswick PR Limited	2,500	5,000
Warburg Dillon Read	2,000	2,000
Shell	2,000	-
Rio Tinto	2,000	-
Other	4,032	5,624
	<u>50,732</u>	<u>45,187</u>

British Airways were also kind enough to provide four return flights to Tokyo for the March 1999 conference.

4. ANNUAL CONFERENCE EXPENSES

	1999 £	1998 £
Hotel, transport and subsistence	<u>10,058</u>	<u>75,836</u>



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NOTES TO THE ACCOUNTS
Year ended 31 March 1999

5. SUPPORT COSTS

	1999	1998
	£	£
Chairman's secretarial assistance	6,000	6,500
Director's expenses	5,790	9,694
Sundry expenses	1,023	436
	<u>12,813</u>	<u>16,630</u>

The number of directors receiving reimbursement for expenses was 1 (1998 - 1).

6. MANAGEMENT AND ADMINISTRATION

	1999	1998
	£	£
RIIA Secretarial Services	17,000	20,000
Interest and bank charges	1,568	938
Audit fee	2,961	2,820
	<u>21,529</u>	<u>23,758</u>

RIIA Secretarial Services includes employment costs of £5,989 (1998 - £4,313) as a partial recharge for employees of The Royal Institute of International Affairs who spend a proportion of their time on the company's business.

7. DEBTORS

	1999	1998
	£	£
Donation pledges	9,000	-
Other debtors	2,462	19,290
Income tax recoverable	4,083	3,817
	<u>15,545</u>	<u>23,107</u>

8. INVESTMENTS HELD AS CURRENT ASSETS

	1999	1998
	£	£
Total investments		
Market value at 1 April 1998	61,449	50,722
Additions at cost	-	18,751
Disposals at opening book value	(61,449)	(25,104)
Net unrealised investment gains	-	17,080
	<u>-</u>	<u>61,449</u>
Market value at 31 March 1999	-	37,135
	<u>-</u>	<u>37,135</u>
Cost at 31 March 1999	-	37,135
	<u>-</u>	<u>37,135</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 1999

8. INVESTMENTS HELD AS CURRENT ASSETS (continued)

Investments which exceed 5% of the total value of investments held are as follows:

	1999 £	1998 £
Treasury 6¾% Stock	-	24,309
Cable & Wireless 25p ordinary shares	-	5,449
Lloyds TSB 25p ordinary shares	-	13,152
Siebe plc 25p ordinary shares	-	3,208
Southern Electric plc 0.001p ordinary shares	-	3,824
Smithkline Beecham plc	-	8,912
	<u>-</u>	<u>58,854</u>

All the above investments are listed on a recognised investment exchange, in the United Kingdom.

9. UNRESTRICTED FUND

	1998 £	1997 £
Income and expenditure account		
Balance brought forward 1 April	16,990	48,573
Surplus (deficit) for the year	8,620	(31,583)
	<u>25,610</u>	<u>16,990</u>
Balance at 31 March		

The unrestricted fund represents amounts which can be used at the directors' discretion to further the principal activities of the company.

10. RELATED PARTY TRANSACTIONS

Directors' expenses of £5,790 (1998 - £9,694) included within support costs in note 5 comprise amounts paid to Admiral Sir James Eberle GCB, and relate principally to travel and other expenses reimbursed.