

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

Report and Financial Statements

31 March 2000

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

**28/06/00
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REPORT AND FINANCIAL STATEMENTS 2000

CONTENTS	Page
Officers and professional advisers	1
Report of the Governing Body	2
Auditors' report	4
Statement of financial activities and income and expenditure	5
Balance sheet	6
Notes to the accounts	7

REPORT AND FINANCIAL STATEMENTS 2000

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
Hugh Collum (appointed 4 November 1999)
Andrew Fraser
Dr Christine Gamble (appointed 1 September 1999)
Jane Griffiths MP (appointed 12 July 1999)
Sir John Guinness CB (resigned 30 September 1999)
Sir Christopher Harding (died December 1999)
The Rt Hon the Lord Jenkin of Roding PC (resigned 1 July 1999)
Sir Martin Laing CBE
Anthony Loehnis CMG
The Rt Hon Sir Richard Needham
Sir Peter Parker KBE LVO
Sir Julian Ridsdale CBE
Derek Wanless (resigned 2 August 1999)
Sir John Whitehead GCMG CVO
Sir Michael Wilford GCMG
Sir Peter Williams CBE (resigned 24 October 1999)

EXECUTIVE SECRETARY

Anthony Loehnis CMG

REGISTERED OFFICE

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

BANKERS

Lloyds TSB 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

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 *

Andrew Fraser *

Jane Griffiths MP * (appointed 12 July 1999)

The Rt Hon the Lord Jenkin of Roding PC * (resigned 1 July 1999)

Anthony Loehnis CMG * (appointed 12 July 1999)

The Rt Hon Sir Richard Needham *

Sir Peter Parker KBE LVO *

Phyllida Purvis (resigned 12 July 1999)

Sir John Whitehead GCMG CVO *

Sir Michael Wilford GCMG *

Sir Peter Williams CBE * (resigned 24 October 1999)

* indicates directors of the company.

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

ACTIVITIES

The objective of the company is 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 21st Century Group, 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 sixteenth annual conference was held in the United Kingdom at Warren House, Kingston from 2-5 March 2000. The Chairman gave a report at a meeting of members on 12 April 2000.

The next annual conference will be held in Japan.

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

At 31 March 2000, the reserves stood at £8,779 (1999 - £25,610). The loss of £16,831 (1999 - profit £8,620) for the year was charged 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, the liability of each member being limited to £1. At 31 March 2000 there were 106 members and associate members (1999 - 104). The Secretariat of the Group is based at the Royal Institute of International Affairs.

REPORT OF THE GOVERNING BODY

YEAR 2000

Following their initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the Year 2000 issue. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business. However the situation is still being monitored. Any future costs associated with this issue cannot be quantified but are not anticipated to be significant.

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:

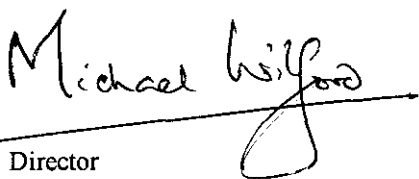
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed;
- prepare the financial statements on the going concern basis 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

3 July 2000



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

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, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 2000 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

6 JULY 2000

STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE
Year ended 31 March 2000

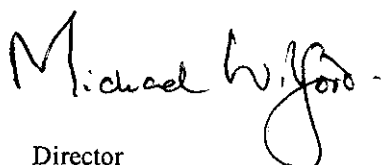
	Note	£	2000 £	£	1999 £
INCOMING RESOURCES					
Donations	3		43,264		50,732
Interest			607		1,037
Investment income			-		1,100
Reimbursement of conference delegates expenses			7,601		1,957
TOTAL INCOMING RESOURCES			51,472		54,826
RESOURCES EXPENDED					
Direct charitable expenditure					
Annual conference expenses	4	38,193		10,058	
Support costs	5	15,558		12,813	
			53,751		22,871
Other expenditure					
Management and administration	6	14,552		21,529	
TOTAL RESOURCES EXPENDED			(68,303)		(44,400)
(NET RESOURCES EXPENDED)/NET INCOMING RESOURCES			(16,831)		10,426
OTHER RECOGNISED GAINS AND LOSSES					
Loss on revaluations and investment asset disposals held for charity use:					
Realised from investments			-		(1,806)
NET MOVEMENT IN FUNDS			(16,831)		8,620
TOTAL FUNDS brought forward			25,610		16,990
TOTAL FUNDS carried forward	9		8,779		25,610

The net outgoing resources for the current year and the net incoming resources for the preceding year are derived from continuing operations. All amounts relate to unrestricted funds.

BALANCE SHEET
31 March 2000

	Note	2000 £	1999 £
CURRENT ASSETS			
Debtors	7	18,639	15,545
Investments	8	-	-
Cash at bank and in hand		23,281	27,876
		<u>41,920</u>	<u>43,421</u>
CREDITORS: amounts falling due within one year			
Accruals		(33,141)	(17,811)
NET CURRENT ASSETS		<u>8,779</u>	<u>25,610</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,779</u>	<u>25,610</u>
UNRESTRICTED FUND			
Income and expenditure account	9	<u>8,779</u>	<u>25,610</u>

Approved by the Governing Body on 3 July 2000
Signed on behalf of the Governing Body


Director

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

1. INCORPORATION AND LIMITED LIABILITY

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 2000 there were 106 members (1999 - 104).

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 2000

3. DONATIONS

	2000	1999
	£	£
Abbey National	3,000	3,000
British Aerospace Plc	-	2,000
British Nuclear Fuels Plc	2,000	2,000
British Telecommunications Plc	1,500	1,500
Clifford Chance	700	700
Crown Agents	1,000	1,000
J Henry Schroder Wagg	500	500
Foreign & Commonwealth Office	4,000	4,000
Glaxo Wellcome	1,925	2,500
Inchcape Plc	-	2,000
John Laing Plc	3,000	3,000
Dresdner Kleinwort Benson	1,000	1,000
Dyson Plc	3,000	3,000
KPMG	-	1,000
National Westminster Bank Plc	-	2,000
Oxford Instruments Limited	-	2,500
Pearson Plc	1,000	1,000
Royal Sun Alliance	-	2,500
Robert Fleming	-	1,000
M & G Investment Bank	-	2,000
Brunswick PR Limited	2,500	2,500
Warburg Dillon Read	-	2,000
Shell	2,000	2,000
Rio Tinto	2,000	2,000
Marsh Limited	5,000	-
Other - tax rebates	9,139	4,032
	<u>43,264</u>	<u>50,732</u>

4. ANNUAL CONFERENCE EXPENSES

	2000	1999
	£	£
Hotel, transport and subsistence	<u>38,193</u>	<u>10,058</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

5. SUPPORT COSTS

	2000 £	1999 £
Chairman's secretarial assistance	4,000	6,000
Director's expenses	10,814	5,790
Sundry expenses	744	1,023
	<u>15,558</u>	<u>12,813</u>

The number of directors receiving reimbursement for expenses which are included in support costs and conference costs was 2 (1999 - 1).

6. MANAGEMENT AND ADMINISTRATION

	2000 £	1999 £
RIIA Secretarial Services	11,158	17,000
Interest and bank charges	280	1,568
Audit fee	3,114	2,961
	<u>14,552</u>	<u>21,529</u>

RIIA Secretarial Services includes employment costs of £3,905 (1999 - £5,989) 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

	2000 £	1999 £
Donation pledges	6,000	9,000
Other debtors	6,837	2,462
Income tax recoverable	5,802	4,083
	<u>18,639</u>	<u>15,545</u>

8. INVESTMENTS HELD AS CURRENT ASSETS

	2000 £	1999 £
Total investments		
Market value at 1 April 1999	-	61,449
Disposals at opening book value	-	(61,449)
	<u>-</u>	<u>-</u>
Market value at 31 March 2000	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

9. UNRESTRICTED FUND

	2000 £	1999 £
Income and expenditure account		
Balance brought forward 1 April	25,610	16,990
(Deficit) surplus for the year	(16,831)	8,620
	<hr/>	<hr/>
Balance at 31 March	8,779	25,610
	<hr/>	<hr/>

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 £10,814 (1999 - £5,790) included within support costs in note 5 comprise amounts paid to the directors for services provided, and reimbursement of travel and other expenses of £5,333 to Phillida Purvis and £5,481 Anthony Loehnis CMG in the year ended 31 March 2000, and £5,790 to Admiral Sir James Eberle GCB for the year ended 31 March 1999.