

Company registration number: 2042768
Charity registration number: 295006

Chantrey Vellacott DFK LLP



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

**Financial Statements
31 March 2010**

UNITED KINGDOM-JAPAN 21ST CENTURY GROUP

REPORT AND FINANCIAL STATEMENTS 2010

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UNITED KINGDOM-JAPAN 21ST CENTURY GROUP

OFFICERS AND PROFESSIONAL ADVISERS

MEMBERS OF THE BOARD (DIRECTORS)

Rt Hon Lord Cunningham of Felling (Chairman)
Charles Humfrey CMG (Executive Director)
Lord Woolmer of Leeds (Treasurer)
Sir John Boyd KCMG
Samir Brkho
Simon Chelton
Professor Glenn Hook
Rt Hon Sir Richard Needham
Steve Taylor
Lord Robin Teverson
Richard Thornley
Sir David Wright GCMG, LVO

SECRETARY

Charles Humfrey

REGISTERED OFFICE

Asia House
63 New Cavendish Street
London
W1G 7LP

BANKERS

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

SOLICITORS

Mayer Brown Rowe & Maw LLP
11 Pilgrim Street
London
EC4V 6RW

AUDITOR

Chantrey Vellacott DFK LLP
Chartered Accountants
Statutory Auditor
Russell Square House
10 - 12 Russell Square
London
WC1B 5LF

Chantrey Vellacott DFK LLP

REPORT OF THE BOARD OF DIRECTORS' FOR THE YEAR ENDED 31 MARCH 2010

The Directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 31 March 2010

INCORPORATION AND REGISTRATION AS A CHARITY

The company is incorporated under the Companies Act 2006 and is limited by guarantee, the liability of each member being limited to £1. At 31 March 2010 there were 91 members and associate members (2009 - 90)

The company is registered with the Charity Commission, registration number 295006

BOARD

The members of the Board are the directors of the company for the purposes of company law and are shown on page 1

The members of the Board who served during the year were as follows

Rt Hon Lord Cunningham of Felling (Chairman)

Charles Humfrey CMG (Executive Director)

Lord Woolmer of Leeds (Treasurer)

Sir John Boyd KCMG

Samir Brkko

Simon Chelton

(appointed 5 January 2010)

Andrew Crisp

(resigned 15 December 2009)

Professor Glenn Hook

The Rt Hon Sir Richard Needham

(re-appointed 27 October 2009)

Dr Michael Shears

(re-appointed 27 October 2009 and resigned 15 June 2010)

Steve Taylor

Lord Teverson

(re-appointed 27 October 2009)

Richard Thornley

Sir David Wnght GCMG, LVO

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The UK-Japan 21st Century Group ("the Group") is a charitable company limited by guarantee governed by its Memorandum and Articles of Association amended in 2003 to take account of the latest governance practice

There is a wider informal group known as 'Members of the Group' who are invited to attend the Annual General Meeting and any other appropriate meetings that may be called by the Chairman. The Members consider the annual report of the Board at the Annual General Meeting, discuss objectives for the next annual conference and elect the Board. One third of the Board Directors in rotation are required to resign each year and seek re-election.

Appointment of Directors

The Board in accordance with practice laid down in the Articles of Association appoints directors. Directors are appointed for three years with the possibility of re-election.

Directors have board experience. No training or induction is considered necessary.

Organisation

There may be up to 14 directors on the Board. The Board meets quarterly to make executive decisions. In the interim the company is run by the Executive Director, who remains in close contact with the Chairman and the Treasurer. Secretariat support and the keeping of accounts are provided by Asia House, which is contracted for this by the Board.

UNITED KINGDOM-JAPAN 21ST CENTURY GROUP**REPORT OF THE BOARD OF DIRECTORS' FOR THE YEAR ENDED 31 MARCH 2010****Risk Management**

The greatest risk to the future of the Group is that it will find it impossible to raise the funds necessary for its administration and the holding of the annual conference. To counter this risk, the Board has instituted a fundraising strategy to secure and maintain the commitment of corporate sponsors. The Board reviews the level of sponsorship and the implementation of the strategy at its quarterly Board meetings. The current reserves and commitments to sponsorship support are amply sufficient to meet projected expenditure in the next 12 months including the planned conference in Japan in October 2010, a possible conference in the UK in the first half of 2011 and administration costs.

OBJECTIVES AND ACTIVITIES**Public Benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Objectives

The objectives of the company are to advance the education of the citizens of the United Kingdom and Japan in all aspects of each other's public institutions and systems of government, as well as each other's political and economic institutions, industry, social sciences and culture.

Activities

The Group pursues its objectives through holding an annual conference with its Japanese counterparts, alternately in Britain and Japan. Following each conference the two co-Chairmen submit to the two Prime Ministers recommendations formulated by the Group at the conference, notably on ways in which cooperation and collaboration between the two countries might be enhanced.

ACHIEVEMENTS AND PERFORMANCE

The Group held its 26th annual conference on 19-21 March 2010 in Hampshire, UK. Beforehand the Japanese side met with Lord Mandelson, First Secretary of State and Secretary of State for Business. The conference discussed relevant developments in the two countries, the challenges of recovering from the global economic crisis, the changing international geopolitical structure, the climate change agenda after Copenhagen and bilateral cooperation and collaboration. The Group made a number of substantive recommendations on joint bilateral cooperation and collaboration, including on promoting joint low carbon industrial research and development projects and strengthening people to people links. The text of the Chairman's Summary and recommendations is on the FCO website at <http://ukin-japan.fco.gov.uk/en/about-us/working-with-japan/uk-japan-relations/21st-century-group>.

The Chairman, Lord Cunningham, communicated a summary of the Group's discussion at the March 2010 conference together with details of the recommendations to the Prime Minister. In his reply the Prime Minister expressed his continuing gratitude for the work of the Group. He welcomed the recommendations and promised a detailed response from government to them.

FUTURE PLANS

The aim is to hold the 27th annual conference in Japan in October 2010 and the 28th annual conference in the UK during the financial year 2011/12. These conferences will be organised so as to promote and fulfil the Group's objectives above and in particular to bring to bear a senior non-governmental perspective on enhancing UK-Japan cooperation and collaboration. The value of the conferences will be shown by the influential nature of the representation from parliament, business, the media and academia present on both sides and the value of the summary and recommendations that they produce for the two Prime Ministers as shown by the response received from the two governments and the concrete follow-up action that takes place.

FINANCIAL REVIEW

The Group's finances continue to be sufficient for the next two years, but action is being taken to rectify the emergence of a small annual deficit in current revenue over expenditure. The Group's income continued to come from six major sponsors and the FCO. Commitments by sponsors are given over a number of years which assists forward planning. Administrative costs are likely to remain fairly constant.

Going concern

The directors are confident that the company has adequate reserves and resources to continue operations for the foreseeable future and is well placed to manage its business risks successfully despite the current uncertain economic outlook. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

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

REPORT OF THE BOARD OF DIRECTORS' FOR THE YEAR ENDED 31 MARCH 2010

RESERVES LEVEL AND POLICY

At 31 March 2010 the reserves stood at £103,937 (2009 - £110,815). The great majority of the expenditure is on the annual conference. The Directors' aim is to ensure that the charity has sufficient reserves to meet its annual expenditure requirements, including the fees of the Executive Director and the Secretariat, for between one or two years without relying on sponsorship income. The Group is committed to the Japanese side to maintain the pattern of annual conferences.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Insofar as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors 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.

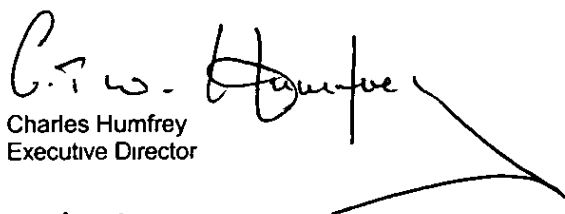
AUDITOR

Chantrey Vellacott DFK LLP were appointed auditor to the company during the year and are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

SMALL COMPANY PROVISIONS

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

Approved by the Board
and signed on behalf of the Board


Charles Humfrey
Executive Director

13/9/10

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED KINGDOM-JAPAN 21ST CENTURY GROUP

We have audited the financial statements of United Kingdom-Japan 21st Century Group for the year ended 31 March 2010 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' (who are also the trustees of the company for the purposes of charity law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements 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 financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Directors' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if the company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the Directors' Annual 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, 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 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 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Directors' Annual Report is consistent with the financial statements.

Chantrey Vellacott DFK LLP
HELENA WILKINSON (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
London

13 September 2010

UNITED KINGDOM-JAPAN 21ST CENTURY GROUP

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2010

	Notes	£	2010 £	£	2009 £
Incoming resources from generated funds					
Voluntary income – sponsorship and donations	3		45,000		45,000
Investment income – bank interest receivable			155		2,738
Reimbursement of conference delegates' expenses			19,242		13,000
Total incoming resources			64,397		60,738
Resources expended					
Direct charitable expenditure					
Annual conference expenses	4	56,026		44,560	
Governance costs	5	15,249		11,257	
Total resources expended			(71,275)		(55,817)
Net (outgoing)/incoming resources, being net (expenditure)/income for the year and being net movement in funds			(6,878)		4,921
Total funds brought forward			110,815		105,894
Total funds carried forward			103,937		110,815

All of the above activities are derived from ongoing activities

There are no other recognised gains or losses other than those stated above and therefore no separate statement of total recognised gains and losses has been published

The notes of pages 8 to 10 form part of these financial statements

UNITED KINGDOM-JAPAN 21ST CENTURY GROUP

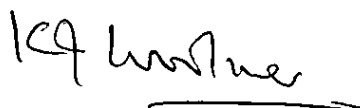
Balance sheet as at 31 March 2010

	Notes	2010 £	2009 £
Current assets			
Debtors	6	21,917	8,625
Cash at bank and in hand		91,821	105,523
		<u>113,738</u>	<u>114,148</u>
Creditors amounts falling due within one year	7	9,801	3,333
Net current assets		<u>103,937</u>	<u>110,815</u>
Total assets less current liabilities		<u>103,937</u>	<u>110,815</u>
Unrestricted funds			
Income and expenditure account	8	<u>103,937</u>	<u>110,815</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

The notes of pages 8 to 10 form part of these financial statements

Approved by the Board and authorised for issue on 13/9/2010 and signed on its behalf by



LORD WOOLMER OF LEEDS

Treasurer

Company registration number 2042768

UNITED KINGDOM-JAPAN 21ST CENTURY GROUP

Notes to the financial statements For the year ended 31 March 2010

1 Incorporation and limited liability

The company is incorporated under the Companies Act 2006 and limited by guarantee, the liability of each member being limited to £1. At 31 March 2010 there were 91 members (2009: 90).

2 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention.

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in March 2005 and with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the year and the preceding year.

Cash Flow Statement

The Trust qualifies as a small company under the terms of Companies Act 2006. As a consequence, it is exempt from the requirement to publish a cash flow statement under the Financial Reporting Standard 1 'Cash flow statement'.

Income

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

Direct charitable expenditure

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

Annual conference expenses which consist of hotel, transport, subsistence and other administrative costs.

Governance costs

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

3	Voluntary income	2010 £	2009 £
	Sponsorship and donations		
	ARUP	7,500	7,500
	Crown Agents	7,500	7,500
	AMEC Plc	7,500	7,500
	BAE Plc	7,500	7,500
	Barclays Capital	7,500	7,500
	Rolls Royce	7,500	7,500
		<u>45,000</u>	<u>45,000</u>

Reimbursement of conference delegates' expenses included £7,719 (2009: £13,000) received from the Foreign and Commonwealth Office as a contribution to the costs of interpretation.

UNITED KINGDOM-JAPAN 21ST CENTURY GROUPNotes to the financial statements
For the year ended 31 March 2010

4	Annual conference expenses	2010	2009
		£	£
	Late costs for 2008 conference	-	5,052
	Hotel, transport, subsistence and other administrative costs	48,975	30,752
	Support costs		
	Executive director's fees	5,500	5,500
	Employer's national insurance	804	471
	Sundry expenses	747	2,785
		<u>56,026</u>	<u>44,560</u>
5	Governance costs	2010	2009
		£	£
	Executive director's fees	6,500	3,167
	Asia House Secretarial Services	6,750	6,752
	Interest and bank charges	249	338
	Audit fee	1,750	1,000
		<u>15,249</u>	<u>11,257</u>
	Asia House Secretarial Services includes £nil (2009 £3,713), as a partial recharge for employees		
	The number of directors receiving remuneration for the year was 1 (2009 2) for acting as Executive Director United Kingdom-Japan 21 st Century Group do not have any employees (2009 nil)		
6	Debtors	2010	2009
		£	£
	Sponsorship	15,000	7,500
	Conference debtors	5,481	-
	Prepayments	1,125	1,125
	VAT recoverable	311	-
		<u>21,917</u>	<u>8,625</u>
7	Creditors amounts falling due within one year	2010	2009
		£	£
	Accruals	9,801	1,000
	VAT liability	-	1,027
	Employer's national insurance and tax	-	1,306
		<u>9,801</u>	<u>3,333</u>

UNITED KINGDOM-JAPAN 21ST CENTURY GROUP

Notes to the financial statements For the year ended 31 March 2010

8	Unrestricted fund	2010	2009
		£	£
	Income and expenditure account		
	Balance brought forward 1 April	110,815	105,894
	(Deficit)/surplus for the year	(6,878)	4,921
	Balance at 31 March	103,937	110,815

9 Related party transactions

Director's remuneration and expenses of £12,804 (2009 £8,667) included in annual conference expenses in note 4 and in governance costs in note 5 comprise directors' fees for the current year paid to Charles Humfrey

The payment of directors' remuneration to Charles Humfrey in respect of services he provided as Executive Director was approved by the directors at a Board Meeting

During the year ££1,734 (2009 £14,178) of travel and sundry expenses were reimbursed to 4 (2009 13) directors

The company is controlled by the Board The Board does not consider there to be an ultimate controlling party

10 Taxation

The charity's activities are exempt from taxation under Section 466-493 of the Corporation Tax Act 2010