

Company registration number: 2042768
Charity registration number: 295006



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

**Financial Statements
31 March 2016**

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

REPORT AND FINANCIAL STATEMENTS 2016

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UNITED KINGDOM-JAPAN 21ST CENTURY GROUP
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OFFICERS AND PROFESSIONAL ADVISERS

MEMBERS OF THE BOARD (DIRECTORS)

Rt Hon Lord Lansley of Orwell CBE PC (Chairman)
Rt Hon Lord McConnell of Glenscorrodale PC (Treasurer)
Professor Marie Conte-Helm OBE (Executive Director)
Dr Lisa Cameron MP
Rt Hon Baroness Garden of Frognal PC
Margot James MP
Dr John Nilsson-Wright
David Richardson
Thomas Swaren
Haruhiko Tsuyukubo
Debra Valentine
Sir David Warren KCMG
Sir David Wright GCMG, LVO

SECRETARY

Professor Marie Conte-Helm OBE

REGISTERED OFFICE

c/o The Japan Society
13/14 Cornwall Terrace
London
NW1 4QP

BANKERS

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

SOLICITORS

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

STATUTORY AUDITOR

Moore Stephens LLP
Chartered Accountants
150 Aldersgate Street
London
EC1A 4AB

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

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

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 2016.

INCORPORATION AND REGISTRATION AS A CHARITY

The company is incorporated under the Companies Act and is limited by guarantee, the liability of each member being limited to £1. At 31 March 2016 there were 49 members and associate members (2015 - 62).

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 Howard of Lympne CH PC QC (Chairman)	(resigned 4 November 2015)
Rt Hon Lord Lansley of Orwell CBE PC (Chairman)	(appointed 4 November 2015)
Rt Hon Lord McConnell of Glenscorrodale PC (Treasurer)	
Professor Marie Conte-Helm OBE (Executive Director)	
Sir John Boyd KCMG	(resigned 4 November 2015)
Samir Brikho	(resigned 20 January 2016)
Dr Lisa Cameron MP	(appointed 24 February 2016)
Rt Hon Lord Cunningham of Felling PC DL PhD	(resigned 4 November 2015)
Rt Hon Baroness Garden of Frognal PC	
Professor Glenn Hook	(resigned 4 November 2015)
Margot James MP	
Rt Hon Sir Richard Needham, The Earl of Kilmorey	(resigned 4 November 2015)
Dr John Nilsson Wright	(appointed 4 November 2015)
David Richardson	(appointed 14 July 2015)
Thomas Swaren	(appointed 19 May 2015)
Haruhiko Tsuyukubo	
Debra Valentine	
Sir David Warren KCMG	(appointed 4 November 2015)
Sir David Wright GCMG, LVO	

UNITED KINGDOM-JAPAN 21ST CENTURY GROUP

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

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 and further amended in 2010 and 2014 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 confirm the appointment of new directors who have been invited to join the Board subsequent to the previous Annual General Meeting. One-third of the Board of Directors in rotation are required to resign each year and seek re-election at the Annual General Meeting. Members are also asked to confirm the re-appointment of those seeking re-election.

Appointment of Directors

The Board, in accordance with practice laid down in the Articles of Association, appoints directors. Such appointments are confirmed at the Annual General Meeting. Under changes introduced at the October 2014 AGM, directors (who are not the nominees of sponsors) are normally appointed for two 3-year terms. By exception, individual members may be offered a 1-year extension on an annual basis with the agreement of the Board.

Lord Lansley of Orwell was appointed Chairman of the Group in succession to Lord Howard of Lympne in November 2015.

Organisation

There must be a minimum of 3 and up to a maximum of 18 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 the Japan Society, which is contracted for this by the Board.

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 further sponsors. The Board continues to review the level of contributions and the implementation of the strategy at its quarterly Board meetings. The current reserves and contributions are sufficient to meet projected expenditure for at least the next 12 months, including the planned conference in Japan in October 2016.

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. As part of the conference programme, delegates meet with the respective Prime Ministers and attend further events and meetings hosted by government representatives and other bodies. Following each conference the British Co-Chairman submits to the British Prime Minister recommendations formulated by the Group at the conference, notably on ways in which cooperation and collaboration between the two countries might be enhanced.

The Executive Director maintains regular contact with relevant UK-Japan bodies throughout the year to ensure that any outstanding issues in the bilateral relationship are addressed by the Group. Conference feedback is communicated directly to the wider membership and there is an opportunity at the AGM for members to contribute to the agenda of future conferences.

In addition, the Group periodically organises and has involvement in public seminars and meetings that address aspects of UK-Japan relations and build on the themes and recommendations of the annual conference.

UNITED KINGDOM-JAPAN 21ST CENTURY GROUP

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

ACHIEVEMENTS AND PERFORMANCE

Twelve Board directors attended the 32nd annual conference on 4-6 September 2015 at Ditchley Park, Oxfordshire together with six UK guest speakers/delegates from parliament, business, the media and academia. There were an additional sixteen senior delegates from Japan. Before the conference, a luncheon meeting for the Group and other guests from the UK-Japan community was held at the Cavalry & Guards Club and hosted by the Japan Society and the Japanese Chamber for Commerce & Industry. A welcome reception for the Japanese delegation was hosted by the Foreign & Commonwealth Office and presided over by Lord Maude of Horsham, Minister of State for Trade & Investment. The London programme concluded with a dinner for both Japanese and British conference delegates, hosted by HE Ambassador Keiichi Hayashi.

The conference discussed the latest political and economic developments in both countries; the future of Europe and the Eurozone; climate change and energy policy; defence and security challenges; approaches to social security issues; and opportunities for UK-Japan collaboration in science and technology.

The Group concluded its conference discussions with a series of substantive joint recommendations. These have been published with the Chairmen's Summary on the websites of the UK Government (GOV.UK) and the Japan Center for International Exchange and circulated to the wider membership of the Group.

The UK Co-Chairman, Lord Howard, communicated a summary of the Group's discussions at the September 2015 conference together with the conference recommendations to the Prime Minister. In his reply, Prime Minister Cameron welcomed the recommendations and the opportunities that they represented for both sides. He encouraged a continuing dialogue with various government departments to take forward these opportunities.

Planning for the October 2016 annual conference in Japan has taken place during the course of 2015-16. Conference themes for 2016 will build on previous discussions and will allow the Group to explore issues of immediate topical interest, including East Asian security, the challenges posed by ageing societies and demographic change, the progress of 'Womonomics', and the value of Soft Power initiatives.

Several UK-Japan 21st Century Group Breakfast Meetings, involving Japanese and British guest speakers, have been held during the course of the year to broaden the dialogue on UK-Japan relations in between conferences.

FUTURE PLANS

The Group held its 32nd conference in the UK in September 2015 and the 33rd annual conference will be held in Japan in October 2016. These conferences are organised so as to promote and fulfill the Group's objectives as 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 may be shown by the influential nature of the representation from parliament, business, the media and academia present on both sides and by the importance attached to the summary and recommendations that they produce for the two Prime Ministers. This is reflected in the response received from both governments and the specific areas of follow-up that are pursued.

The Group is committed to building on the discussions that take place at the annual conference by periodically organising events that highlight aspects of UK-Japan relations.

FINANCIAL REVIEW

The Group's reserves continue to be sufficient to cover 12 months expenditure in line with the Group's reserves policy. The Group's income comes from seven major sponsors and the Foreign and Commonwealth Office.

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors (who are also the Trustees of United Kingdom-Japan 21st Century Group for the purposes of charity law) are responsible for preparing the Report of the Board of Directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the result of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all steps 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 has merged its practice with Moore Stephens LLP and now practices under the name of Moore Stephens LLP. A resolution to re-appoint Moore Stephens LLP as auditor will be proposed at the forthcoming Annual General Meeting.

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 on 12 July 2016 and signed on behalf of the Board by:



Professor Marie Conte-Helm OBE
Executive Director

UNITED KINGDOM-JAPAN 21ST CENTURY GROUP
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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 (the 'Group') for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Group'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 Group'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 Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Directors' Responsibilities the Directors (who are also the Trustees of the charity for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Board of Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

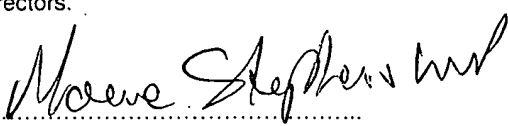
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board of Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Board of Directors.


Richard Willis ACA (senior statutory auditor)
for and on behalf of MOORE STEPHENS LLP
Chartered Accountants and Statutory Auditor
LONDON

Date: 24/8/2016

UNITED KINGDOM-JAPAN 21ST CENTURY GROUP
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Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 March 2016

	Notes	2016 £	2015 £
Income			
Donations and sponsorship	2	60,600	53,100
Investment income		77	53
Other income		250	-
<i>Income from charitable activities:</i>			
Reimbursement of conference delegates' expenses		15,516	-
Total income		76,443	53,153
Expenditure			
<i>Expenditure on charitable activities:</i>			
Annual conference expenses	3	68,981	60,945
Total expenditure		68,981	60,945
Net income/(expenditure) and net movement in funds for the year		7,462	(7,792)
Total funds brought forward		64,244	72,036
		71,706	64,244

All income and expenditure derive from continuing activities.

The notes on pages 9 to 12 form part of these financial statements.

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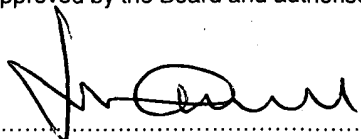
Balance sheet as at 31 March 2016

	Notes	2016 £	2015 £
Current assets			
Debtors	5	27,336	3,175
Cash at bank and in hand		50,523	66,320
		77,859	69,495
Creditors			
Amounts falling due within one year	6	(6,153)	(5,251)
Net current assets		71,706	64,244
Total assets less current liabilities		71,706	64,244
Unrestricted funds			
Income and expenditure account		71,706	64,244

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 on pages 9 to 12 form part of these financial statements.

Approved by the Board and authorised for issue on 12 July 2016 and signed on its behalf by:



.....
Lord McConnell of Glenscorrodale
Treasurer

Company registration number: 2042768

UNITED KINGDOM-JAPAN 21ST CENTURY GROUP
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Notes to the financial statements
For the year ended 31 March 2016

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)) and the Companies Act 2006.

The company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

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.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

All amounts relate to unrestricted funds.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes the costs of the annual conference consisting of hotel, transport, subsistence and other administrative costs.

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

All amounts relate to unrestricted funds.

UNITED KINGDOM-JAPAN 21ST CENTURY GROUP
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Notes to the financial statements
For the year ended 31 March 2016

2. Donations and sponsorship

	2016	2015
	£	£
Foreign and Commonwealth Office	8,100	8,100
Crown Agents	7,500	-
AMEC Foster Wheeler plc	7,500	7,500
BAE Systems Plc	7,500	7,500
Barclays plc	7,500	7,500
Rolls Royce	7,500	7,500
Rio Tinto	7,500	7,500
GlaxoSmithKline	7,500	7,500
	<u>60,600</u>	<u>53,100</u>

The £8,100 received from the Foreign and Commonwealth Office is a contribution towards conference costs.

3. Annual conference expenses

	2016	2015
	£	£
Hotel, transport, subsistence and other administrative costs		
Support costs	44,687	37,704
Executive director's fees	5,500	5,438
Sundry expenses	1,591	1,341
Governance costs	17,203	16,462
	<u>68,981</u>	<u>60,945</u>

4. Governance costs

	2016	2015
	£	£
Executive director's fees	6,500	6,500
Secretarial services	7,993	7,312
Interest and bank charges	310	350
Audit fee	2,400	2,300
	<u>17,203</u>	<u>16,462</u>

The number of Directors receiving remuneration for the year was 1 (2015 - 1). The United Kingdom-Japan 21st Century Group does not have any employees (2015 - nil).

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Notes to the financial statements
For the year ended 31 March 2016

5. Debtors	2016	2015
	£	£
Donations and sponsorship	27,000	-
Trade debtors	336	2,750
Other taxes and social security	-	425
	<u>27,336</u>	<u>3,175</u>
6. Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	2,285	-
Accruals	2,400	2,300
Other taxes and social security	1,468	2,951
	<u>6,153</u>	<u>5,251</u>
7. Analysis of movements in unrestricted funds	2016	2015
	£	£
Balance at 1 April	64,244	72,036
Surplus/(deficit) for the year	7,462	(7,792)
Balance at 31 March	<u>71,706</u>	<u>64,244</u>

8. Related party transactions

Executive director's fees of £12,000 (2015 - £11,938) included within notes 3 and 4 comprise remuneration and expenses for the current year paid to Marie Conte-Helm. The payment of director's remuneration is in respect of services provided as Executive Director and was approved by the Directors at a Board Meeting.

During the year £580 (2015 - £3,839) of travel and sundry expenses were reimbursed to 1 (2015 - 7) director.

£1,875 (2015 - £7,312) of secretarial and support fees were paid to Asia House during the year. Sir John Boyd KCMG is a Trustee and Chairman of Asia House.

£9,867 (2015 - £nil) of secretarial, support fees and reimbursements were paid to the Japan Society during the year. Sir David Warren KCMG is a Trustee and Chairman of the Japan Society.

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

UNITED KINGDOM-JAPAN 21ST CENTURY GROUP
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Notes to the financial statements
For the year ended 31 March 2016

9. Taxation

United Kingdom-Japan UK 21st Century Group is a registered charity and is therefore potentially exempt from taxation of its income and gains as the Charity falls within the definition of charitable company as defined in Part 1, Schedule 6 of the Finance Act 2010. No tax charge has arisen during the year.