

**Deloitte &
Touche**

Deloitte Touche
Tohmatsu



Company Registration No. 2042768

2042768

UNITED KINGDOM - JAPAN 2000 GROUP
(A company limited by guarantee)

Report and Financial Statements

31 March 1998

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR





REPORT AND FINANCIAL STATEMENTS 1998

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



OFFICERS AND PROFESSIONAL ADVISERS

MEMBERS OF THE GOVERNING BODY (DIRECTORS)

The Rt Hon Lord Howell of Guildford (Chairman)
The Rt Hon Lord Baker of Dorking (Resigned 25 June 1997)
The Rt Hon Viscount Blakenham
Menzies Campbell CBE QC MP (Appointed 25 June 1997)
Admiral Sir James Eberle GCB
Air Marshal Sir Timothy Garden (Appointed 21 August 1997)
John Guinness CB
Sir Christopher Harding
The Rt Hon the Lord Jenkin of Roding PC
Sir Martin Laing CBE
Anthony Loehnis CMG
Professor Sir Laurence Martin DCL DL (Resigned 28 July 1997)
Rt Hon Marjorie Mowlam (Resigned 5 August 1997)
The Rt Hon Sir Richard Needham
Sir Peter Parker KBE LVO
Giles Radice MP (Resigned 3 December 1997)
Sir Julian Ridsdale CBE
The Hon David Sieff (Resigned 21 August 1997)
The Rt Hon Lord Steel of Aikwood (Resigned 1 May 1997)
Mr Derek Wanless (Appointed 22 April 1997)
Sir John Whitehead GCMG CVO
Sir Michael Wilford GCMG

EXECUTIVE SECRETARY

Richard L Grant

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
1 St. Paul's Churchyard
London EC4M 8SH

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

**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 current 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
The Rt Hon the Lord Jenkin of Roding PC
Admiral Sir James Eberle GCB
Professor Sir Laurence Martin DCL DL (Resigned 28 July 1997)
The Rt Hon Sir Richard Needham
Sir Peter Parker KBE LVO
Sir John Whitehead GCMG CVO
Sir Michael Wilford GCMG

All of the above are directors of the company.

None of the directors has any 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 2000 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 fourteenth annual conference was held at Stapleford Park, Leicestershire in March 1998. The chairman and Sir James Eberle will give reports at the annual general meeting on 21 July 1998.

The next annual conference will be held in Japan at a place and date yet to be agreed.

At 31 March 1998, the reserves stood at £16,990 (1997 - £48,573), the deficit of £31,583 (1997 - deficit of £7,446) for the year was transferred from 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 No. 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 1998 there were 102 members and associate members (1997 - 100). The Secretariat of the Group is based at the Royal Institute of International Affairs.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

**REPORT OF THE GOVERNING BODY (continued)****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 a 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.

Approved by the Governing Body

and signed on behalf of the Governing Body

Director

20th July 1998



AUDITORS' REPORT TO THE MEMBERS OF UNITED KINGDOM - JAPAN 2000 GROUP

We have audited the financial statements on pages 5 to 11 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 at 31 March 1998 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

20 July 1998



STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 March 1998

	Note	£	1998 £	£	1997 £
INCOME AND EXPENDITURE					
INCOMING RESOURCES					
Donations	3		45,187		42,210
Interest			237		697
Investment income			2,976		11,114
Sponsorship of conference delegates			18,844		9,783
TOTAL INCOMING RESOURCES			<u>67,244</u>		<u>63,804</u>
RESOURCES EXPENDED					
Direct charitable expenditure					
Annual conference expenses	4	75,836		36,557	
Support costs	5	16,630		13,008	
		<u>92,466</u>		<u>49,565</u>	
Other expenditure					
Management and administration	6	23,758		23,061	
TOTAL RESOURCES EXPENDED			<u>(116,224)</u>		<u>(72,626)</u>
NET RESOURCES EXPENDED			<u>(48,980)</u>		<u>(8,822)</u>
OTHER RECOGNISED GAINS AND LOSSES					
Gains on revaluations and investment asset disposals held for charity use:					
Realised from investments			317		(825)
Unrealised from investments			17,080		2,201
NET MOVEMENT IN FUNDS			<u>(31,583)</u>		<u>(7,446)</u>
TOTAL FUNDS brought forward			<u>48,573</u>		<u>56,019</u>
TOTAL FUNDS carried forward	10		<u><u>16,990</u></u>		<u><u>48,573</u></u>

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



BALANCE SHEET
31 March 1998

	Note	1998 £	1997 £
CURRENT ASSETS			
Debtors	7	23,107	15,006
Investments	8	61,449	50,722
Cash at bank and in hand		12,353	9,390
		<u>96,909</u>	<u>75,118</u>
CREDITORS: amounts falling due within one year			
Accruals and deferred income	9	(79,919)	(26,545)
		<u>16,990</u>	<u>48,573</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,990</u>	<u>48,573</u>
UNRESTRICTED FUND			
Income and expenditure account	10	<u>16,990</u>	<u>48,573</u>

Approved by the Governing Body on 20th July 1998.

Signed on behalf of the Governing Body

Director



NOTES TO THE ACCOUNTS
Year ended 31 March 1998

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 1998 there were 102 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.

3. DONATIONS

	1998	1997
	£	£
British Aerospace Plc	-	2,000
British Gas	-	1,000
British Nuclear Fuels Plc	2,597	2,000
British Telecommunications Plc	-	2,000
Cable and Wireless Plc	-	2,000
Clifford Chance	1,400	700
Crown Agents	-	1,000
J Henry Schroder Wagg	1,000	1,000
	<hr/>	<hr/>
Carried forward	4,997	11,700



NOTES TO THE ACCOUNTS
Year ended 31 March 1998

3. DONATIONS (continued)

	1998	1997
	£	£
Brought forward	4,997	11,700
Foreign & Commonwealth Office	4,000	4,000
Friends' Provident	1,000	1,000
GKN Group Services Ltd	-	2,000
Glaxo Wellcome	2,500	2,500
Guinness Plc	-	1,000
IDB Northern Ireland	-	2,000
Inchcape Plc	2,000	2,000
John Laing Plc	3,000	3,000
John Swire & Son Ltd	2,316	1,000
Dresdner Kleinwort Benson	2,000	-
KPMG	-	1,000
National Westminster Bank Plc	-	2,000
Oxford Instruments Ltd	2,000	2,000
Pearson Plc	1,000	-
Royal Sun Alliance	750	750
Economist	2,000	-
Robert Fleming	1,000	-
Marks & Spencer	2,000	-
Standard Chartered	2,000	-
Brunswick PR Ltd	5,000	-
SBC Warburg	2,000	2,000
Shell	-	2,000
Trafalgar House Plc	-	1,000
Vendome	-	760
Vickers	-	500
Other	5,624	-
	<u>45,187</u>	<u>42,210</u>

4. ANNUAL CONFERENCE EXPENSES

	1998	1997
	£	£
Hotel, transport and subsistence	<u>75,836</u>	<u>36,557</u>



NOTES TO THE ACCOUNTS
Year ended 31 March 1998

5. SUPPORT COSTS

	1998 £	1997 £
Chairman's secretarial assistance	6,500	3,000
Directors' expenses	9,694	8,031
Sundry expenses	436	1,977
	<u>16,630</u>	<u>13,008</u>

The number of directors receiving reimbursement for expenses was 1 (1997 - 1).

6. MANAGEMENT AND ADMINISTRATION

	1998 £	1997 £
RIIA Secretarial Services	20,000	20,201
Interest and bank charges	938	158
Audit fee	2,820	2,702
	<u>23,758</u>	<u>23,061</u>

RIIA Secretarial Services includes employment costs of £4,313 (1997: £11,709) 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

	1998 £	1997 £
Donation pledges	-	5,500
Other debtors	19,290	2,712
Income tax recoverable	3,817	6,794
	<u>23,107</u>	<u>15,006</u>



NOTES TO THE ACCOUNTS
Year ended 31 March 1998

8. INVESTMENTS HELD AS CURRENT ASSETS

	1998 £	1997 £
Total investments		
Market value at 1 April	50,722	66,578
Additions at cost	18,751	3,221
Disposals at opening book value	(25,104)	(21,278)
Net unrealised investment gains	17,080	2,201
	<u>61,449</u>	<u>50,722</u>
 Market value at 31 March		
	<u>37,135</u>	<u>36,103</u>
Investments which exceed 5% of the total value of investments held are as follows:		
	£	£
Treasury 6 3/4% Stock	24,309	13,101
Cable & Wireless 25p Ordinary shares	5,449	3,603
Lloyds TSB 25p Ordinary shares	13,152	9,815
Siebe plc 25p Ordinary shares	3,208	5,399
Southern Electric plc 0.001 Ordinary shares	3,824	5,334
Smithkline Beecham plc	8,912	5,337
Sainsbury plc 25p Ordinary shares	-	2,770
BOC Group plc 25p Ordinary shares	-	4,895
	<u>58,854</u>	<u>50,254</u>

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

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Accruals	79,919	24,845
Deferred income	-	1,700
	<u>79,919</u>	<u>26,545</u>

10. UNRESTRICTED FUND

	1998 £	1997 £
Income and expenditure account:		
Balance brought forward 1 April	48,573	56,019
Deficit for the year	(31,583)	(7,446)
	<u>16,990</u>	<u>48,573</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.



NOTES TO THE ACCOUNTS
Year ended 31 March 1998

11. RELATED PARTY TRANSACTIONS

Directors' expenses of £9,694 (1997 - £8,031) 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.