

JAPAN HOUSE LONDON TRUST
A COMPANY LIMITED BY GUARANTEE
(Company Registration No. 11491073)
(Charity Registration No. 1179626)
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE PERIOD FROM ITS INCORPORATION
ON 30 JULY 2018 TO 29 JUNE 2019

JAPAN HOUSE LONDON TRUST

CONTENTS

	Page
REPORT OF THE TRUSTEES	1 – 7
INDEPENDENT AUDITOR'S REPORT	8 – 10
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)	11
BALANCE SHEET	12
NOTES TO THE FINANCIAL STATEMENTS	13 – 18

JAPAN HOUSE LONDON TRUST

REPORT OF THE TRUSTEES

FOR THE PERIOD FROM ITS INCORPORATION ON 30 JULY 2018 TO 29 JUNE 2019

The Trustees, who are also directors for the purposes of company law, are pleased to submit their report together with the audited financial statements of Japan House London Trust ("the Charitable Company" or "the Trust") for the first period from its incorporation on 30 July 2018 to 29 June 2019.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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") as updated by the Update Bulletin 1 published on 2 February 2016.

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS

Governing Instrument

Memorandum and Articles of Association

Members

His Excellency Yasumasa Nagamine (Appointed on 27 November 2019)
His Excellency Koji Tsuruoka (Appointed on 30 July 2018 – Resigned on 15 November 2019)
Sir Alexander David Warren (Appointed on 30 July 2018)
RT Hon Lord Christopher Francis Patten of Barnes (Appointed on 30 July 2018)
MS Keshini Navaratnam (Appointed on 30 July 2018)
Sir Michael Roger Gifford (Appointed on 30 July 2018)
Phillida A Purvis (Appointed on 30 July 2018)

Trustees (also the statutory directors of the Charitable Company)

His Excellency Yasumasa Nagamine (Appointed on 27 November 2019)
His Excellency Koji Tsuruoka (Appointed on 30 July 2018 – Resigned on 15 November 2019)
RT Hon Lord Christopher Francis Patten of Barnes (Appointed on 30 July 2018)
MS Keshini Navaratnam (Appointed on 30 July 2018)
Sir Michael Roger Gifford (Appointed on 30 July 2018)
Phillida A Purvis (Appointed on 30 July 2018)
Sir Alexander David Warren (Appointed on 30 July 2018)
Mr Isao Kano (Appointed on 7 December 2018 – Resigned on 15 November 2019)
Mr Keiji Kubota (Appointed on 7 December 2018 – Resigned on 10 December 2019)
Mr Satoru Yoshida (Appointed on 15 August 2019)
Mr Yasuyuki Fujitani (Appointed on 13 November 2019 – Resigned on 31 March 2020)
Mr Takanori Sazaki (Appointed on 9 December 2019)

Executive Chairman

His Excellency Yasumasa Nagamine (Appointed on 27 November 2019)

JAPAN HOUSE LONDON TRUST

REPORT OF THE TRUSTEES

**FOR THE PERIOD FROM ITS INCORPORATION ON 30 JULY 2018
TO 29 JUNE 2019**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS (continued)**

Objects of Charitable Company	The Objects of the Trust are for the public benefit: a) to advance the culture (both traditional and modern), institutions, people, history, and language of Japan, and also of Japan's intellectual, artistic, scientific and economic life; b) to promote cultural relationships between people in Japan and people in the United Kingdom; c) to promote learning and advance all forms of education relating to Japan; d) to promote research in any of the above; e) to publish the useful results of such research and f) the furtherance of such other exclusively charitable objects as the Trustees in their absolute discretion may determinate.
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Bankers	HSBC UK Bank Plc 94 Kensington High Street London W8 4SH
Auditor	Rawlinson & Hunter Audit LLP Statutory Auditor Chartered Accountants Eighth Floor, 6 New Street Square, New Fetter Lane, London EC4A 3AQ
Charitable Company Address & Registered office	Japan House London 101 – 111 Kensington High Street London W8 5SA
Charity Registration Number	1179626
Company Registration Number	11491073

JAPAN HOUSE LONDON TRUST

REPORT OF THE TRUSTEES

**FOR THE PERIOD FROM ITS INCORPORATION ON 30 JULY 2018
TO 29 JUNE 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charitable Company is a registered charity (charity number 1179626) limited by guarantee, whose principal object is to support charitable purposes in whatever manner the Trustees, in their absolute discretion, think fit.

The Trustees' overriding aim is: a) to advance the culture (both traditional and modern), institutions, people, history, and language of Japan, and also of Japan's intellectual, artistic, scientific and economic life; b) to promote cultural relationships between people in Japan and people in the United Kingdom; c) to promote learning and advance all forms of education relating to Japan; d) to promote research in any of the above; e) to publish the useful results of such research and f) the furtherance of such other exclusively charitable objects as the Trustees in their absolute discretion may determine.

The policy of the Charitable Company is to seek sufficient finance to fund its charitable activities.

Organisation

The Trustees of the Charitable Company meet to discuss overall strategy and to determine how best to direct its resources to meet its objectives. Japan House London Trust has an Executive Chairman who oversees the overall strategy and the charitable activities. The responsibilities of the Executive Chairman and the Trustees have been agreed and documented.

Appointment of Trustees

The appointment of Trustees is governed by the Articles of Association of the Charitable Company.

Trustee induction and training

New Trustees meet with the Executive Chairman and are made aware of their legal obligations under Charity Law and Company Law, the decision-making processes at the Charitable Company, its strategic aims and recent performance. On appointment the Trustees are asked to adopt the Code of Good Governance.

Trustees are involved in specific pieces of work in their areas of expertise and undertake visits to relevant events and activities organised by the Trust.

Related parties

Related parties' transactions are disclosed in the Notes 2, 4 and 5 in the Financial Statements.

Pay policy for senior staff

The Trustees comprise the key management personnel of the Trust who are in charge of directing, controlling, running and operating the Trust.

The Trustees give their time freely and received no remuneration during the period from its incorporation on 30 July 2018 to 29 June 2019. There are no staff other than the Trustees.

JAPAN HOUSE LONDON TRUST

REPORT OF THE TRUSTEES

**FOR THE PERIOD FROM ITS INCORPORATION ON 30 JULY 2018
TO 29 JUNE 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Internal Controls

The Trustees have overall responsibility for ensuring that the Trust has appropriate systems of internal controls. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charitable Company. The Trustees are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps towards the prevention and detection of fraud.

The system of internal controls is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

Governance and Risk Management

A risk assessment has been undertaken which comprises:

- an annual review of the risks the Trust may face;
- the establishment of systems and procedures to mitigate those risks; and
- the implementation of procedures designed to minimise any potential impact on the Trust should those risks materialise.

This continuing process will identify risk areas to which the Trust is vulnerable and highlight any necessary safeguards that will need to be put in place. No major risks were identified at the date of these financial statements.

In addition, the Trustees have taken due consideration of Good Governance – A Code for the Voluntary and Community Sector, ensuring that the six main principles of this Code are adhered to. These are:

- Understanding the Trustees' role.
- Doing what the organisation was set up to do.
- Working effectively.
- Control.
- Behaving with integrity.
- Openness and accessibility.

The Trustees recognise that good governance plays an essential part in securing the future of the Trust and confirm that the said main principles of this Code are followed by them in leading, directing and managing the Trust.

JAPAN HOUSE LONDON TRUST

REPORT OF THE TRUSTEES

**FOR THE PERIOD FROM ITS INCORPORATION ON 30 JULY 2018
TO 29 JUNE 2019**

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS

The objectives of the Trust are such exclusively charitable purposes as the Trustees may in their absolute discretion determine but not limited to advancing the culture of Japan for the public benefit by making grants to organisations and charitable projects.

The Trustees may use the income and the capital of the Charitable Company in promoting the objectives of the Trust.

Charitable Activities

The Trust did not carry out any charitable activity during the first period since its incorporation on 30 July 2019.

Governance costs of £175,224 were incurred during the period and are detailed in Analysis of Governance Cost (Note 3).

Fundraising

The Trustees have referred to the Code of Fundraising Practice ("the Code") which were developed during the year by the fundraising community through the work of the Institute of Fundraising and Public Fundraising Association, and the Guidance on Charities and Fundraising issued by the Charity Commission ("CC20") and the Charities (Protection and Social Investment) Act 2016 ("the Act"). They confirm that the Code, CC20 and the Act have no impact on the Charitable Company as it does not engage in any public fundraising activities.

Policy on Reserves

The policy set by the Trustees is to have sufficient reserves to meet the Charitable Company's ongoing charitable commitments.

The Trustees have examined the Trust's requirements for resources in light of the main risks to the organisation and have no outstanding commitments or cash demands that are not adequately covered by existing resources. The net assets of the Trust are regarded as free reserves and the available funds at 29 June 2019 will be spent in future periods in accordance with the Trust's charitable objects.

The balance held as unrestricted funds as at 29 June was £169,046.

Post Balance Sheet Events

On 30 June 2019 Japan House London Trust became 100% owner of Japan H. L. Limited, which is contracted by the Japanese Ministry of Foreign Affairs for the operation of the Japan House London Project.

The Covid-19 pandemic that has taken hold in the UK will undoubtedly have an effect on all UK charitable companies in a wide ranging manner, potentially affecting their operational capability, liquidity and financial position. The Trustees have considered the implications and have put in place business continuity plans that should allow the Charitable Company to continue in operation. However, it is at an early stage of this pandemic and Government policy is constantly evolving. Accordingly, the Trustees are unable to assess the full potential impact and are keeping the matter under constant review.

Plans for Future Periods

The Trustees do not propose to deviate from the current objectives and activities of the Trust but will further develop and refine their strategies, policies and procedures in future.

JAPAN HOUSE LONDON TRUST

REPORT OF THE TRUSTEES

**FOR THE PERIOD FROM ITS INCORPORATION ON 30 JULY 2018
TO 29 JUNE 2019**

STATEMENT OF PUBLIC BENEFIT

The Trustees are aware of the Charity Commission guidance on Public Benefit and confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to it. They consider the information which follows in this annual report, about the Trust's aims, activities and achievements in the areas of interest that the Trust supports, demonstrates the benefit to its beneficiaries and through them to the public, which arise from those activities.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of Japan House London Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable 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 Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Trustees 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The report of the Trustees has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

JAPAN HOUSE LONDON TRUST

REPORT OF THE TRUSTEES

**FOR THE PERIOD FROM ITS INCORPORATION ON 30 JULY 2018
TO 29 JUNE 2019**

AUDITOR

A resolution will be proposed at the next Trustees' meeting that Rawlinson & Hunter Audit LLP be re-appointed as auditor to the Charitable Company for the ensuing year.

Approved by the Trustees and signed on their behalf by


Mr Satoru Yoshida
Trustee

Date: 30 June 2020

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
JAPAN HOUSE LONDON TRUST

Opinion

We have audited the financial statements of Japan House London Trust ("the Charitable Company") for the period from its incorporation on 30 July 2018 to 29 June 2019 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 29 June 2019, and of its incoming resources and application of resources, including its income and expenditure, for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
JAPAN HOUSE LONDON TRUST**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees (incorporating the Directors' Report) and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees (incorporating the Directors' Report) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees (incorporating the Directors' Report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees (incorporating the Directors' Report).

We have nothing to report in respect of the following matters in relation to which 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
JAPAN HOUSE LONDON TRUST

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Rawlinson & Hunter Audit LLP

Kulwarn Nagra (Senior Statutory Auditor)
For and on behalf of
Rawlinson & Hunter Audit LLP
Statutory Auditor
Chartered Accountants

Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

Date: *30 June 2020*

JAPAN HOUSE LONDON TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)**

FOR THE PERIOD FROM ITS INCORPORATION ON 30 JULY 2018 TO 29 JUNE 2019

	Note	Unrestricted Funds 2019 £	TOTAL FUNDS 2019 £
Income from:			
Donations and legacies	2	344,270	344,270
Investments		-	-
Total income		<u>344,270</u>	<u>344,270</u>
Expenditure on:			
Legal and professional costs	3	175,224	175,224
Total expenditure		<u>175,224</u>	<u>175,224</u>
Net income and net movement in funds		<u>169,046</u>	<u>169,046</u>
Reconciliation of funds:			
Total funds brought forward		-	-
Total funds carried forward		<u>169,046</u>	<u>169,046</u>

The Statement of Financial Activities includes all gains and losses recognised in the period.

All income and expenditure derived from continuing activities.

The notes on pages 13 to 18 form part of these financial statements.

JAPAN HOUSE LONDON TRUST

BALANCE SHEET

Company Number 11491073

AT 29 JUNE 2019

	Note		29 June 2019 £
Fixed assets:			
Tangible assets			-
Current assets:			
Other debtors	2	89,759	
Cash at bank and in hand		<u>196,838</u>	
		286,597	
Current liabilities:			
Creditors - amounts falling due within one period	4	<u>(117,551)</u>	
		(117,551)	
Net current assets			<u>169,046</u>
Total assets less current liabilities			169,046
Total net assets			<u>169,046</u>
The funds of the Charitable Company:			
Unrestricted income fund			169,046
Total Charitable Company funds			<u>169,046</u>

The financial statements were approved by the Trustees and authorised for issue and signed on their behalf by:


 Mr Satoru Yoshida

.....
Trustee

Date: 30 June 2020

The notes on pages 13 to 18 form part of these financial statements.

JAPAN HOUSE LONDON TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM ITS INCORPORATION ON 30 JULY 2018 TO 29 JUNE 2019

1. ACCOUNTING POLICIES

General information

Japan House London Trust ("the Trust" or "Charitable Company") is a registered charity (charity number 1179626) limited by guarantee, whose principal object is to support charitable purposes in whatever manner the Trustees, in their absolute discretion, think fit. The address of the registered office is 101 – 111 Kensington High Street, London W8 4SH

The Trustees' overriding aim is: a) to advance the culture (both traditional and modern), institutions, people, history, and language of Japan, and also of Japan's intellectual, artistic, scientific and economic life; b) to promote cultural relationships between people in Japan and people in the United Kingdom; c) to promote learning and advance all forms of education relating to Japan; d) to promote research in any of the above; e) to publish the useful results of such research and f) the furtherance of such other exclusively charitable objects as the Trustees in their absolute discretion may determine.

The policy of the Charitable Company is to seek sufficient finance to continue to fund its charitable activities and ongoing commitments.

In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charitable Company (Note 8).

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") (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015. The Trust constitutes a public benefit entity as defined by Charities SORP FRS 102.

The financial statements are prepared on a going concern basis and under the historical cost convention.

The financial statements are prepared in Sterling which is the functional currency of the Charitable Company.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Income

Income is recognised once the Charitable Company has entitlement to the funds and it is probable that the funds will be received by the Charitable Company and the monetary value of incoming resources can be measured with sufficient reliability.

JAPAN HOUSE LONDON TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM ITS INCORPORATION ON 30 JULY 2018 TO 29 JUNE 2019

1. ACCOUNTING POLICIES (continued)

Income (continued)

Donated services and facilities are included at the value to the Charitable Company where this can be quantified.

Donation income is deferred when the donations are received in advance and specified by the donor as relating to specific accounting periods; or alternatively which are subject to conditions which are still to be met and which are outside the control of the Charitable Company; or when it is uncertain whether the conditions can or will be met. These are deferred to the period to which they relate and released to incoming resources in that period.

Investment income

Investment income represents interest receivable from bank deposits.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

The total expenditure of £175,224 incurred by the Trust during this period is related to Governance costs for the general running of the Trust. No other expenses have been incurred during this period.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Status of funds

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company.

JAPAN HOUSE LONDON TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM ITS INCORPORATION ON 30 JULY 2018 TO 29 JUNE 2019

1. ACCOUNTING POLICIES (continued)

Debtors and creditors receivable / payable within a year

Debtors and creditors with no stated interest rate and receivable or payable within a year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Financial instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially at transaction cost and subsequently at amortised cost.

Provisions

Provisions are recognised when the Charitable Company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Foreign currencies

Foreign currency transactions are translated into the functional currency, Sterling, using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Financial Activities.

Tax

The Charitable Company is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for the 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charitable Company to be able to continue as a going concern.

The Covid-19 pandemic has created significant operational and financial pressures on the Charitable Company. Having considered the contingency plans in place, the support to businesses announced by the UK Government where relevant and having reviewed updated cashflow forecasts, the Trustees consider the adoption of the going basis in preparing these financial statements is still appropriate.

JAPAN HOUSE LONDON TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM ITS INCORPORATION ON 30 JULY 2018 TO 29 JUNE 2019

1. ACCOUNTING POLICIES (continued)

Judgements and key sources of estimation uncertainty

In preparing financial statements, the Trustees have to make judgements on how to apply the Trust's accounting policies and make estimates about the future. No critical judgement has been made at arriving at the amounts recognised in the financial statements and no key areas of estimation uncertainty have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year.

2. INCOME

	Unrestricted Funds 2019 £	TOTAL FUNDS 2019 £
The income comprised:		
Donations	344,270	344,270
	<u>344,270</u>	<u>344,270</u>

Total unrestricted income of £344,270 was solely donated by Japan H. L. Limited which has become the Trust's 100% owned subsidiary since 1 July 2019.

Of the total donations receivable, £89,759 remained outstanding at the period end and are hence included within "Other debtors" in the balance sheet.

3. ANALYSIS OF GOVERNANCE COSTS

	Unrestricted Funds 2019 £	TOTAL FUNDS 2019 £
Audit	5,500	5,500
Legal & professional services	169,724	169,724
	<u>175,224</u>	<u>175,224</u>

JAPAN HOUSE LONDON TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM ITS INCORPORATION ON 30 JULY 2018 TO 29 JUNE 2019

4. CREDITORS - Amounts falling due within one year	2019
	£
Other creditors	22,292
Accruals and deferred income	95,259
	117,551

Other creditors relate to sponsorship money owed to Japan H. L. Limited to support the Enrichment of Exhibitions held by Japan H. L. Limited.

5. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No Trustee received any remuneration during the period ended 29 June 2019 or any other benefit.

6. POST BALANCE SHEET EVENTS

On 1 July 2019 Japan House London Trust became 100% owner of Japan H. L. Limited, which is contracted by the Japanese Ministry of Foreign Affairs for the operation of the Japan House London Project

The Covid-19 pandemic that has taken hold in the UK will undoubtedly have an effect on all UK charitable companies in a wide ranging manner, potentially affecting their operational capability, liquidity and financial position. The Trustees have considered the implications and have put in place business continuity plans that should allow the Charitable Company to continue in operation. However, it is an early stage of this pandemic and Government policy is constantly evolving. Accordingly, the Trustees are unable to assess the full potential impact and are keeping the matter under constant review.

7. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

8. LEGAL STATUS

Japan House London Trust is a Charitable Company limited by guarantee with no share capital. In the event of the Charitable Company being wound up, each of the Members (while he or she remains a Member or within one year after he or she ceases to be a Member) have agreed to pay up to £1 each towards:

- payment of those debts and liabilities of the Charitable Company incurred before he or she ceased to be a Member;
- payment of the costs, charges and expenses of winding up, and
- the adjustment of rights of contributors among themselves.

JAPAN HOUSE LONDON TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM ITS INCORPORATION ON 30 JULY 2018 TO 29 JUNE 2019

9. FINANCIAL INSTRUMENTS

The carrying amounts of the Charitable Company's financial instruments are as follows:

	2019 £
<i>Financial assets</i>	
Measured at fair value through profit and loss:	
Cash at bank	196,838

Financial assets measured at fair value through profit and loss relate to cash at bank.

Financial liabilities

Measured at amortised costs

Other creditors and accruals	117,551
------------------------------	---------

Financial liabilities measured at amortised costs include creditors and accruals.