HATTORI FOUNDATION

England & Wales · Charity number 1014709

Details

Status	Registered
Legal form	Trust
Registered	1992-10-12
Register	View on the Charity Commission register

Contact

Address	Hattori Foundation 7 Exton Street London SE1 8UE
Phone	02074276400
Website	www.hattorifoundation.org.uk

Activities

Objects: (1) THE ADVANCEMENT AND PROMOTION OF CHARITABLE OBJECTS AND PURPOSES GENERALLY (2) THE ADVANCEMENT AND PROMOTION OF EDUCATION IN PARTICULAR OF MUSIC AND MUSICAL COMPOSITION, THE MUSICAL EDUCATION, TRAINING AND ADVANCEMENT OF YOUNG PERSONS AND STUDENTS OF MUSIC; ADVANCEMENT OF EDUCATION IN AND APPRECIATION AND UNDERSTANDING OF THE VISUAL ARTS; THE EDUCATION, TRAINING AND ADVANCEMENT OF YOUNG PERSONS AND STUDENTS OF THE VISUAL ARTS.

Activities: During the year the Foundation conducted auditions and made awards to young musicians to assist with projects they had submitted to the trustees.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, Other Defined Groups

Geography

- Throughout England And Wales

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Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£239,715	£207,517	-	-
2023-08-31	£196,917	£227,772	-	-
2022-08-31	£184,366	£188,298	-	-
2021-08-31	£164,531	£148,753	-	-
2020-08-31	£184,701	£195,795	-	-

Trustees

Name	Role	Appointed
HATTORI TRUST COMPANY LIMITED		
MARY CATRIONA SYED		2022-10-05

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HATTORI FOUNDATION

England & Wales - Charity number 1014709

Accounts

THE HATTORI FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2024

THE HATTORI FOUNDATION

REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2024

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THE HATTORI FOUNDATION

CHARITY INFORMATION

Charity Name	The Hattori Foundation
Charity No	1014709
Principal Address	7 Exton Street London SE1 8UE
Governing Instrument	Trust Deed dated 5 October 1992
Trustee	Hattori Trust Company Limited (Company number 2749030)
Directors of the Trustee Company (Also referred to as 'Trustees')	Andrew Marriner (Chairman) Joji Hattori Piers Lane AM Lady Gomersall Paul Watkins David Whelton OBE Raphael Wallfisch Krzysztof Chorzelski Catriona Syed
Honorary Patrons	Mrs Toyoko Hattori
Music Advisor	Gordon Back
Administrator	Thomas Gant (appointed 20 February 2024, resigned 10 January 2025) Hannah Burchett (appointed 21 January 2025)
General Manager	Glenn Kesby
Solicitors	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD
Independent Examiner	Ross Stokes FCA The Accounting Collective LLP Studio 8, 229 Shoreditch High Street London E1 6PJ
Investment Managers	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Investment Powers	Wide discretionary powers

THE HATTORI FOUNDATION

REPORT OF THE TRUSTEE

The Trustee presents its annual report and financial statements of the Settlement for the year ended 31 August 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 the Statement of Recommended Practice (second edition) and Accounting Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE, MANAGEMENT AND RISK MANAGEMENT

The Foundation is constituted under a Trust Deed dated 5 October 1992.

Individual Directors of the Trustee Company are invited to propose names of suitable potential Directors for approval by the Board. Any approved individual would be approached informally and if interested, formally invited to join the Board by the Chairman.

The Trustee has considered the question of risk generally and believes that the major risk to the assets of the Foundation (and to its activities in general) to be fluctuations in the stock market. The Trustee has sought to mitigate this risk by engaging the services of a well-respected firm of investment managers and by keeping the performance of that firm under review.

OBJECTIVES AND ACTIVITIES

The Foundation is established for:

1) The advancement and promotion of charitable objectives generally;
2) The advancement and promotion in particular of music and musical composition, the musical education, training and advancement of young people and students of music; the advancement of education in and appreciation and understanding of the visual arts; the education, training and advancement of young persons and students of the visual arts.

During the year, the Foundation conducted auditions and made awards to young musicians to assist with projects which they had submitted to the trustees, as indicated below.

Since 2015, The Hattori Foundation has run the building known as 1901 Arts Club, offering subsidised spaces for performances, rehearsals, meetings and events to other charities and emerging artists.

Grants are made at the discretion of the Trustee and usually follow an audition. Details of grants made during the year are set out below.

ACHIEVEMENTS AND PERFORMANCE

During the year the Foundation received 24 Junior applications. Awards ranging between £500 and £1,000 were made to eleven applicants totaling £7,500.

75 Senior applications were received from which 17 were invited to audition. Senior Awards of between £4,000 and £7,000 were made to five applicants including one ensemble, totaling £26,000. In addition to the Senior Awards, a further nine finalists were paid assistance grants of between £1,000 and £4,000 each, totalling £21,000. One special project was awarded a grants of £2,000. No Concerto Debut prize was awarded this year.

THE HATTORI FOUNDATION

REPORT OF THE TRUSTEE

FINANCIAL REVIEW

Reserves policy

The balance of unrestricted funds is represented by (a) sums invested with Cazenove Capital Management Limited classified on the balance sheet as fixed asset investments and (b) current assets which the Trustee regards as free reserves. The Trustee expects grant commitments to be funded as they fall due from future income; failing this, the Foundation has recourse to sums invested.

INVESTMENT POLICY AND PERFORMANCE

The Trustee's investment policy is to preserve capital in line with inflation as a minimum and to maintain a sustained annual income above £80,000 per annum to enable the Foundation to continue its annual grant giving in music. During the year investment income has shown a increase of £12,769 (2023 – increase of £9,157). Net realised and unrealised gains on investments amounted to £384,902 (2023 – losses of £35,118).

PUBLIC BENEFIT

The Trustee has had regard to the guidance issued by the Charity Commission concerning public benefit. The Trustee is satisfied that the information given in this report, particularly regarding the activities undertaken and the achievements during the year, when read in conjunction with the objectives of the Foundation, demonstrates that the requirement to identify public benefit have been met.

PLANS FOR FUTURE

The Foundation will continue making awards to young musicians, ensembles and organisations and to provide extra support with performing opportunities at its premises, the licensed venue known as 1901 Arts Club.

STATEMENT OF TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Report of the Trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements,

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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;
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the charity will continue in business.

THE HATTORI FOUNDATION

REPORT OF THE TRUSTEE

STATEMENT OF TRUSTEE RESPONSIBILITIES (continued)

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at the time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's Trust Deed. The Trustee is 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.

Approved on behalf of the Trustee on 7 June 2025 and signed on its behalf

Andrew Marriner

Chairman

THE HATTORI FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF THE HATTORI FOUNDATION

I report to the Trustee on my examination of the financial statements of The Hattori Foundation ('the charity') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's Trustee, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's Trustee those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustee of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an

THE HATTORI FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF THE HATTORI FOUNDATION
(continued)

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Ross Stokes, FCA

The Accounting Collective LLP
Chartered Accountants,
Studio 8, 229 Shoreditch High Street,
London,
E1 6PJ.

7 June 2025

THE HATTORI FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024	2023
INCOME AND EXPENDITURE			
Investment income			
Dividends and related income	1	117,137	104,368
Deposit interest		1,238	3,054
		118,375	107,422
Resources expended			
Investment management fees		13,656	13,813
Charitable activities			
Grants	1&2	58,250	53,050
Consultancy		10,000	10,000
Auditions		267	246
		68,517	63,296
Net incoming resources from investment and grants		36,202	30,313
Turnover			
Event income		86,940	84,695
Other income		4,400	4,800
Donations received		30,000	-
		121,340	89,495
Less: cost of goods sold			
Bar consumables		8,788	9,686
Catering		4,412	6,456
Agency Staff		7,321	7,205
Artists and performances		6,034	5,458
		26,555	28,805
Gross profit – carried forward		94,785	60,690

The accompanying notes form an integral part of these financial statements

THE HATTORI FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2024

(continued)

	Note	2024	2023
Gross profit – brought forward		94,785	60,690
Total gross income		130,987	91,003
Overhead expenditure	3	180,962	121,858
		(49,975)	(30,855)
Other recognised gains and losses			
Unrealised (losses)/gains on investment assets	5	393,550	(53,995)
Realised gains/(losses) on investment assets	5	(8,648)	18,877
		384,902	(35,118)
Net income for the year		334,927	(65,973)
Fund balances brought forward – unrestricted funds		3,317,681	3,383,654
		£ 3,652,608	£ 3,317,681

All amounts relate to continuing activities.

All recognised surpluses and deficits are included in the statement of financial activities which shows the total net movement in funds for the year.

THE HATTORI FOUNDATION

BALANCE SHEET - 31ST AUGUST, 2024

	Note	2024		2023	
FIXED ASSETS					
Tangible assets	4		1,908		2,553
Investments	5		3,636,213		3,252,695
			3,638,121		3,255,248
CURRENT ASSETS					
Debtors and prepayments	6	(890)		7,570	
Cash held by investment managers on income account		66,169		98,241	
		65,279		105,811	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Creditors	7	7,074		6,378	
Provision for grants not yet paid	2	43,718		37,000	
		50,792		43,378	
NET CURRENT ASSETS			14,487		62,433
NET ASSETS			£ 3,652,608		£ 3,317,681
REPRESENTED BY					
Unrestricted funds			£ 3,652,608		£ 3,317,681
Restricted funds			£ -		£ -

Approved by the Trustee of The Hattori Foundation and signed on its behalf on 7 June 2025.

Andrew Marriner - Chairman

The accompanying notes form an integral part of these financial statements

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024

1. ACCOUNTING POLICIES

a. Basis of preparation of accounts

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2021, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102.

The Trustee considers that there are no material uncertainties about the Trust's ability to continue as a going

b. Income recognition

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised once received or once the Trustee considers that receipt is highly probable. In the event that a donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period.

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

c. Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attached to that grant is outside of the control of the Trust.

d. Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024

1. **ACCOUNTING POLICIES** (continued)

e. **Governance costs**

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs related to the independent examiner's fee together with other overhead costs. Details of these costs are set out in note 3 to the financial statements.

f. **Charitable activities**

Costs of charitable activities include prize awards and grants made.

g. **Tangible fixed assets and depreciation**

Tangible fixed assets consist of fixtures, fittings and equipment. Depreciation at a rate of 25% per annum has been charged to write down the value of these assets to their carrying values.

h. **Financial instruments**

The Trust has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities in 'administrative expenses'.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

i. **Fund structure**

The Trust has a single permanent fund. The terms of the trust deed allow the income to be accumulated and the capital to be spent if the Trustees so determine.
Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, wish to create a fund for a specific purpose.

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024

1. **ACCOUNTING POLICIES** (continued)

j. **Investments**

Investments are stated at market value at the balance sheet date, which gives rise to unrealised gains and losses which are included in the Statement of Financial Activities. Realised gains and losses arising on the disposal of investments during the year are separately disclosed in the Statement of Financial Activities.

2. **GRANTS PAYABLE**

	2024	2023
Grants payable brought forward	(37,000)	(26,000)
Net payments during year	52,250	42,050
	15,250	16,050
Grants payable carried forward	43,000	37,000
	£ 58,250	£ 53,050

3. **OVERHEAD EXPENDITURE**

	2024	2023
Rent, rates and services	9,313	3,900
Printing, postage and stationery	541	360
Telephone and communications	2,803	2,682
Computer expenses	1,671	1,912
Photocopier expenses	2,794	3,202
Repairs, security and cleaning	85,345	42,384
Advertising and promotion	1,964	1,316
Legal and professional fees	4,907	6,284
Independent examination	1,550	1,350
Accountancy	1,550	1,350
Bank charges	481	374
Travel and transport expenses	89	363
Sundry expenses	3	138
Wages and salaries	52,590	41,446
Social security costs	-	-
Pension contributions	13,933	13,178
Depreciation	1,428	1,619
	£ 180,962	£ 121,858

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024

4. TANGIBLE ASSETS

	Fixtures, fittings and equipment
Cost	
At 31 August 2023	6,486
Additions	786
Disposals	(1,567)
At 31 August 2024	5,705
Depreciation	
At 31 August 2023	3,933
Charge for the year	1,428
On disposals	(1,564)
At 31 August 2024	3,797
Carrying values	
At 31 August 2024	£ 1,908
At 31 August 2023	£ 2,553

5. INVESTMENTS

	2024	2023
Market value at 1 September 2023 (excluding cash)	3,252,695	3,297,202
Additions	(91,231)	(81,743)
Disposals	81,199	91,231
Unrealised gain arising on revaluations in the year	393,550	(53,995)
Market value at 31 August 2024 (excluding cash)	£ 3,636,213	£ 3,252,695
Historic cost	£ 2,475,651	£ 2,485,683

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024

6. DEBTORS

	2024	2023
Trade debtors	4,454	5,171
Prepayments and accrued income	-	-
Sundry debtors	(5,344)	2,399
	£ (890)	£ 7,570

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
Trade creditors	3,002	2,649
Other taxation	847	704
Accruals	3,225	3,025
	£ 7,074	£ 6,378

8. REMUNERATION AND EXPENSES PAYABLE TO DIRECTORS OF THE TRUSTEE COMPANY

The Trustee received no remuneration during the year (2023 - nil). No expenses were reimbursed to the Trustee during the year (2023 - nil).

9. FEES PAID TO THE INDEPENDENT EXAMINER

	2024	2023
Accountancy	£ 1,550	£ 1,350
Other fees	£ 500	£ 825
Independent examination	£ 1,550	£ 1,350

10. STAFF

	2024	20233
The average number of staff during the year	3	3

There were no employees with emoluments in excess of £60,000 during the year (2023 nil).

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024

11. **LEASE COMMITMENTS**

The Foundation's commitments for rental payments under operating leases during the year to 31 August 2024 are as follows:

		2024		**2023**
Photocopier rental	£	2,794	£	3,202

12. **RELATED PARTY TRANSACTIONS**

During the year Joji Hattori, a Director of the Trustee Company, donated £30,000 (2023 - £4,179) to cover expenses.`

HATTORI FOUNDATION

England & Wales - Charity number 1014709

Accounts

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THE HATTORI FOUNDATION

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THE HATTORI FOUNDATION

REPORT AND FINANCIAL STATEMENTS

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THE HATTORI FOUNDATION

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Administrator	Esme Lees (resigned September 2022) Thomas Gant (appointed 20 February 2024)
General Manager	Glenn Kesby
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Independent Examiner	Ollie Warne FCA Cottons Group Studio 4, 224 Shoreditch High Street London E1 6PJ
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Grants are made at the discretion of the Trustee and usually follow an audition. Details of grants made during the year are set out below.

ACHIEVEMENTS AND PERFORMANCE

During the year the Foundation received 20 Junior applications. Awards ranging between £500 and £1,000 were made to eight applicants totaling £5,500.

79 Senior applications were received from which 18 were invited to audition. Senior Awards of between £2,000 and £7,000 were made to eight applicants totaling £37,000. In addition to the Senior Awards, a further eight finalists were paid assistance grants of between £1,000 and £3,000 each, totalling £13,500. One special project was awarded a grants of £2,000. No Concerto Debut prize was awarded this year.

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THE HATTORI FOUNDATION

REPORT OF THE TRUSTEE

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PUBLIC BENEFIT

The Trustee has had regard to the guidance issued by the Charity Commission concerning public benefit. The Trustee is satisfied that the information given in this report, particularly regarding the activities undertaken and the achievements during the year, when read in conjunction with the objectives of the Foundation, demonstrates that the requirement to identify public benefit have been met.

PLANS FOR FUTURE

The Foundation will continue making awards to young musicians, ensembles and organisations and to provide extra support with performing opportunities at its premises, the licensed venue known as 1901 Arts Club.

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THE HATTORI FOUNDATION

REPORT OF THE TRUSTEE

STATEMENT OF TRUSTEE RESPONSIBILITIES (continued)

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at the time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's Trust Deed. The Trustee is 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.

Approved on behalf of the Trustee on 9 May 2024 and signed on its behalf

Andrew Marriner

Chairman

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THE HATTORI FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF THE HATTORI FOUNDATION

I report to the Trustee on my examination of the financial statements of The Hattori Foundation ('the charity') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's Trustee, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's Trustee those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustee of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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THE HATTORI FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF THE HATTORI FOUNDATION
(continued)

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Ollie Warne, FCA

Cottons Group,
Chartered Accountants,
Studio 4, 224 Shoreditch High Street,
London,
E1 6PJ.

9 May 2024

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THE HATTORI FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023	2022
INCOME AND EXPENDITURE			
Investment income			
Dividends and related income	1	104,368	98,004
Deposit interest		3,054	261
		107,422	98,265
Resources expended			
Investment management fees		13,813	13,559
Charitable activities			
Grants	1&2	53,050	54,450
Consultancy		10,000	10,000
Auditions		246	478
		63,296	64,928
Net incoming resources from investment and grants		30,313	19,778
Turnover			
Event income		84,695	75,378
Other income		4,800	4,800
Government grants received		-	5,923
		89,495	86,101
Less: cost of goods sold			
Bar consumables		9,686	9,051
Catering		6,456	4,543
Agency Staff		7,205	6,720
Artists and performances		5,458	6,022
		28,805	26,336
Gross profit – carried forward		60,690	59,765

The accompanying notes form an integral part of these financial statements

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THE HATTORI FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023

(continued)

	Note	2023	2022
Gross profit – brought forward		60,690	59,765
Total gross income		91,003	79,543
Overhead expenditure	3	121,858	83,475
		(30,855)	(3,932)
Other recognised gains and losses			
Unrealised (losses)/gains on investment assets	5	(53,995)	68,513
Realised gains/(losses) on investment assets	5	18,877	(7,805)
		(35,118)	60,708
Net income for the year		(65,973)	56,776
Fund balances brought forward – unrestricted funds		3,383,654	3,326,878
		£ 3,317,681	£ 3,383,654

All amounts relate to continuing activities.

All recognised surpluses and deficits are included in the statement of financial activities which shows the total net movement in funds for the year.

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THE HATTORI FOUNDATION

BALANCE SHEET - 31ST AUGUST, 2023

	Note	2023		2022	
FIXED ASSETS					
Tangible assets	4		2,553		3,796
Investments	5		3,252,695		3,297,202
			3,255,248		3,300,998
CURRENT ASSETS					
Debtors and prepayments	6	7,570		3,516	
Cash held by investment managers on income account		98,241		116,219	
		105,811		119,735	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Creditors	7	6,378		11,079	
Provision for grants not yet paid	2	37,000		26,000	
		43,378		37,079	
NET CURRENT ASSETS			62,433		82,656
NET ASSETS			£ 3,317,681		£ 3,383,654
REPRESENTED BY					
Unrestricted funds			£ 3,317,681		£ 3,383,654
Restricted funds			£ -		£ -

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d on its behalf on 9

Andrew Marriner - Chairman

The accompanying notes form an integral part of these financial statements

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THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2023

1. ACCOUNTING POLICIES

a. Basis of preparation of accounts

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2021, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102.

The Trustee considers that there are no material uncertainties about the Trust's ability to continue as a going concern.

b. Income recognition

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised once received or once the Trustee considers that receipt is highly probable. In the event that a donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period.

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

c. Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attached to that grant is outside of the control of the Trust.

d. Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

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THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2023

1. **ACCOUNTING POLICIES** (continued)

e. **Governance costs**

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs related to the independent examiner's fee together with other overhead costs. Details of these costs are set out in note 3 to the financial statements.

f. **Charitable activities**

Costs of charitable activities include prize awards and grants made.

g. **Tangible fixed assets and depreciation**

Tangible fixed assets consist of fixtures, fittings and equipment. Depreciation at a rate of 25% per annum has been charged to write down the value of these assets to their carrying values.

h. **Financial instruments**

The Trust has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities in 'administrative expenses'.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

i. **Fund structure**

The Trust has a single permanent fund. The terms of the trust deed allow the income to be accumulated and the capital to be spent if the Trustees so determine.

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, wish to create a fund for a specific purpose.

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THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2023

1. **ACCOUNTING POLICIES** (continued)

j. **Investments**

Investments are stated at market value at the balance sheet date, which gives rise to unrealised gains and losses which are included in the Statement of Financial Activities. Realised gains and losses arising on the disposal of investments during the year are separately disclosed in the Statement of Financial Activities.

2. **GRANTS PAYABLE**

	2023	2022
Grants payable brought forward	(26,000)	(40,798)
Net payments during year	42,050	69,248
	16,050	28,450
Grants payable carried forward	37,000	26,000
	£ 53,050	£ 54,450

3. **OVERHEAD EXPENDITURE**

	2023	2022
Rent, rates and services	3,900	9,079
Printing, postage and stationery	360	370
Telephone and communications	2,682	1,551
Computer expenses	1,912	1,672
Photocopier expenses	3,202	1,739
Repairs, security and cleaning	42,384	7,279
Advertising and promotion	1,316	1,416
Legal and professional fees	6,284	3,092
Independent examination	1,350	1,350
Accountancy	1,350	1,650
Bank charges	374	735
Travel and transport expenses	363	54
Sundry expenses	138	1
Wages and salaries	41,446	39,339
Social security costs	-	-
Pension contributions	13,178	12,619
Depreciation	1,619	1,529
	£ 121,858	£ 83,475

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THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2023

4. TANGIBLE ASSETS

	Fixtures, fittings and equipment
Cost	
At 31 August 2022	6,110
Additions	376
Disposals	-
At 31 August 2023	6,486
Depreciation	
At 31 August 2022	2,314
Charge for the year	1,619
On disposals	-
At 31 August 2023	3,933
Carrying values	
At 31 August 2023	£ 2,553
At 31 August 2022	£ 3,796

5. INVESTMENTS

	2023	2022
Market value at 1 September 2022 (excluding cash)	3,297,202	3,237,848
Additions	(81,743)	68,641
Disposals	91,231	(69,995)
Unrealised gain arising on revaluations in the year	(53,995)	60,708
Market value at 31 August 2023 (excluding cash)	£ 3,252,695	£ 3,297,202
Historic cost	£ 2,485,683	£ 2,394,451

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THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2023

6. DEBTORS

	2023	2022
Trade debtors	5,171	2,067
Prepayments and accrued income	-	1,449
Sundry debtors	2,399	-
	£ 7,570	£ 3,516

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
Trade creditors	2,649	2,490
Other taxation	704	5,889
Accruals	3,025	2,700
	£ 6,378	£ 11,079

8. REMUNERATION AND EXPENSES PAYABLE TO DIRECTORS OF THE TRUSTEE COMPANY

The Trustee received no remuneration during the year (2022 - nil). No expenses were reimbursed to the Trustee during the year (2022 - nil).

9. FEES PAID TO THE INDEPENDENT EXAMINER

	2023	2022
Accountancy	£ 1,350	£ 1,350
Other fees	£ 825	£ 300
Independent examination	£ 1,350	£ 1,350

10. STAFF

	2023	2022
The average number of staff during the year	3	3

There were no employees with emoluments in excess of £60,000 during the year (2022 nil).

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11. LEASE COMMITMENTS

The Foundation's commitments for rental payments under operating leases during the year to 31 August 2023 are as follows:

		2023		2022
Photocopier rental	£	3,202	£	1,739

12. RELATED PARTY TRANSACTIONS

During the year Joji Hattori, a Director of the Trustee Company, donated £4,179 (2022 - nil) to cover expenses.

HATTORI FOUNDATION

England & Wales - Charity number 1014709

Accounts

THE HATTORI FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2022

THE HATTORI FOUNDATION

REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2022

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THE HATTORI FOUNDATION

CHARITY INFORMATION

Charity Name	The Hattori Foundation
Charity No	1014709
Principal Address	7 Exton Street London SE1 8UE
Governing Instrument	Trust Deed dated 5 October 1992
Trustee	Hattori Trust Company Limited (Company number 2749030)
Directors of the Trustee Company (Also referred to as 'Trustees')	Andrew Marriner (Chairman) Joji Hattori John V Hughes (resigned 3 October 2022) Piers Lane AM Lady Gomersall Paul Watkins Dame Imogen Cooper David Whelton OBE Raphael Wallfisch Krzysztof Chorzelski Catriona Syed (appointed 3 October 2022)
Honorary Patrons	Mrs Toyoko Hattori
Music Advisor	Gordon Back
Administrator	Vacant
General Manager	Glenn Kesby
Solicitors	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD
Independent Examiner	Oliver Warne ACA Cottons Group 231 Shoreditch High Street London E1 6PJ
Investment Managers	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Investment Powers	Wide discretionary powers

THE HATTORI FOUNDATION

REPORT OF THE TRUSTEE

The Trustee presents its annual report and financial statements of the Settlement for the year ended 31 August 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 the Statement of Recommended Practice (second edition) and Accounting Financial Reporting Standard applicable in the UK

STRUCTURE, GOVERNANCE, MANAGEMENT AND RISK MANAGEMENT

The foundation is constituted under a Trust Deed dated 5 October 1992.

Individual Directors of the Trustee Company are invited to propose names of suitable potential Directors for approval by the Board. Any approved individual would be approached informally and if interested, formally invited to join the Board by the Chairman.

The Trustee has considered the question of risk generally and believes that the major risk to the assets of the Foundation (and to its activities in general) to be fluctuations in the stock market. The Trustee has sought to mitigate this risk by engaging the services of a well-respected firm of investment managers and by keeping the performance of that firm under review.

OBJECTIVES AND ACTIVITIES

The Foundation is established for:

1) The advancement and promotion of charitable objectives generally;
2) The advancement and promotion in particular of music and musical composition, the musical education, training and advancement of young people and students of music; the advancement of education in and appreciation and understanding of the visual arts; the education, training and advancement of young persons and students of the visual arts.

During the year, the Foundation conducted auditions and made awards to young musicians to assist with projects which they had submitted to the trustees, as indicated below.

Since 2015, The Hattori Foundation has run the building known as 1901 Arts Club, offering subsidised spaces for performances, rehearsals, meetings and events to other charities and emerging artists.

Grants are made at the discretion of the Trustee and usually follow an audition. Details of grants made during the year are set out below.

ACHIEVEMENTS AND PERFORMANCE

During the year the Foundation received 11 Junior applications. Awards ranging between £500 and £1,000 were made to 6 applicants totalling £4,500.

76 Senior applications were received from which ten were invited to audition. Senior Awards of between £3,000 and £7,200 were made to seven applicants totalling £35,200. In addition to the Senior Awards, a further two finalists were paid assistance grants of £3,000 each totalling £6,000. One special project was awarded a grant of £1,000. No Concerto Debut prize was awarded this year.

THE HATTORI FOUNDATION

REPORT OF THE TRUSTEE

FINANCIAL REVIEW

Reserves policy

The balance of unrestricted funds is represented by (a) sums invested with Cazenove Capital Management Limited classified on the balance sheet as fixed asset investments and (b) current assets which the Trustee regards as free reserves. The Trustee expects grant commitments to be funded as they fall due from future income; failing this, the Foundation has recourse to sums invested.

INVESTMENT POLICY AND PERFORMANCE

The Trustee's investment policy is to preserve capital in line with inflation as a minimum and to maintain a sustained annual income above £80,000 per annum to enable the Foundation to continue its annual grant giving in music. During the year investment income has shown a increase of £4,435 (2021 – decrease of £15,298). Net realised and unrealised losses on investments mounted to £60,708 (2021 – gains of £479,419).

PUBLIC BENEFIT

The Trustee has had regard to the guidance issued by the Charity Commission concerning public benefit. The Trustee is satisfied that the information given in this report, particularly regarding the activities undertaken and the achievements during the year, when read in conjunction with the objectives of the Foundation, demonstrates that the requirement to identify public benefit have been met.

PLANS FOR FUTURE

The Foundation will continue making awards to young musicians, ensembles and organisations and to provide extra support with performing opportunities at its premises, the licensed venue known as 1901 Arts Club.

STATEMENT OF TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Report of the Trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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;
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the charity will continue in business.

THE HATTORI FOUNDATION

REPORT OF THE TRUSTEE

STATEMENT OF TRUSTEE RESPONSIBILITIES (continued)

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at the time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's Trust Deed. The Trustee is 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.

Approved on behalf of the Trustee on 28 March 2023 and signed on its behalf

Andrew Marriner

Chairman

THE HATTORI FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF THE HATTORI FOUNDATION

I report to the Trustee on my examination of the financial statements of The Hattori Foundation ('the charity') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's Trustee, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's Trustee those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustee of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or

- the financial statements do not accord with those records; or

- the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an

THE HATTORI FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF THE HATTORI FOUNDATION
(continued)

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Oliver Warne, ACA

Cottons Group,
Chartered Accountants,
231 Shoreditch High Street,
London,
E1 6PJ.

28 March 2023

THE HATTORI FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022	2021
INCOME AND EXPENDITURE			
Investment income			
Dividends and related income	1	98,004	93,830
Deposit interest		261	-
		98,265	93,830
Resources expended			
Investment management fees		13,559	4,271
Charitable activities			
Grants	1&2	54,450	50,471
Consultancy		10,000	10,000
Auditions		478	1,069
		64,928	61,540
Net incoming resources from investment and grants		19,778	28,019
Turnover			
Event income		75,378	21,907
Other income		4,800	6,461
Donations received		-	190
Government grants received		5,923	42,143
		86,101	70,701
Less: cost of goods sold			
Bar consumables		9,051	593
Catering		4,543	81
Agency Staff		6,720	318
Artists and performances		6,022	781
		26,336	1,773
Gross profit – carried forward		59,765	68,928

The accompanying notes form an integral part of these financial statements

THE HATTORI FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

(continued)

	Note	2022	2021
Gross profit – brought forward		59,765	68,928
Total gross income		79,543	96,947
Overhead expenditure	3	83,475	81,169
		(3,932)	15,778
Other recognised gains and losses			
Unrealised gains on investment assets	5	68,513	294,280
Realised (losses)/gains on investment assets	5	(7,805)	185,139
		60,708	479,419
Net income for the year		56,776	495,197
Fund balances brought forward – unrestricted funds		3,326,878	2,831,681
		£3,383,654	£3,326,878

All amounts relate to continuing activities.

All recognised surpluses and deficits are included in the statement of financial activities which shows the total net movement in funds for the year.

The accompanying notes form an integral part of these financial statements

THE HATTORI FOUNDATION

BALANCE SHEET - 31ST AUGUST, 2022

	Note	2022		2021	
FIXED ASSETS					
Tangible assets	4		3,796		783
Investments	5		3,297,202		3,237,848
			3,300,998		3,238,631
CURRENT ASSETS					
Debtors and prepayments	6	3,516		3,587	
Cash held by investment managers on account		98,212		121,313	
Cash at bank and in hand		18,007		12,740	
		119,735		137,640	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Creditors	7	11,079		8,595	
Provision for grants not yet paid	2	26,000		40,798	
		37,079		49,393	
NET CURRENT ASSETS			82,656		88,247
NET ASSETS			£3,383,654		£3,326,878
REPRESENTED BY					
Unrestricted funds			£3,383,654		£3,326,878

Approved by the Trustee of The Hattori Foundation and signed on its behalf on 28 March 2023.

Andrew Marriner - Chairman

The accompanying notes form an integral part of these financial statements

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2022

1. ACCOUNTING POLICIES

a. Basis of preparation of accounts

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2021, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102.

The Trustee considers that there are no material uncertainties about the Trust's ability to continue as a going concern.

b. Income recognition

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised once received or once the Trustee considers that receipt is highly probable. In the event that a donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period.

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

c. Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attached to that grant is outside of the control of the Trust.

d. Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1. **ACCOUNTING POLICIES** (continued)

e. **Governance costs**

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs related to the independent examiner's fee together with other overhead costs. Details of these costs are set out in note 3 to the financial statements.

f. **Charitable activities**

Costs of charitable activities include prize awards and grants made.

g. **Tangible fixed assets and depreciation**

Tangible fixed assets consist of fixtures, fittings and equipment. Depreciation at a rate of 25% per annum has been charged to write down the value of these assets to their carrying values.

h. **Financial instruments**

The Trust has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities in 'administrative expenses'.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

i. **Fund structure**

The Trust has a single permanent fund. The terms of the trust deed allow the income to be accumulated and the capital to be spent if the Trustees so determine.

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, wish to create a fund for a specific purpose.

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2022

1. **ACCOUNTING POLICIES** (continued)

j. **Investments**

Investments are stated at market value at the balance sheet date, which gives rise to unrealised gains and losses which are included in the Statement of Financial Activities. Realised gains and losses arising on the disposal of investments during the year are separately disclosed in the Statement of Financial Activities.

2. **GRANTS PAYABLE**

	2022	2021
Grants payable brought forward	(40,798)	(45,000)
Net payments during year	69,248	54,673
	28,450	9,673
Grants payable carried forward	26,000	40,798
	£ 54,450	£ 50,471

3. **OVERHEAD EXPENDITURE**

	2022	2021
Rent, rates and services	9,079	5,087
Printing, postage and stationery	370	68
Telephone and communications	1,551	3,524
Computer expenses	1,672	2,526
Photocopier expenses	1,739	1,937
Repairs, security and cleaning	7,279	6,695
Advertising and promotion	1,416	347
Legal and professional fees	3,092	3,330
Independent examination	1,350	1,350
Accountancy	1,650	1,850
Bank charges	735	379
Travel and transport expenses	54	54
Sundry expenses	1	2
Wages and salaries	39,339	38,327
Social security costs	-	2,410
Pension contributions	12,619	12,891
Depreciation	1,529	392
	£ 83,475	£ 81,169

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2022

4. TANGIBLE ASSETS

	Fixtures, fittings and equipment
Cost	
At 31 August 2021	4,823
Additions	4,543
Disposals	(3,256)
At 31 August 2022	6,110
Depreciation	
At 31 August 2021	4,040
Charge for the year	1,529
On disposals	(3,255)
At 31 August 2022	2,314
Carrying values	
At 31 August 2022	£ 3,796
At 31 August 2021	£ 783

5. INVESTMENTS

	2022	2021
Market value at 1 September 2021 (excluding cash)	3,237,848	2,764,029
Additions	68,641	628,021
Disposals	(69,995)	(448,482)
Unrealised gain arising on revaluations in the year	60,708	294,280
Market value at 31 August 2022 (excluding cash)	£3,297,202	£3,237,848
Historic cost at 31 August 2022 and 2021	£2,394,451	£2,935,806

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2022

6. DEBTORS

	2022	2021
Trade debtors	2,067	2,057
Prepayments and accrued income	1,449	-
Sundry debtors	-	1,530
	£ 3,516	£ 3,587

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
Trade creditors	2,490	2,683
Other taxation	5,889	2,662
Accruals	2,700	3,250
	£ 11,079	£ 8,595

8. REMUNERATION AND EXPENSES PAYABLE TO DIRECTORS OF THE TRUSTEE COMPANY

The Trustee received no remuneration during the year (2021 - nil). No expenses were reimbursed to the Trustee during the year (2021 - nil).

9. FEES PAID TO THE INDEPENDENT EXAMINER

	2022	2021
Accountancy	£ 1,650	£ 1,850
Independent examination	£ 1,350	£ 1,350

10. STAFF

	2022	2021
The average number of staff during the year	3	3

There were no employees with emoluments in excess of £60,000 during the year (2021 nil).

11. LEASE COMMITMENTS

The Foundation's commitments for rental payments under operating leases during the year to 31 August 2022 are as follows:

	2022	2021
Photocopier rental	£ 1,739	£ 1,937

12. RELATED PARTY TRANSACTIONS

During the year Joji Hattori, a Director of the Trustee Company, donated nil (2021 - £4,707) as part of the agreement for the Foundation to take over the running of 1901 Arts Club.

HATTORI FOUNDATION

England & Wales - Charity number 1014709

Accounts

THE HATTORI FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2021

THE HATTORI FOUNDATION

REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2021

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THE HATTORI FOUNDATION

CHARITY INFORMATION

Charity Name	The Hattori Foundation
Charity No	1014709
Principal Address	7 Exton Street London SE1 8UE
Governing Instrument	Trust Deed dated 5 October 1982
Trustee	Hattori Trust Company Limited (Company number 2749030)
Directors of the Trustee Company (Also referred to as 'Trustees')	Andrew Marriner (Chairman) Joji Hattori John V Hughes Piers Lane AM Lady Gomersall Paul Watkins Dame Imogen Cooper CBE David Whelton OBE Krzysztof Chorzelski Richard Morrison (resigned 31 August 2021) Raphael Wallfisch
Honorary Patrons	Mrs Toyoko Hattori
Music Advisor	Gordon Back
Administrator	Esme Lees (appointed 18 September 2019, resigned 30 September 2020)
General Manager	Glenn Kesby
Solicitors	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD
Independent Examiner	Phillip Roberts FCA Roberts & Co Chartered Accountants 136 Kensington Church Street London W8 4BH
Bankers	Lloyds Bank PLC 3 St George's Street Wimbledon London SW19 9DR
Investment Managers	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Investment Powers	Wide discretionary powers

THE HATTORI FOUNDATION

REPORT OF THE TRUSTEE

The Trustee presents its annual report and financial statements of the Settlement for the year ended 31 August 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 the Statement of Recommended Practice (second edition) and Accounting Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE, MANAGEMENT AND RISK MANAGEMENT

The foundation is constituted under a Trust Deed dated 5 October 1992.

Individual Directors of the Trustee Company are invited to propose names of suitable potential Directors for approval by the Board. Any approved individual would be approached informally and if interested, formally invited to join the Board by the Chairman.

The Trustee has considered the question of risk generally and believes that the major risk to the assets of the Foundation (and to its activities in general) to be fluctuations in the stock market. The Trustee has sought to mitigate this risk by engaging the services of a well-respected firm of investment managers and by keeping the performance of that firm under review.

OBJECTIVES AND ACTIVITIES

The Foundation is established for:

1) The advancement and promotion of charitable objectives generally;
2) The advancement and promotion in particular of music and musical composition, the musical education, training and advancement of young people and students of music; the advancement of education in and appreciation and understanding of the visual arts; the education, training and advancement of young persons and students of the visual arts.

During the year, the Foundation conducted auditions and made awards to young musicians to assist with projects which they had submitted to the trustees, as indicated below.

Since 2015, The Hattori Foundation has run the building known as 1901 Arts Club, offering subsidised spaces for performances, rehearsals, meetings and events to other charities and emerging artists.

Grants are made at the discretion of the Trustee and usually follow an audition. Details of grants made during the year are set out below.

ACHIEVEMENTS AND PERFORMANCE

During the year the Foundation received eleven Junior applications. Awards ranging between £500 and £1,000 were made to six applicants totalling £4,500.

Seventy-six Senior applications were received from which ten were invited to audition. Senior Awards of between £3,000 and £7,200 were made to seven applicants totalling £35,200.

In addition to the Senior Awards, a further two finalists were paid assistance grants of £3,000 each totalling £6,000.

One special project was awarded a grant of £1,000. No Concerto Debut prize was awarded this year.

THE HATTORI FOUNDATION

REPORT OF THE TRUSTEE

FINANCIAL REVIEW

Reserves policy

The balance of unrestricted funds is represented by (a) sums invested with Cazenove Capital Management Limited classified on the balance sheet as fixed asset investments and (b) current assets which the Trustee regards as free reserves. The Trustee expects grant commitments to be funded as they fall due from future income; failing this, the Foundation has recourse to sums invested.

INVESTMENT POLICY AND PERFORMANCE

The Trustee's investment policy is to preserve capital in line with inflation as a minimum and to maintain a sustained annual income above £80,000 per annum to enable the Foundation to continue its annual grant giving in music. During the year investment income has shown a decrease of £15,298 (2020 – decrease of £2,033). Net realised and unrealised gains on investments amounted to £479,419 (2020 – losses of £194,909).

PUBLIC BENEFIT

The Trustee has had regard to the guidance issued by the Charity Commission concerning public benefit. The Trustee is satisfied that the information given in this report, particularly regarding the activities undertaken and the achievements during the year, when read in conjunction with the objectives of the Foundation, demonstrates that the requirement to identify public benefit have been met.

PLANS FOR THE FUTURE

The Foundation will continue making awards to young musicians, ensembles and organisations and to provide extra support with performing opportunities at its premises, the licensed venue known as 1901 Arts Club.

STATEMENT OF TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Report of the Trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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;
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the charity will continue in business.

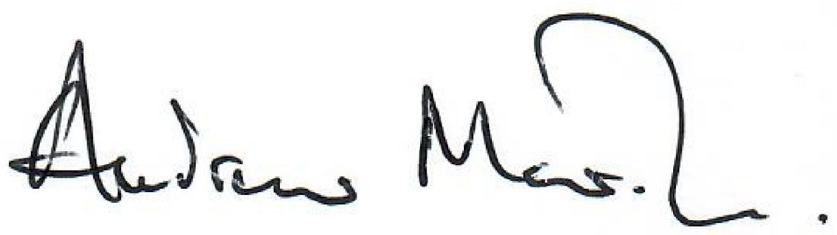
THE HATTORI FOUNDATION

REPORT OF THE TRUSTEE

STATEMENT OF TRUSTEE RESPONSIBILITIES (continued)

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at the time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's Trust Deed. The Trustee is 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.

Approved on behalf of the Trustee on 23 June 2022 and signed on its behalf



Andrew Marriner

Chairman

THE HATTORI FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF

THE HATTORI FOUNDATION

I report to the Trustee on my examination of the financial statements of The Hattori Foundation ('the charity') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's Trustee, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's Trustee those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustee of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

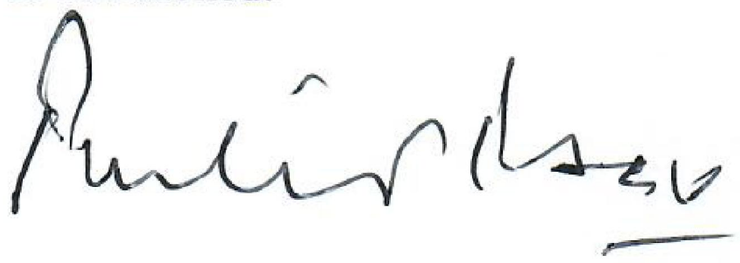
THE HATTORI FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF

THE HATTORI FOUNDATION

(continued)

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Phillip Roberts, FCA

Roberts & Co.,
Chartered Accountants,
136 Kensington Church Street,
London,
W8 4BH.

23 June 2022

THE HATTORI FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021	2020
INCOME AND EXPENDITURE			
Investment income			
Dividends and related income	1	93,830	109,059
Deposit interest		-	69
		93,830	109,128
Resources expended			
Investment management fees		4,271	14,310
Charitable activities			
Grants	1 & 2	50,471	49,500
Consultancy		10,000	10,000
Auditions		1,069	-
		61,540	59,500
Net incoming resources from investment and grants		28,019	35,318
Turnover			
Event income		21,907	67,649
Other income		6,461	7,824
Donations received		190	100
Government grants received		42,143	33,502
		70,701	109,075
Less: Cost of goods sold			
Bar consumables		593	6,057
Catering		81	5,785
Agency staff		318	4,530
Artists and performances		781	3,650
		1,773	20,022
Gross profit – carried forward		68,928	89,053

The accompanying notes form an integral part of these financial statements.

THE HATTORI FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

(continued)

	Note	2021	2020
Gross profit – brought forward		68,928	89,053
Total gross income		96,947	124,371
Overhead expenditure	3	81,169	101,963
Net incoming resources from other operations		15,778	22,408
Other recognised gains and losses			
Unrealised gains/(losses) on investment assets	5	294,280	(194,909)
Realised gains on investment assets	5	185,139	-
		479,419	(194,909)
Net income/(expenditure) for the year		495,197	(172,501)
Fund balances brought forward – unrestricted funds		2,831,681	3,004,182
Fund balances carried forward – unrestricted funds		£3,326,878	£2,831,681

All amounts relate to continuing activities.

All recognised surpluses and deficits are included in the statement of financial activities which shows the total net movement in funds for the year.

The accompanying notes form an integral part of these financial statements.

THE HATTORI FOUNDATION

BALANCE SHEET - 31 AUGUST, 2021

	Note	2021		2020	
FIXED ASSETS					
Tangible assets	4	783		1,175	
Investments	5	3,237,848		2,764,029	
			3,238,631		2,765,204
CURRENT ASSETS					
Debtors and prepayments	6	3,587		3,098	
Cash held by investment managers on income account		121,313		90,162	
Cash at bank and in hand		12,740		26,166	
		137,640		119,426	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Creditors	7	8,595		7,949	
Provision for grants not yet paid	2	40,798		45,000	
		49,393		52,949	
NET CURRENT ASSETS			88,247		66,477
NET ASSETS			£3,326,878		£2,831,681
REPRESENTED BY					
Unrestricted funds			£3,326,878		£2,831,681

Andrew Marriner - Chairman

Approved by the Trustee of The Hattori Foundation and signed on its behalf on 23 June 2022.

The accompanying notes form an integral part of these financial statements.

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2021

1. ACCOUNTING POLICIES

a. Basis of preparation of accounts

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102.

The Trustee considers that there are no material uncertainties about the Trust's ability to continue as a going concern.

b. Income recognition

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised once received or once the Trustee considers that receipt is highly probable. In the event that a donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period.

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

c. Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attached to that grant is outside of the control of the Trust.

d. Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2021

1. **ACCOUNTING POLICIES** (continued)

e. **Governance costs**

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs related to the independent examiner's fee together with other overhead costs. Details of these costs are set out in note 3 to the financial statements.

f. **Charitable activities**

Costs of charitable activities include prize awards and grants made.

g. **Tangible fixed assets and depreciation**

Tangible fixed assets consist of fixtures, fittings and equipment. Depreciation at a rate of 25% per annum has been charged to write down the value of these assets to their carrying values.

h. **Financial instruments**

The Trust has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities in 'administrative expenses'.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

i. **Fund structure**

The Trust has a single permanent fund. The terms of the trust deed allow the income to be accumulated and the capital to be spent if the Trustees so determine.

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, wish to create a fund for a specific purpose.

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2021

1. **ACCOUNTING POLICIES** (continued)

j. **Investments**

Investments are stated at market value at the balance sheet date, which gives rise to unrealised gains and losses which are included in the Statement of Financial Activities. Realised gains and losses arising on the disposal of investments during the year are separately disclosed in the Statement of Financial Activities.

2. **GRANTS PAYABLE**

	2021	**2020**
Grants payable brought forward	(45,000)	(26,300)
Net payments during year	54,673	30,800
	9,673	4,500
Grants payable carried forward	40,798	45,000
Charge for the year	£50,471	£49,500

3. **OVERHEAD EXPENDITURE**

	2021	**2020**
Rent, rates and services	5,087	4,843
Printing, postage and stationery	68	86
Telephone and communications	3,524	4,569
Computer expenses	2,526	1,640
Photocopier expenses	1,937	1,994
Repairs, security and cleaning	6,695	8,162
Advertising and promotion	347	1,546
Legal and professional fees	3,330	2,477
Independent examination	1,350	1,350
Accountancy	1,850	1,350
Bank charges	379	555
Travel and transport expenses	54	277
Sundry expenses	2	780
Wages and salaries	38,327	54,966
Social security costs	2,410	4,315
Pension contributions	12,891	11,847
Depreciation	392	1,206
	£81,169	£101,963

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2021

4. TANGIBLE ASSETS

	Fixtures, fittings and equipment
Cost	
At 31 August 2021 and 2020	4,823
Depreciation	
At 31 August 2020	3,648
Charge for the year	392
At 31 August 2021	4,040
Carrying values	
At 31 August 2021	£783
At 31 August 2020	£1,175

5. INVESTMENTS

	2021	2020
Market value at 1 September 2020 (excluding cash)	2,764,029	2,958,938
Additions	628,021	627,147
Disposals	(448,482)	(627,147)
Unrealised gain/(loss) arising on revaluations in the year	294,280	(194,909)
Market value at 31 August 2021 (excluding cash)	£3,237,848	£2,764,029
Historic cost at end of year	£2,395,806	£2,089,057

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2021

6. DEBTORS

	2021	2020
Trade debtors	2,057	179
Prepayments and accrued income	-	1,389
Sundry debtors	1,530	1,530
	£3,587	£3,098

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
Trade creditors	2,683	918
Other taxation	2,662	3,931
Accruals	3,250	3,100
	£8,595	£7,949

8. REMUNERATION AND EXPENSES PAYABLE TO DIRECTORS OF THE TRUSTEE COMPANY

The Trustee received no remuneration during the year (2020 - nil). No expenses were reimbursed to the Trustee during the year (2020 - nil).

9. FEES PAID TO THE INDEPENDENT EXAMINER

	2021	2020
Accountancy	£1,850	£1,350
Independent examination	£1,350	£1,350

10. STAFF

	2021	2020
The average number of staff during the year	3	3

There were no employees with emoluments in excess of £60,000 during the year (2020 nil).

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2021

11. LEASE COMMITMENTS

The Foundation's commitments for rental payments under operating leases during the year to 31 August 2021 are as follows:

	2021	2020
Photocopier rental	£1,937	£1,994

12. RELATED PARTY TRANSACTIONS

During the year Joji Hattori, a Director of the Trustee Company, donated £2,028 (2020 - £4,707) as part of the lease agreement for 7 Exton Street, London, SE1 8UE.

HATTORI FOUNDATION

England & Wales - Charity number 1014709

Accounts

THE HATTORI FOUNDATION

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THE HATTORI FOUNDATION

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THE HATTORI FOUNDATION

CHARITY INFORMATION

Charity Name	The Hattori Foundation
Charity No	1014709
Principal Address	7 Exton Street London SE1 8UE
Governing Instrument	Trust Deed dated 5 October 1982
Trustee	Hattori Trust Company Limited (Company number 2749030)
Directors of the Trustee Company (Also referred to as 'Trustees')	Andrew Marriner (Chairman) Joji Hattori John V Hughes Piers Lane AM Lady Gomersall Paul Watkins Imogen Cooper CBE David Whelton OBE Krzysztof Chorzelski Richard Morrison Raphael Wallfisch
Honorary Patrons	Erich Gruenberg OBE (died 8 August 2020) Mrs Toyoko Hattori Dr Martin Lovett OBE (died 29 April 2020)
Music Advisor	Gordon Back
Administrator	Esme Lees (appointed 18 September 2019, resigned 30 September 2020)
General Manager	Glenn Kesby
Solicitors	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD
Independent Examiner	Phillip Roberts FCA Roberts & Co 136 Kensington Church Street London W8 4BH
Bankers	Lloyds Bank PLC 3 St George's Street Wimbledon London SW19 9DR
Investment Managers	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Investment Powers	Wide discretionary powers

THE HATTORI FOUNDATION

REPORT OF THE TRUSTEE

The Trustee presents its annual report and financial statements of the Settlement for the year ended 31 August 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 the Statement of Recommended Practice (second edition) and Accounting Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE, MANAGEMENT AND RISK MANAGEMENT

The foundation is constituted under a Trust Deed dated 5 October 1992.

Individual Directors of the Trustee Company are invited to propose names of suitable potential Directors for approval by the Board. Any approved individual would be approached informally and if interested, formally invited to join the Board by the Chairman.

The Trustee has considered the question of risk generally and believes that the major risk to the assets of the Foundation (and to its activities in general) to be fluctuations in the stock market. The Trustee has sought to mitigate this risk by engaging the services of a well-respected firm of investment managers and by keeping the performance of that firm under review.

OBJECTIVES AND ACTIVITIES

The Foundation is established for:

1) The advancement and promotion of charitable objectives generally;
2) The advancement and promotion in particular of music and musical composition, the musical education, training and advancement of young people and students of music; the advancement of education in and appreciation and understanding of the visual arts; the education, training and advancement of young persons and students of the visual arts.

During the year, the Foundation conducted auditions and made awards to young musicians to assist with projects which they had submitted to the trustees, as indicated below.

Since 2015, The Hattori Foundation has run the building known as 1901 Arts Club, offering subsidised spaces for performances, rehearsals, meetings and events to other charities and emerging artists.

Grants are made at the discretion of the Trustee and usually follow an audition. Details of grants made during the year are set out below.

ACHIEVEMENTS AND PERFORMANCE

During the year the Foundation received 11 Junior applications. Awards ranging between £500 and £750 were made to 3 applicants totalling £2,000.

The auditions for senior awards were necessarily delayed due to Covid-19 from June to September 2020. 72 Senior applications were received from which 15 were invited to audition. Senior Awards of between £3,000 and £4,500 were made to 8 applicants totalling £30,500.

THE HATTORI FOUNDATION

REPORT OF THE TRUSTEE

ACHIEVEMENTS AND PERFORMANCE (continued)

In this exceptional year, in addition to the Senior Awards, a further 7 finalists were paid assistance grants of between £2,000 and £3,000 totalling £15,000. 2 further senior grants were paid without audition, totalling £1,500.

1 special project was awarded a grant of £1,000. No Concerto Debut prize was awarded this year.

FINANCIAL REVIEW

Reserves policy

The balance of unrestricted funds is represented by (a) sums invested with Cazenove Capital Management Limited classified on the balance sheet as fixed asset investments and (b) current assets which the Trustee regards as free reserves. The Trustee expects grant commitments to be funded as they fall due from future income; failing this, the Foundation has recourse to sums invested.

INVESTMENT POLICY AND PERFORMANCE

The Trustee's investment policy is to preserve capital in line with inflation as a minimum and to maintain a sustained annual income above £80,000 per annum to enable the Foundation to continue its annual grant giving in music. During the year investment income has shown a decrease of £2,033 (2019 – increase of £9,047). Net realised and unrealised losses on investments mounted to £194,909 (2019 – losses of £111,526).

PUBLIC BENEFIT

The Trustee has had regard to the guidance issued by the Charity Commission concerning public benefit. The Trustee is satisfied that the information given in this report, particularly regarding the activities undertaken and the achievements during the year, when read in conjunction with the objectives of the Foundation, demonstrates that the requirement to identify public benefit have been met.

PLANS FOR FUTURE

The Foundation will continue making awards to young musicians, ensembles and organisations and to provide extra support with performing opportunities at its premises, the licensed venue known as 1901 Arts Club.

STATEMENT OF TRUSTEE RESPONSIBILITIES

The Trustee is responsible for preparing the Report of the Trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

THE HATTORI FOUNDATION

REPORT OF THE TRUSTEE

STATEMENT OF TRUSTEE RESPONSIBILITIES (continued)

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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;
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at the time the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's Trust Deed. The Trustee is 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.

Approved on behalf of the Trustee on 11 June 2021 and signed on its behalf

Andrew Marriner

Chairman

THE HATTORI FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF

THE HATTORI FOUNDATION

I report to the Trustee on my examination of the financial statements of The Hattori Foundation ('the charity') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's Trustee, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's Trustee those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the Trustee of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's financial statements carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

THE HATTORI FOUNDATION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEE OF

THE HATTORI FOUNDATION

(continued)

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Phillip Roberts, FCA

Roberts & Co.,
Chartered Accountants,
136 Kensington Church Street,
London,
W8 4BH.

11 June 2021

THE HATTORI FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020	2019
INCOME AND EXPENDITURE			
Investment income			
Dividends and related income	1	109,059	111,092
Deposit interest		69	121
		109,128	111,213
Resources expended			
Investment management fees		14,310	14,580
Charitable activities			
Grants	1 & 2	49,500	44,950
Consultancy		10,000	10,000
Auditions		-	257
		59,500	55,207
Net incoming resources from investment and grants		35,318	41,426
Turnover			
Event income		67,649	88,902
Other income		7,824	10,649
Donations received		100	55
Government grants received		33,502	-
		109,075	99,606
Less: Cost of goods sold			
Bar consumables		6,057	8,544
Catering		5,785	6,527
Agency staff		4,530	5,887
Artists and performances		3,650	3,280
		20,022	24,238
Gross profit – carried forward		89,053	75,368

The accompanying notes form an integral part of these financial statements.

THE HATTORI FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020

(continued)

	Note	2020	2019
Gross profit – brought forward		89,053	75,368
Total gross income		124,371	116,794
Overhead expenditure	3	101,963	119,023
Net incoming/(outgoing) resources from other operations		22,408	(2,229)
Other recognised gains and losses			
Unrealised losses on investment assets	5	(194,909)	(111,526)
Net expenditure for the year		(172,501)	(113,755)
Fund balances brought forward – unrestricted funds		3,004,182	3,117,937
Fund balances carried forward – unrestricted funds		£2,831,681	£3,004,182

All amounts relate to continuing activities.

All recognised surpluses and deficits are included in the statement of financial activities which shows the total net movement in funds for the year.

The accompanying notes form an integral part of these financial statements.

THE HATTORI FOUNDATION

BALANCE SHEET - 31ST AUGUST, 2020

	Note	2020		2019	
FIXED ASSETS					
Tangible assets	4		1,175		814
Investments	5		2,764,029		2,958,938
			2,765,204		2,959,752
CURRENT ASSETS					
Debtors and prepayments	6	3,098		7,342	
Cash held by investment managers on income account		90,162		59,560	
Cash at bank and in hand		26,166		16,954	
		119,426		83,856	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Creditors	7	7,949		13,126	
Provision for grants not yet paid	2	45,000		26,300	
		52,949		39,426	
NET CURRENT ASSETS			66,477		44,430
NET ASSETS			£2,831,681		£3,004,182
REPRESENTED BY					
Unrestricted funds			£2,831,681		£3,004,182

Andrew Marriner

Andrew Marriner - Chairman

Approved by the Trustee of The Hattori Foundation and signed on its behalf on 11 June 2021.

The accompanying notes form an integral part of these financial statements.

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2020

1. ACCOUNTING POLICIES

a. Basis of preparation of accounts

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011. The charity constitutes a public benefit entity as defined by FRS 102.

The Trustee considers that there are no material uncertainties about the Trust's ability to continue as a going concern.

b. Income recognition

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised once received or once the Trustee considers that receipt is highly probable. In the event that a donation is subject to conditions that require a level of performance before the Trust is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Trust and it is probable that those conditions will be fulfilled in the reporting period.

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

c. Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attached to that grant is outside of the control of the Trust.

d. Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2020

1. **ACCOUNTING POLICIES** (continued)

e. **Governance costs**

Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs related to the independent examiner's fee together with other overhead costs. Details of these costs are set out in note 3 to the financial statements.

f. **Charitable activities**

Costs of charitable activities include prize awards and grants made.

g. **Tangible fixed assets and depreciation**

Tangible fixed assets consist of fixtures, fittings and equipment. Depreciation at a rate of 25% per annum has been charged to write down the value of these assets to their carrying values.

h. **Financial instruments**

The Trust has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities in 'administrative expenses'.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

i. **Fund structure**

The Trust has a single permanent fund. The terms of the trust deed allow the income to be accumulated and the capital to be spent if the Trustees so determine.

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, wish to create a fund for a specific purpose.

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2020

1. **ACCOUNTING POLICIES** (continued)

j. **Investments**

Investments are stated at market value at the balance sheet date, which gives rise to unrealised gains and losses which are included in the Statement of Financial Activities. Realised gains and losses arising on the disposal of investments during the year are separately disclosed in the Statement of Financial Activities.

2. **GRANTS PAYABLE**

	2020	2019
Grants payable brought forward	(26,300)	(47,486)
Net payments during year	30,800	66,136
	4,500	18,650
Grants payable carried forward	45,000	26,300
Charge for the year	£49,500	£44,950

3. **OVERHEAD EXPENDITURE**

	2020	2019
Rent, rates and services	4,843	12,263
Printing, postage and stationery	86	538
Telephone and communications	4,569	4,805
Computer expenses	1,640	1,749
Photocopier expenses	1,994	3,986
Repairs, security and cleaning	8,162	13,202
Advertising and promotion	1,546	2,507
Legal and professional fees	2,477	3,630
Independent examination	1,350	1,350
Accountancy	1,350	1,750
Bank charges	555	491
Travel and transport expenses	277	323
Sundry expenses	780	732
Wages and salaries	54,966	56,500
Social security costs	4,315	2,333
Pension contributions	11,847	12,050
Depreciation	1,206	814
	£101,963	£119,023

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2020

4. TANGIBLE ASSETS

	Fixtures, fittings and equipment
Cost	
At 31 August 2019	3,256
Additions	1,567
At 31 August 2020	4,823
Depreciation	
At 31 August 2019	2,442
Charge for the year	1,206
At 31 August 2020	3,648
Carrying values	
At 31 August 2020	£1,175
At 31 August 2019	£814

5. INVESTMENTS

	2020	2019
Market value at 1 September 2019 (excluding cash)	2,958,938	3,070,464
Additions	627,147	-
Disposals	(627,147)	-
Unrealised loss arising on revaluations in the year	(194,909)	(111,526)
Market value at 31 August 2020 (excluding cash)	£2,764,029	£2,958,938
Historic cost at 31 August 2020 and 2019	£2,089,057	£2,089,057

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2020

6. DEBTORS

	2020	2019
Trade debtors	179	3,638
Prepayments and accrued income	1,389	2,174
Sundry debtors	1,530	1,530
	£3,098	£7,342

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
Trade creditors	918	5,937
Other taxation	3,931	3,791
Accruals	3,100	3,200
Other creditors	-	198
	£7,949	£13,126

8. REMUNERATION AND EXPENSES PAYABLE TO DIRECTORS OF THE TRUSTEE COMPANY

The Trustee received no remuneration during the year (2019 - nil). No expenses were reimbursed to the Trustee during the year (2019 - nil).

9. FEES PAID TO THE INDEPENDENT EXAMINER

	2020	2019
Accountancy	£1,350	£1,750
Independent examination	£1,350	£1,350

10. STAFF

	2020	2019
The average number of staff during the year	3	3

There were no employees with emoluments in excess of £60,000 during the year (2019 nil).

THE HATTORI FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2020

11. LEASE COMMITMENTS

The Foundation's commitments for rental payments under operating leases during the year to 31 August 2020 are as follows:

	2020	2019
Photocopier rental	£1,994	£3,986

12. RELATED PARTY TRANSACTIONS

During the year Joji Hattori, a Director of the Trustee Company, donated £4,707 (2019 - £2,565) as part of the agreement for the Foundation to take over the running of 1901 Arts Club Limited.

13. POST BALANCE SHEET EVENT – IMPACT OF THE OUTBREAK OF COVID-19

The Trustee considers the impact of Covid-19 to be a non-adjusting post balance sheet event.

Accordingly the financial position at 31 August 2020 and the result for the year then ended have not been adjusted.

The duration and impact of the Covid-19 pandemic, as well as the effectiveness of the ongoing measures to combat its continuing threat, remain unclear. It is not possible to estimate the duration and severity of these consequences reliably, nor their impact on financial position and results of the charity for future accounting periods.

The Trustee considers that the amount of the cash balances held is sufficient to fund anticipated cash flow requirements.