

**THE HATTORI FOUNDATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**31 AUGUST 2021**

**THE HATTORI FOUNDATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**31 AUGUST 2021**

**CONTENTS**

	<b>Page</b>
Company Information	1
Report of the Trustee	2-4
Report of the Independent Examiner	5-6
Statement of Financial Activities	7-8
Balance Sheet	9
Notes to the Financial Statements	10-15



**THE HATTORI FOUNDATION****CHARITY INFORMATION**

<b>Charity Name</b>	The Hattori Foundation
<b>Charity No</b>	1014709
<b>Principal Address</b>	7 Exton Street London SE1 8UE
<b>Governing Instrument</b>	Trust Deed dated 5 October 1982
<b>Trustee</b>	Hattori Trust Company Limited (Company number 2749030)
<b>Directors of the Trustee Company</b> (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
<b>Honorary Patrons</b>	Mrs Toyoko Hattori
<b>Music Advisor</b>	Gordon Back
<b>Administrator</b>	Esme Lees (appointed 18 September 2019, resigned 30 September 2020)
<b>General Manager</b>	Glenn Kesby
<b>Solicitors</b>	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD
<b>Independent Examiner</b>	Phillip Roberts FCA Roberts & Co Chartered Accountants 136 Kensington Church Street London W8 4BH
<b>Bankers</b>	Lloyds Bank PLC 3 St George's Street Wimbledon London SW19 9DR
<b>Investment Managers</b>	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
<b>Investment Powers</b>	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:

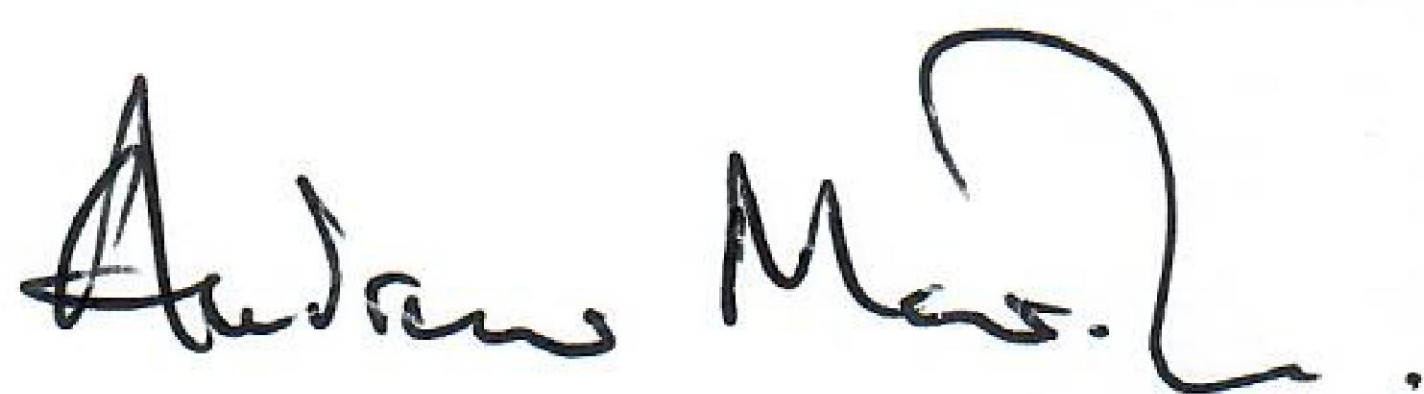
- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed 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

A handwritten signature in black ink, appearing to read 'Andrew Marriner', followed by a period.

**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:

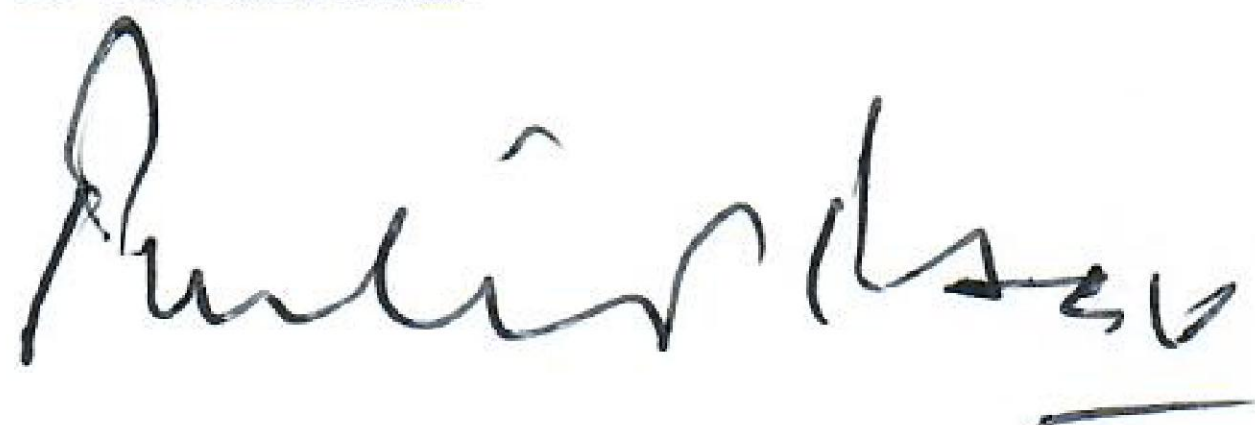
- accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (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.

A handwritten signature in black ink, appearing to read 'Phillip Roberts', with a horizontal line underneath the name.

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

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

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
<b>FIXED ASSETS</b>			
Tangible assets	4	783	1,175
Investments	5	3,237,848	2,764,029
		<hr/>	<hr/>
		3,238,631	2,765,204
<b>CURRENT ASSETS</b>			
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
		<hr/>	<hr/>
		137,640	119,426
		<hr/>	<hr/>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Creditors	7	8,595	7,949
Provision for grants not yet paid	2	40,798	45,000
		<hr/>	<hr/>
		49,393	52,949
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		88,247	66,477
		<hr/>	<hr/>
<b>NET ASSETS</b>		£3,326,878	£2,831,681
		<hr/>	<hr/>
<b>REPRESENTED BY</b>			
Unrestricted funds		£3,326,878	£2,831,681
		<hr/>	<hr/>



**Andrew Marriner** - Chairman

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



## **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**

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

**3. OVERHEAD EXPENDITURE**

	<b>2021</b>	<b>2020</b>
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
	<hr/>	<hr/>
	£81,169	£101,963
	<hr/>	<hr/>



**THE HATTORI FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 AUGUST 2021**

**4. TANGIBLE ASSETS**

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

**5. INVESTMENTS**

	<b>2021</b>	<b>2020</b>
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**

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

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

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

**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**

	<b>2021</b>	<b>2020</b>
Accountancy	£1,850	£1,350
Independent examination	£1,350	£1,350
	<hr/>	<hr/>

**10. STAFF**

	<b>2021</b>	<b>2020</b>
The average number of staff during the year	<u>3</u>	<u>3</u>

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:

	<b>2021</b>	<b>2020</b>
Photocopier rental	£1,937	£1,994
	<hr/>	<hr/>

**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.