

**THE SAINSBURY INSTITUTE FOR THE STUDY OF
JAPANESE ARTS AND CULTURES**

ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

ACCOUNTS FOR THE YEAR ENDED 31 JULY 2021

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THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2021

Charity registration number	1073416
Principal address	The Peak 5 Wilton Road London SW1V 1AP
University Trustees	Mr D I Callaghan Professor I P Dewing Professor D J Richardson
External Trustees	H O N & V Trustee Ltd Mr P Hesketh Mr J C Burns
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Solicitors	Portrait Solicitors 21 Whitefriars Street London EC4Y 8JJ
Investment managers	Cazenove Capital Management Limited 1 London Wall Place London EC2Y 5AU

THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2021

Structure Governance and Management

Governing document	The Sainsbury Institute for the Study of Japanese Arts and Cultures was established by the Trustees of The Robert and Lisa Sainsbury Charitable Trust under a Trust Deed dated 16 December 1998. The full name of the Trust is as above. The short name for the Institute is 'SISJAC'.
Trustee Selection Methods	The power of appointing University Trustees is exercisable by the University of East Anglia ('UEA'). The External Trustees are appointed by the continuing External Trustees with them being required to appoint those nominated by Lord Sainsbury of Turville.
Organisational structure of the charity and how decisions are made	The External Trustees are responsible for investment policy and management. The Trustees meet twice a year to consider reports from the External Trustees on investment performance and policy, to receive reports on the application of the funds passed to the University in order to fulfil the objects of the Trust and to consider the annual report and financial statements.
Risk policy	The key risk to the trust fund is the volatility of market investments as evidenced by the impact of the Coronavirus pandemic, where the value of investments has fluctuated and future investment income is anticipated to be substantially lower. The Trustees, in consultation with and on the advice of their Investment Advisers, maintain a diverse and balanced investment portfolio to mitigate so far as possible against adverse risks affecting the overall value of the endowment so that the charity can continue to pay out the income generated to the trust beneficiary. At the same time, other major risks to which the trust is exposed are considered and, where necessary, steps are taken to mitigate and minimise those risks. The Charity Commission's internal financial control checklist is completed and reviewed annually.

Objectives and Activities

Objects	The objects of the Trust are that the income but not the capital of the of the Trust is to be applied for charitable purposes connected with the advancement of education and learning by promoting study into the research and teaching of the culture of Japan, and specifically to pay the costs of employing staff and certain direct running costs of SISJAC at the UEA.
Management Board	<p>The UEA activities funded by the Institute are controlled by a Management Board whose constitution is determined by the Institute's Trust Deed. This Board is made up of two members nominated by Lord Sainsbury of Turville, the Vice-Chancellor of the University of East Anglia, the Director of the Institute and two academic specialists in Japanese Cultural Studies.</p> <p>The Vice-Chancellor acts as Chairman of the Board. Sir Tim Lankester and Mr Peter Hesketh attend the Board's meetings at the invitation of its Chairman.</p>

THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

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Public Benefit Statement The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities (and setting the grant making policy for the year).

Achievements and Performance

Achievements During the year the Institute distributed £275,494 (2020 - £320,725) to the UEA, which continues to support the study of Japanese Arts and Cultures.

The charity had no paid staff.

The Trustees believe that the charity has sufficient assets to meet its obligations.

Director's Report The Sainsbury Institute has worked hard to deliver on its mission of undertaking and disseminating world-class research on all aspects of Japanese arts and cultures in a manner adapted to the continuing challenges of the Covid-19 pandemic. We achieved this largely by focusing on digital outputs, including a thorough overhaul of our website, monthly e-bulletins, and online workshops and seminars (including our flagship Third Thursday lectures), as well as continuing to produce high impact publications. With external support from funding partners, the Toshiba International Foundation and the Ishibashi Foundation, we shifted our summer programmes to an online format, with our *Online Summer Programmes in Japanese Cultural Studies* attracting hundreds of participants worldwide. We benefited from the expertise already gained through one of our major strategic research strands, *Digital Japan*, and were pleased to be able to appoint a Lecturer in Japanese Digital Arts and Humanities as of April 2021.

We collaborated closely with the University's REF (Research Excellence Framework) process, with the result that six SISJAC colleagues were included in the submission to the Art and Design Unit of Assessment (compared with just one in 2014), which should result in a significant financial return, in line with the strategic direction set out by the Management Board at its Extraordinary Meeting in 2017. Our relationship with the University was further strengthened by the successful launch of the new *MA in Interdisciplinary Japanese Studies*, a partnership between the Sainsbury Institute and the Faculty of Arts and Humanities – and the first new such programme in any British university for several decades. As well as generating a new sustainable income stream, again in line with the strategic direction decided in 2017.

Many of our projects had to be deferred due to the pandemic, but we were able to deliver two exhibitions in partnership with the Sainsbury Centre: *Leiko Ikemura: Usagi in Wonderland* (July to December 2021), and *Faces of Faith* (part of our broader *Nara to Norwich: art and belief at the ends of the Silk Roads* initiative, June to October 2021). Our planned move from our current accommodation at 64

THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2021

Director's Report (cont.)

The Close to the Sainsbury Centre was also deferred from autumn 2021 to 2024. We are very grateful to the Gatsby Charitable Foundation for supporting this decision and our continued use of 64 The Close, and for generously agreeing to maintain their annual grant to the Institute at the same level as previously.

Professor Simon Kaner, Executive Director.

Financial Review

Reserves policy

The Trustees' policy is to pay the net income to the UEA. The restricted fund as at the 31 July 2020 amounted to £21,990 for the refurbishment of premises in Norwich owned by Dean and Chapter of the Cathedral of Norwich to be occupied by SISJAC.

Funds

This is a grant making Trust with no direct activities, all distributable income being donated to the UEA for the purposes specified above. Therefore there are no specific activities to be reported on by the Trustees.

The income of the year, all derived from stock exchange investments and cash placed on deposit was £283,811.

The following grants were made out of the income of the Trust for the year ended 31 July 2021: £275,494.

The net incoming resources for the year of the Unrestricted Fund after making these grants were £1,037. The balance of the Unrestricted Fund at 31 July 2020 was £31,461.

The University and External Trustees met twice during the year to consider the allocation of available income. The External Trustees had two further meetings with Cazenove Capital Management. The Trustees receive an annual report from the UEA on the application of funds paid to the UEA. The UEA accounts for the activities funded from the income made over to it by the Trustees within the scope of its Annual Report and Accounts.

Investment policy

The Trustees have wide powers of investment. The objective of the Trustees is to maintain a level of investment income over time that keeps pace with inflation.

The Trust's permanent endowment funds are invested to generate income and provide long-term capital growth in line with relevant indices. The Trustees regularly meet the investment managers to discuss strategy and review performance. In the year under review, Trustees maintained a defensive investment strategy.

THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2021

Investment performance

During the financial year the Trust's investment portfolio has been subject to unprecedented conditions arising from the Covid-19 pandemic. Global economic confidence has plunged, and equity and financial markets have encountered large falls, extreme volatility and rapidly changing conditions across the major markets. As a consequence higher levels of investment income are increasingly difficult to find. The market value of investments has increased by 10% compared to 2020, yet investment income has decreased by 9% compared with the previous financial year.

The charity does not raise funds from the public.

Future Plans

The charity expects to continue to distribute grants in the foreseeable future.

Going Concern

Having assessed the Trust's financial position and plans for the foreseeable future, the Trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis. There are no material uncertainties about the charity's ability to continue.

Directors

The directors of HON & V Trustee Ltd are: Mr D Flynn, Ms G Harris, Ms H Johnston, Miss J S Portrait.

THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2021

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare the financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net incoming resources for the period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 10 November 2021 and signed on their behalf by



Mr P Hesketh



Professor D J Richardson

Trustees

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

FOR THE YEAR ENDED 31 JULY 2021

Opinion

We have audited the financial statements of the Sainsbury Institute for the Study of Japanese Arts and Cultures for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet and the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

FOR THE YEAR ENDED 31 JULY 2021

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

FOR THE YEAR ENDED 31 JULY 2021

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud.

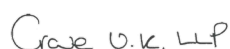
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP
Statutory Auditor
London

3 December 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 JULY 2021

		2021			2020	
		Unrestricted Funds	Restricted Funds	Permanent Endowment	Total	Total Funds
	Notes	£	£	£	£	£
Income and endowments from						
Investment income	7	283,811	-	-	283,811	314,858
Total income and endowments		<u>283,811</u>	<u>-</u>	<u>-</u>	<u>283,811</u>	<u>314,858</u>
Expenditure on						
Raising funds	8.1	-	-	30,462	30,462	30,806
Charitable activities	8.2	275,494	-	-	275,494	320,725
Other costs	8.3	7,280	-	5,808	13,088	13,170
Total expenditure		<u>282,774</u>	<u>-</u>	<u>36,270</u>	<u>319,044</u>	<u>364,701</u>
Net income/(expenditure) from operations before transfers and investment gains		<u>1,037</u>	<u>-</u>	<u>(36,270)</u>	<u>(35,233)</u>	<u>(49,843)</u>
Gains/(losses) on investments	3.1	-	-	860,331	860,331	(1,136,442)
Net income and capital inflow		<u>1,037</u>	<u>-</u>	<u>824,061</u>	<u>825,098</u>	<u>(1,186,285)</u>
Total funds brought forward		30,424	21,990	7,961,687	8,014,101	9,200,386
Balance carried forward	10	<u>31,461</u>	<u>21,990</u>	<u>8,785,748</u>	<u>8,839,199</u>	<u>8,014,101</u>

The notes on pages 13 to 21 form part of these financial statements.

THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

BALANCE SHEET

AS AT 31 JULY 2021

		2021	2020
	Notes	£	£
Fixed assets			
Quoted stocks and shares	3	8,812,594	7,988,532
Total fixed assets		<u>8,812,594</u>	<u>7,988,532</u>
Current assets			
Debtors and prepayments	4	14,540	8,827
Cash at bank and in hand		22,920	25,547
Total current assets		<u>37,460</u>	<u>34,374</u>
Creditors: amounts falling due within one year	5	(10,855)	(8,805)
Net current assets		<u>26,605</u>	<u>25,569</u>
Net assets		<u>8,839,199</u>	<u>8,014,101</u>
Funds of the charity:-			
Unrestricted Funds	10	31,461	30,424
Restricted Funds	10	21,990	21,990
Endowment Funds	10	8,785,748	7,961,687
		<u>8,839,199</u>	<u>8,014,101</u>

The notes on pages 13 to 21 form part of these financial statements.

Approved by the Board and signed on its behalf by



Mr P Hesketh



Professor D J Richardson

Trustees

10 November 2021

THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2021

		2021	2020
	Notes	Total Funds	Restated Total Funds
		£	£
Cashflows from operating activities:			
Net cash provided by (used in) operating activities	9	(322,707)	(378,122)
Cash flows from investing activities:			
Dividends, interest and rents from investments		283,811	316,892
Proceeds from sale of investments	3.1	379,200	1,048,037
Purchase of investments	3.1	(612,730)	(548,257)
Net cash provided by investing activities		50,281	816,672
Change in cash and cash equivalents in the reporting period		(272,426)	438,550
Cash and cash equivalents at the beginning of the reporting period		585,702	147,152
Cash and cash equivalents at the end of the reporting period		313,276	585,702
Analysis of cash and cash equivalents			
UK cash held as part of investment portfolio	3.1	290,356	560,155
Cash at bank and in hand		22,920	25,547
		313,276	585,702

The notes on pages 13 to 21 form part of these financial statements.

THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

1 Basis of Preparation

1.1 Basis of Accounting

These financial statements have been prepared in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. The accounts (financial statements) have been prepared to give a "true and fair" view and have departed from the charities (Accounts and Reports) Regulations only to the extent required to provide a "true and fair view".

1.2 Fund accounting

The charity has a single permanent endowment fund, a restricted fund and an unrestricted fund.

1.3 Going Concern

Having assessed the Trust's financial position and plans for the foreseeable future, the Trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis. There are no material uncertainties about the charity's ability to continue.

The effect of the Coronavirus pandemic has been to increase the value of the investment portfolio by approximately 11% compared to the end of the 2020 financial year, and dividend income receivable by the trust is very likely to be substantially lower going forward. Nevertheless the endowment assets of the Trust remain significant, and these will continue to return income which the Trust will continue to pay out to its beneficiary in accordance with the provisions of the Trust Deed.

1.4 Public Benefit

The Trust is a public benefit entity.

2 Accounting Policies

2.1 Incoming resources are included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- the trustees are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability.

THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

- 2.2 Where incoming resources have related expenditure, the incoming resources and related expenditure are reported gross in the SoFA.
- 2.3 Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources.
- 2.4 Incoming resources from tax reclaims are included in the SoFA at the same time as the income to which they relate.
- 2.5 Investment income is included in the accounts when receivable.
- 2.6 Investment gains and losses include any gain or loss on the sale of investments and any gain or loss resulting from revaluing the investments to market value at the end of the year.
- 2.7 Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.
- 2.8 Governance costs include the cost of the preparation and examination of statutory accounts, the cost of trustee meetings and cost of any legal advice to the trustees on governance or constitutional matters.
- 2.9 Grants payable are payments made to third parties in the furtherance of the charitable objectives of the trust. The grants are accounted for where either the trustees have agreed to pay the grant without condition and the recipient has a reasonable expectation that they will receive a grant, or any condition attaching to the grant is outside the control of the trust.
- 2.10 Investments quoted on a recognised stock exchange are valued at market value at the year end.
- 2.11 The trust is an exempt charity within the meaning of Section 519 of the Income Tax Act, 2007. Accordingly, it is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 256 of the Taxation of Chargeable Gains Act, 1992 to the extent that such income or gains are applied to exclusively charitable purposes.
- The trust receives no exemption in respect of Value Added Tax (VAT) and is not VAT registered.
- 2.12 Restricted funds are those where donors have placed restrictions on the use of the funds.
- 2.13 Endowed funds are permanent endowments where the donor has specified that the capital of the gift cannot be expended and that only the income arising from the capital may be used for the purpose named by the donor. None of these funds are available to meet the general costs of the Trust. Investment management charges and legal fees are charged to the capital of the endowed funds.

THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

2.14 Sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies. No specific accounting judgements and uncertainties have been identified for the current year.

2.15 During the year, the classification of cash held by the investment managers has been reconsidered, and cash held for reinvestment in the portfolio has been included within fixed asset investments only as it is a long term investment. The other cash that is available on demand within the income accounts, are now being included within current assets. The comparative figures have also been restated.

3 Investment Assets

	2021	2020
	£	£
3.1 Quoted Investments		
Market value brought forward	7,428,377	9,064,599
Additions	612,730	548,257
Disposals	(379,200)	(1,048,037)
Net investment gains/(losses)	860,331	(1,136,442)
Market value of investments before Capital account	<u>8,522,238</u>	<u>7,428,377</u>
UK cash held as part of investment portfolio	290,356	560,155
Market value at year end	<u><u>8,812,594</u></u>	<u><u>7,988,532</u></u>
3.2 Historical Cost		
At 31 July 2021	<u><u>6,490,751</u></u>	
At 1 August 2020		<u><u>6,449,896</u></u>

THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

- 3.3 The following material investment holdings represented more than 5% of the total value of the charity's total investments:-

	2021	2020
	£	£
Trojan Income Fund	445,636	407,680
Vanguard S&P 500 UCITS ETF	488,201	-
iShares PLC - S&P 500 Index	734,270	573,180
	<u>1,668,107</u>	<u>1,130,135</u>

4 Debtors and Prepayments

	2021	2020
	£	£
Accrued income	14,113	8,400
Prepayments	427	427
	<u>14,540</u>	<u>8,827</u>

5 Creditors: Amounts Falling Due Within One Year

	2021	2020
	£	£
Professional fees	8,500	6,450
Investment management charges	2,355	2,355
	<u>10,855</u>	<u>8,805</u>

THE SAINSBURY INSTITUTE FOR THE STUDY OF JAPANESE ARTS AND CULTURES

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

6 Transactions With Related Parties

- 6.1 The Trustees are considered the Key Management Personnel of the charity.
- 6.2 No Trustee is or has been entitled to any fee or salary (- £Nil).
- 6.3 No Trustee has been reimbursed with any out-of-pocket expenses (- £Nil).
- 6.4 There were no transactions with Trustees or connected persons (- £Nil).

7 Analysis of Incoming Resources

	2021	2020
	£	£
7.1 Investment Income		
Income receivable on quoted investments	283,811	314,858
	<u>283,811</u>	<u>314,858</u>

8 Analysis of Resources Expended

	2021	2020
	£	£
8.1 Investment Management Fees		
Stockbrokers' management fee	30,462	30,806
	<u>30,462</u>	<u>30,806</u>
	2021	2020
	£	£
8.2 Charitable Activities		
Donations to University of East Anglia	275,494	320,725
	<u>275,494</u>	<u>320,725</u>

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	2021	2020
	£	£
8.3 Other Costs		
Legal fees	5,808	8,581
Audit fees	6,000	3,950
Insurances	1,280	639
	<u>13,088</u>	<u>13,170</u>

Legal fees are for services provided by Portait Solicitors, a firm in which Miss J S Portrait and Mr D Flynn are partners. Amounts due at year end in respect of professional fees from the firm are disclosed in Note 5.

8.4 The Fund employed no staff during the year ended 31 July 2021 (2020 - none).

9 Reconciliation of Cash Flows From Operating Activities

	2021	2020
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(35,233)	(49,843)
Adjustments for:		
Dividends, interest and rents from investments	(283,811)	(314,858)
(Increase) in prepayments	(5,713)	-
Increase/(Decrease) in creditors	2,050	(13,421)
Net cash used in operating activities	<u>(322,707)</u>	<u>(378,122)</u>

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10 Analysis of Fund Movements

10.1		Balances Brought Forward, 01.08.2020	Income	Expenditure	Investments Gain/(Loss)	Funds Carried Forward, 31.07.2021
		£	£	£	£	£
a	Unrestricted Funds	30,424	283,811	(282,774)	-	31,461
b	Restricted Fund	21,990	-	-	-	21,990
c	Permanent Endowment	7,961,687	-	(36,270)	860,331	8,785,748
		<u>8,014,101</u>	<u>283,811</u>	<u>(319,044)</u>	<u>860,331</u>	<u>8,839,199</u>

10.2		<i>Balances Brought Forward, 01.08.2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Investments Gain/(Loss)</i>	<i>Funds Carried Forward, 31.07.2020</i>
		£	£	£	£	£
a	Unrestricted Funds	40,880	314,858	(325,314)	-	30,424
b	Restricted Fund	21,990	-	-	-	21,990
c	Permanent Endowment	9,137,516	-	(39,387)	(1,136,442)	7,961,687
		<u>9,200,386</u>	<u>314,858</u>	<u>(364,701)</u>	<u>(1,136,442)</u>	<u>8,014,101</u>

10.3 The permanent endowment represents the value of assets held as investments arising from the original assets settled by the Trustees of the Robert and Lisa Sainsbury Charitable Trust on 16 December 1998. The income arising on these assets is available for use in accordance with the trust's objects and is included in unrestricted income.

10.4 The restricted fund as at 31 July 2021 amounted to £21,990 for the refurbishment of premises in Norwich owned by Dean and Chapter of the Cathedral of Norwich to be occupied by SISJAC.

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11 Statement of Financial Activities: year ended 31 July 2020

	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total
	£	£	£	£
Income and endowments from				
Investment income	314,858	-	-	314,858
Total income and endowments	<u>314,858</u>	<u>-</u>	<u>-</u>	<u>314,858</u>
Expenditure on				
Raising funds	-	-	30,806	30,806
Charitable activities	320,725	-	-	320,725
Other costs	4,589	-	8,581	13,170
Total expenditure	<u>325,314</u>	<u>-</u>	<u>39,387</u>	<u>364,701</u>
Net income from operations before transfers and investment gains	<u>(10,456)</u>	<u>-</u>	<u>(39,387)</u>	<u>(49,843)</u>
Losses on investment	-	-	(1,136,442)	(1,136,442)
Net income and capital inflow	<u>(10,456)</u>	<u>-</u>	<u>(1,175,829)</u>	<u>(1,186,285)</u>
Total funds brought forward	40,880	21,990	9,137,516	9,200,386
Balance carried forward	<u>30,424</u>	<u>21,990</u>	<u>7,961,687</u>	<u>8,014,101</u>

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12 Analysis of Net Assets Between Funds

12.1	2021			
	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total
	£	£	£	£
Fixed assets/ investments	-	21,990	8,790,604	8,812,594
Current assets				
Debtors and prepayments	14,540	-	-	14,540
Cash at bank and in hand	22,920	-	-	22,920
Current (liabilities)	(5,999)	-	(4,856)	(10,855)
	<u>31,461</u>	<u>21,990</u>	<u>8,785,748</u>	<u>8,839,199</u>

12.2	2020			
	Unrestricted Funds	Restricted Funds	Permanent Endowment	Total
	£	£	£	£
Fixed assets/ investments	-	21,990	7,966,542	7,988,532
Current assets				
Debtors and prepayments	8,827	-	-	8,827
Cash at bank and in hand	25,547	-	-	25,547
Current (liabilities)	(3,950)	-	(4,855)	(8,805)
	<u>30,424</u>	<u>21,990</u>	<u>7,961,687</u>	<u>8,014,101</u>

13 Financial Instruments

At year end, the Fund held financial assets at fair value through income or expenditure of £8,522,238 (2020: £7,428,377) and financial liabilities at amortised cost of £10,855 (2020: £8,805). Total interest charged in respect of financial assets held at amortised cost totalled £Nil (2020: £Nil). Income in respect of assets held at fair value totalled £283,811 (2020: £314,858) and expenditure incurred was £30,462 (2020: £30,806). Gains in the period were £860,331 (2020: losses of £1,136,442).