JAPAN HOUSE LONDON TRUST

England & Wales · Charity number 1179626

Details

Status	Registered
Legal form	Charitable company
Company number	11491073
Registered	2018-08-21
Register	View on the Charity Commission register

Contact

Address	Japan House London 101-111 Kensington High Street London W8 5SA
Phone	02073061663

Activities

Objects: 3.1 THE OBJECTS OF THE CHARITY ARE FOR THE PUBLIC BENEFIT:3.1.1 TO ADVANCE THE CULTURE (BOTH TRADITIONAL AND MODERN), INSTITUTIONS, PEOPLE, HERITAGE, HISTORY AND LANGUAGE OF JAPAN, AND ALSO OF JAPAN'S INTELLECTUAL, ARTISTIC, SCIENTIFIC AND ECONOMIC LIFE; 3.1.2 TO PROMOTE CULTURAL RELATIONSHIPS BETWEEN PEOPLE IN JAPAN AND PEOPLE IN THE UNITED KINGDOM;3.1.3 TO PROMOTE LEARNING AND ADVANCE ALL FORMS OF EDUCATION RELATING TO JAPAN; 3.1.4 TO PROMOTE RESEARCH IN ANY OF THE ABOVE AND TO PUBLISH THE USEFUL RESULTS OF SUCH RESEARCH; AND3.1.5 THE FURTHERANCE OF SUCH OTHER EXCLUSIVELY CHARITABLE OBJECTS AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION MAY DETERMINE.3.2 NOTHING IN THESE ARTICLES SHALL AUTHORISE AN APPLICATION OF THE CHARITY'S PROPERTY FOR PURPOSES THAT ARE NOT CHARITABLE IN ACCORDANCE WITH SECTION 7 OF THE CHARITIES AND TRUSTEE INVESTMENT (SCOTLAND) ACT 2005 AND/OR SECTION 2 OF THE CHARITIES ACT (NORTHERN IRELAND) 2008.

Activities: Makes grants to charitable projects and organisations (particularly Japan House London) and carries out activities which advance the culture (both traditional and modern), institutions, people, heritage, history and language of Japan.

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Classification

- **How:** Makes Grants To Organisations, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, Arts/culture/heritage/science
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£10,084,333	£10,316,950	£4,178,249	88
2024-03-31	£11,132,992	£9,964,832	£4,361,458	89
2023-03-31	£9,959,991	£9,462,794	£3,447,848	71
2022-03-31	£1,237,901	£10,763,175	£2,990,185	71
2021-03-31	£10,384,497	£9,564,304	£3,046,709	0

Trustees

Name	Role	Appointed
His Excellency Hiroshi Suzuki		2024-11-18
Keshini Navaratnam		2018-07-30
Lord William Arthur Waldegrave		2024-07-30
PHILLIDA ANNE PURVIS MBE		2018-07-30
SATORU YOSHIDA		2019-08-15
Sir David Alexander Warren		2018-07-30
Tetsuya Shinohara		2025-04-01
Yukinobu Nakano		2023-10-24

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JAPAN HOUSE LONDON TRUST

England & Wales - Charity number 1179626

Accounts

Registered number: 11491073
Charity number: 1179626

JAPAN HOUSE LONDON TRUST

(A company limited by guarantee)

ANNUAL TRUSTEES' REPORT

(INCLUDING THE STRATEGIC REPORT)

AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

JAPAN HOUSE LONDON TRUST

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ANNUAL TRUSTEES' REPORT
(INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees, who are also directors for the purposes of company law, present their report together with the audited Consolidated Financial Statements of Japan House London Trust ("JHLT" or "the Parent Company" or "the Trust" or "the Charitable Company") and its subsidiary undertakings, Japan H.L. Limited ("JHLL") and Japan H.L. Enterprises Limited ("JHLEL") (collectively "the Group") for the year ended 31 March 2025.

The Trustees confirm that the Annual Trustees' Report (including the Strategic Report) and Consolidated Financial Statements of the Group and the Parent Company comply with the Charities Act 2011 and where relevant, the Charities Act 2022, the Companies Act 2006, the Trust's Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("Charities SORP FRS 102").

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

Governing Instrument	Memorandum and Articles of Association
Members	Sir Alexander David Warren Ms Keshini Navaratnam Mrs Phillida A Purvis His Excellency Ambassador Hajime Hayashi (Resigned 25 October 2024) Rt Hon. Lord Christopher Francis Patten of Barnes (Resigned on 29 July 2024)
Trustees (also the statutory Directors of the Charitable Company)	Ms Keshini Navaratnam Sir Alexander David Warren Mr Satoru Yoshida Mr Yukinobu Nakano Mrs Phillida A Purvis Mr Tetsuya Shinohara (Appointed on 1 April 2025) His Excellency Hiroshi Suzuki (Appointed on 18 November 2024) Lord William Arthur Waldegrave (Appointed on 30 July 2024) Mr Satoru Ichinokawa (Appointed on 27 March 2024 and resigned on 5 December 2024) Mr Akihiko Takada (Appointed on 15 October 2024 and resigned on 31 March 2025) His Excellency Ambassador Hajime Hayashi (Resigned on 25 October 2024) Rt Hon. Lord Christopher Francis Patten of Barnes (Resigned on 29 July 2024)

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

On 17 June 2020, the subsidiary, Japan H.L. Limited ("JHLL"), acquired a 100% shareholding in a newly incorporated company, Japan H.L. Enterprises Limited ("JHLEL"), and on 30 September 2020, JHLEL acquired the business, assets and operations of The Shop at Japan House London from Salt and Welcome UK Limited. Salt and Welcome UK Limited was a tenant of JHLL.

JHLL is the principal service provider to the Japan House London Project on behalf of the Japanese Ministry of Foreign Affairs ("MOFA"). These services included, and continue to be:

- operating a safe and welcoming public venue; and
- enhancing the project through promotional activities and events.

The provision of the Japan House London Project on behalf of MOFA was through a direct funding arrangement with MOFA for the operation of the Japan House London Project. In March 2024, JHLL entered into a new contract with MOFA for the operation of the Project to March 2029.

Appointment of Trustees

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

Related parties

Related parties' transactions are disclosed in the Note 24 in the Financial Statements.

Pay policy for senior staff

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

The Trustees give their time freely and received no remuneration during the year ended 31 March 2025 nor previous period. There are no staff other than the Trustees in the Trust. The number of staff in the Group is disclosed in Note 9.

Internal Controls

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governance and Risk Management

A risk assessment has been undertaken which comprises:

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

This continuing process will identify risk areas to which the Group is vulnerable and highlight any necessary safeguards that will need to be put in place.

The Trustees are of the opinion that an adequate risk management process is in place at the Group, whereby key risks facing the business are documented and reviewed. The Trustees, along with the Board of Directors in JHLL, monitor the progress of the Group by reference to certain financial and non-financial key performance indicators, for example, number of visitors to Japan House London.

Key risks for JHLL and hence for the Group are visitor numbers and exhibitions. The success of JHLL and the Group is largely dependent on visitor numbers and a strong public programme. The Group liaises closely with MOFA regarding the planning of forthcoming events and exhibitions. The level of visitors may also be affected by major events in London, such as security issues or disruption to international travel. The current performance environment of "high street" retail and other global factors which may affect JHLL and the Group are also closely monitored.

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

- Organisational purpose;
- Leadership;
- Integrity;
- Decision-making, risk and control;
- Board effectiveness;
- Equality, diversity and inclusion; and
- Openness and accountability.

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

Ongoing geopolitical events and economic impacts

The ongoing geopolitical events and economic impacts thereof have undoubtedly had an effect on UK companies in a wide ranging manner, potentially affecting their operational capability, liquidity and financial position.

The Trustees have considered the implications and have put in place business continuity plans that should allow the Charitable Company and the Group to continue in operation.

Financial key performance indicators

With the Group operating in a challenging environment, adverse foreign exchange rate movements and inflationary pressures during the year, the results of the Group show deficit in the net movement of funds for the year of £157,138 *(2024: net income of £887,539 as restated)* and total funds carried forward of £4,178,249 *(2024: £4,335,387 as restated)*.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Fundraising

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

Policy on Reserves

The Trustees have established a reserves policy to ensure the financial stability of the Trust and its trading subsidiaries, recognising the Trust's reliance on income generated by the subsidiaries.

The policy sets a target to hold reserves equivalent to nine to twelve months' consolidated operating expenses.

The balance held as unrestricted funds as at 31 March 2025 of the Group was £4,178,249 (*2024: £4,335,387 as restated*). The net assets of the Trust are regarded as unrestricted and the available funds at 31 March 2025 will be spent in future periods in accordance with the Trust's charitable objects.

This level of reserves provides a financial buffer against unforeseen risks, income fluctuations, and operational needs, ensuring the sustainability of our charitable activities.

The reserves policy is reviewed annually to reflect changes in financial risks, income sources, and future plans.

STRATEGIC REPORT

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS

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

During the year, JHLL presented exhibitions, demonstrations, talks and events in Japan House and online showcasing aspects of Japanese culture on behalf of the Trust. The Trust made grants to eight organisations to promote further education in Japanese language and culture during the year.

The Trustees have continued to develop and refine their strategies, policies and procedures to further the objectives of the Trust and keep these under constant review.

The results of the Group activities for the year are detailed on page 11.

Plans for Future Periods

The Trustees do not propose to deviate from the current objectives and activities of the Trust.

The Trustees are actively considering proposals for funding of projects which will supplement and extend the work done by JHLL, identifying activities to foster relationships with appropriate organisations and give weight to future work beyond the Japan House London building.

STATEMENT OF PUBLIC BENEFIT

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

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company 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 Charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company and the Group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's and the Group's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Approved by the Trustees and signed on their behalf by

S Yoshida

Mr Satoru Yoshida
Trustee

Date: 17 December 2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JAPAN HOUSE LONDON TRUST

OPINION

We have audited the financial statements of Japan House London Trust ("the Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities (incorporating Income and Expenditure Account), the Consolidated and Charitable Company Balance Sheets, the Consolidated 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 the 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 Group's and the Charitable Company's affairs as at 31 March 2025 and of the Group's 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 Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' 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 Group and Charitable Company'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 other information comprises the information included in the Annual Trustees' Report (including the Strategic Report) and the Consolidated Financial Statements, other than the Consolidated Financial Statements and our Auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Annual Trustees' Report (incorporating the Strategic Report and the Directors' Report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Annual Trustees' Report (incorporating the Strategic Report and the Directors' Report) have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the Charitable Company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our assessment of the susceptibility of the Charitable Company's and the Group's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

- due to the relatively low volume of transactions, we have high visibility to all the material transactions and adjustments;
- due to the relatively simple operational model of the Charitable Company and the Group there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to affect a fraud.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- the review of control accounts and journal entries for large, unusual or unauthorised entries;
- discussions with management involved in the risk and compliance functions including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- analytical review of the detailed Statement of Financial Activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Charitable Company during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Group for previously unreported related party transactions;
- reviewing correspondence and agreements between the Group and other parties, and discussions with management in relation to their compliance with the Charities SORP FRS 102;
- review of the Trustees' and directors' meeting minutes to identify unrecorded transactions;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- review of transactions and journals for any indication of fraud or management override; and
- assessing the appropriateness of the going concern basis with reference to the Charitable Company's and the Group's current performance and expectations for future periods.

Because of the inherent limitations of an audit and the audit procedures described above, there is an unavoidable risk that we will not have detected all irregularities, including some leading to 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 remains a higher risk of non-detection of irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, 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.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JAPAN HOUSE LONDON TRUST (CONTINUED)

USE OF OUR REPORT

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Yueling Wei (Senior statutory auditor)
for and on behalf of
Rawlinson & Hunter Audit LLP
Statutory Auditor
Chartered Accountants

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

Date: 17 December 2025

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted Funds 2025 £	Total Funds 2025 £	*As restated (Note 27) Total Funds (All unrestricted) 2024 £*
INCOME FROM:				
Other trading activities *	3	**10,066,692**	**10,066,692**	*11,117,119*
Interest receivable and similar income *	4	**17,641**	**17,641**	*15,873*
TOTAL INCOME		**10,084,333**	**10,084,333**	*11,132,992*
EXPENDITURE ON:				
Cost of other trading activities	7	**10,198,267**	**10,198,267**	*9,840,568*
Charitable activities	5,7	**101,042**	**101,042**	*119,283*
Interest payable and similar expenses	10	**17,641**	**17,641**	*31,052*
TOTAL EXPENDITURE		**10,316,950**	**10,316,950**	*9,990,903*
Net (Expenditure)/Income before Taxation		**(232,617)**	**(232,617)**	*1,142,089*
TAX CREDIT/(CHARGE)	11	**75,479**	**75,479**	*(254,550)*
NET (EXPENDITURE)/INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		**(157,138)**	**(157,138)**	*887,539*
NET MOVEMENT IN FUNDS		**(157,138)**	**(157,138)**	*887,539*
RECONCILIATION OF FUNDS:				
Total funds brought forward (as restated)		**4,335,387**	**4,335,387**	*3,447,848*
TOTAL FUNDS CARRIED FORWARD		**4,178,249**	**4,178,249**	*4,335,387*

The Consolidated Statement of Financial Activities include all gains and losses recognized in the period.

All income and expenditure derived from continuing activities.

* £15,873 of interest income earned on the deposit held with the landlord recognised within other trading activities in the prior year has been reclassified to show as interest receivable and similar income.

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2025

Registered number: 11491073
Charity number: 1179626

	Note	£	31 March 2025 £	£	As restated (Note 27) 31 March 2024 £
FIXED ASSETS					
Intangible assets	12,13	**12,857**		*44,378*	
Tangible assets	14	**229,749**		*215,261*	
			242,606		*259,639*
CURRENT ASSETS					
Stock	15	**281,404**		*274,015*	
Debtors	16	**3,019,847**		*3,081,933*	
Cash at bank and in hand	17	**6,441,539**		*6,914,616*	
		9,742,790		*10,270,564*	
CREDITORS: amounts falling due within one year	18	**(3,404,479)**		*(3,761,550)*	
NET CURRENT ASSETS			**6,338,311**		*6,509,014*
TOTAL ASSETS LESS CURRENT LIABILITIES			**6,580,917**		*6,768,653*
CREDITORS: amounts falling due after more than one year	19		**(1,598,693)**		*(1,581,052)*
PROVISIONS FOR LIABILITIES					
Other provisions	21		**(803,975)**		*(852,214)*
NET ASSETS			**4,178,249**		*4,335,387*
CHARITY FUNDS					
Unrestricted funds			**4,178,249**		*4,335,387*
SHAREHOLDERS' AND CHARITY'S FUNDS			**4,178,249**		*4,335,387*

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

Mr Satoru Yoshida Yoshida
.....
Trustee

Date: 17 December 2025

The notes on pages 15 to 30 form part of these financial statements.

CHARITABLE COMPANY BALANCE SHEET
AT 31 MARCH 2025

Registered number: 11491073
Charity number: 1179626

	Note	£	31 March 2025 £	£	31 March 2024 £
FIXED ASSETS					
Investments	25		**1**		*1*
					1
CURRENT ASSETS					
Debtors	16	**7,921**		*7,921*	
Cash at bank and in hand	17	**717,734**		*851,167*	
		725,655		*859,088*	
CURRENT LIABILITIES					
Creditors - amounts falling due within one year	18	**(18,515)**		*(50,905)*	
NET CURRENT ASSETS			**707,140**		*808,183*
TOTAL ASSETS LESS CURRENT LIABILITIES			**707,141**		*808,184*
TOTAL NET ASSETS			**707,141**		*808,184*
THE FUNDS OF THE CHARITABLE COMPANY					
Unrestricted income fund			**707,141**		*808,184*
TOTAL CHARITABLE COMPANY FUNDS			**707,141**		*808,184*

The Charitable Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

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

Mr Satoru Yoshida

.....

Trustee

Date: 17 December 2025

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	*As restated (Note 27) 2024 £*
CASH FLOW FROM OPERATING ACTIVITIES:			
Net movement in funds		**(157,138)**	*887,539*
ADJUSTMENT FOR:			
Depreciation of tangible assets	14	103,747	*59,308*
Amortisation of intangible assets	12,13	31,521	*106,802*
Tax (credit)/charge	11	(75,479)	*254,550*
Interest receivable	4	(17,641)	*(15,873)*
Interest payable	10	17,641	*31,052*
Increase in stock	15	(7,389)	*(67,339)*
Decrease/(increase) in debtors	16	249,477	*(553,540)*
Decrease in creditors	18,19	(111,437)	*(1,461,726)*
Decrease in provisions	21	(48,239)	*(96,384)*
Tax paid		(339,906)	*(15,216)*
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVTIES		(354,843)	*(870,827)*
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchases of fixed assets	14	(118,235)	*(73,842)*
Interest receivable	4	17,641	*15,873*
NET CASH USED IN INVESTING ACTIVITIES		(100,594)	*(57,969)*
CASH FLOW FROM FINANCING ACTIVITIES:			
Interest payable	10	(17,641)	*(31,052)*
NET CASH USED IN FINANCING ACTIVITIES		(17,641)	*(31,052)*
CHANGE IN CASH AND CASH EQUIVALANTS IN THE YEAR		(473,077)	*(959,848)*
Cash and cash equivalents brought forward		6,914,616	*7,874,464*
CASH AND CASH EQUIVALENT CARRIED FORWARD	17	6,441,539	*6,914,616*

The notes on pages 15 to 30 form part of these financial statements.

1. GENERAL INFORMATION

Japan House London Trust ("the Trust" or "the Parent Company" or "the Charitable Company") is a registered charity (charity number 1179626) limited by guarantee, whose principal object is to support charitable purposes in whatever manner the Trustees, in their absolute discretion, think fit. The address of the registered office is 101 – 111 Kensington High Street, London W8 5SA.

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

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

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), The Charities Act 2011 and, where relevant, the Charities Act 2022, and the Companies Act 2006.

The Trust meets the definition of a public benefit entity under FRS 102.

The Consolidated Statement of Financial Activities (SOFA) and the Consolidated Balance Sheet consolidate the financial statements of the Trust and its subsidiary undertakings ("the Group"). The results of the subsidiaries, Japan H.L. Limited ("JHLL") and Japan H.L. Enterprises Limited ("JHLEL"), are consolidated on a line by line basis.

No separate SOFA has been presented for the Trust alone as permitted by section 408 of the Companies Act 2006.

The net income and expenditure for the year dealt within the accounts of the Parent Company was net expenditure of £101,043 *(2024: £19,281)*.

The financial statements are prepared in Sterling GBP which is the functional currency of the Charitable Company & its subsidiaries, JHLL and JHLEL.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies (see Note 2.22 below).

Basis of consolidation

The consolidated financial statements present the results of the Trust and its own subsidiaries as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations relating to the subsidiaries using the purchase method. In the Consolidated Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Financial Activities from the date on which control is obtained. They are deconsolidated from the date control ceases.

2. ACCOUNTING POLICIES (continued)

2.2 *Going concern*

At the Balance Sheet date, the Group and the Parent Company had net assets of £4,178,249 (*2024: £4,335,387 as restated*) and £707,141 (*2024: £808,184*) respectively and cash balance of £6,441,539 (*2024: £6,914,616*) and £717,734 (*2024: £851,167*) respectively.

The ongoing geopolitical events and economic impacts thereof have undoubtedly had an effect on UK companies in a wide ranging manner, potentially affecting their operational capability, liquidity and financial position. The directors have considered the implications and have put in place business continuity that have allowed the Group and the Parent Company to continue in operation.

The directors have also reviewed the Group's and the Parent Company's current and expected liabilities and cash outflows arising from its activity over the next twelve months. The directors are confident that the Group and the Parent Company will be able to meet its liabilities as they fall due for a period of at least twelve months from the date of signature of the financial statements.

The financial statements have been prepared on the going concern basis.

2.3 *Income from trading activities*

Revenue earned includes service revenue earned by charging a margin on costs reimbursed from the Japanese Ministry of Foreign Affairs ("MOFA"). In addition, JHLL has earned rent revenue related to concession agreements to use certain areas of the Japan House London premises. The Group has adopted the accounting policies below to account for this rent revenue:

- the area of the Japan House London premises occupied by tenants is distinguished into two categories, principal and agency, based on activities they conduct;
- rent revenue derived from the area acting as principal is recognised gross; and
- rent revenue derived from the area acting as agency is recognised net.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue earned also includes income from sale of goods by JHLEL.

The following criteria must also be met before revenue is recognised:

Revenue from sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. ACCOUNTING POLICIES (continued)

2.3 *Income from trading activities (continued)*

Rendering of services

Revenue from a contract to provide services is recognised in the year in which the services are provided in accordance with the stage of completion of the contract, when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting year can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 *Donation Income*

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

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

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

2.5 *Interest income*

Interest income is recognised using the effective interest method.

2.6 *Investment income*

Investment income represents interest receivable from bank deposits.

2.7 *Cost of trading and charitable activities*

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

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

2.8 *Finance costs*

Finance costs are charged over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 *Status of funds*

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

2. ACCOUNTING POLICIES (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax for the subsidiaries trading company. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Charitable Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Consolidated Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

2.11 Foreign currencies

The Parent Company's and Group's functional and presentational currency is Sterling GBP. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the Balance sheet date.

Transactions in foreign currencies are translated into Sterling GBP at the rate ruling on the date of the transaction.

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

2.12 Pensions

The Group operates a defined contribution pension scheme for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Balance Sheet. The assets to the plan are held separately from the Group in independently administered funds.

2. ACCOUNTING POLICIES (continued)

2.13 Operating leases: JHLL as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.14 Intangible assets – website development

Directly attributable website development costs incurred in the creation of the website are initially recognised at cost and amortised over its expected useful life of 5 years. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.15 Intangible assets – goodwill

Goodwill represents the difference between amounts paid for the cost of a business combination and the acquirer's interest in the fair value of the group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Financial Activities over its useful economic life of 5 years.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment in the Parent Company's accounts.

2.17 Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

However, capitalisation is determined by what services are provided in each location. Where JHLL acts in a principal activity, fixed assets will be capitalised. In certain instances where leasehold improvements are reimbursed ultimately by MOFA and there is no economic benefit to JHLL and the Group, these assets are not capitalised on the Balance Sheet of JHLL and the Group.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Short-term leasehold improvement	- straight line basis over the initial term to the expected lease end date
Fixture and fittings	- 10% reducing balance method

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2. ACCOUNTING POLICIES (continued)

2.18 Stock

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.19 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.20 Cash and cash equivalent

Cash represents cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.21 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Consolidated Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Consolidated Statement of Financial Position.

2.23 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2. ACCOUNTING POLICIES (continued)

2.23 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Consolidated and Parent Company Balance Sheet when there is an 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.

2.24 Judgements in applying accounting policies and key sources of estimate uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the Balance Sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means the actual outcomes could differ from those estimates. The following judgements have the most significant effect on the amounts recognised in the financial statements:

Carrying value of intangible assets

The Group reviews the carrying value of its intangible assets, which comprise goodwill and website development, at each reporting date to determine if there is any indication of impairment. Where an indication of impairment is identified the Group estimates the recoverable amount of the asset. This requires judgement by management with respect to certain external factors, including, but not limited, to technological and economic feasibility, and estimated economic life. See Notes 12 & 13 for the carrying value of the Group's intangible assets.

Carrying value of stock

The Group reviews the carrying value of its stock, at each reporting date to determine if there is any indication of impairment. Where an indication of impairment is identified the Group estimates the recoverable amount of the stock. This requires judgement by management with respect to certain external factors, including conditions of stock to determine whether any impairment provision is necessary. See Note 15 for the carrying value of the Group's stock.

2.24 Judgements in applying accounting policies and key sources of estimate uncertainty (continued)

Dilapidation provision

The Group has recognised a provision for dilapidation costs relating to its leased premises. The amount provided is based on a professional assessment of the expected costs required to restore the property at the end of the lease term. This estimate involves judgement in assessing the condition of the premises, expected remedial works and the cost levels that will apply at the time the expenditure is incurred. Actual costs may differ from the estimate as further information becomes available or circumstances change.

3. INCOME

Group

Income from trading activities

Income from trading activities is principally attributable to an agreement with the Japanese Ministry of Foreign Affairs ("MOFA"), rental income from concession agreements executed with restaurant and retail operators and sales in the Shop. All income arose in the United Kingdom.

An analysis of turnover by class of business is as follows:

	2025	*2024*
	£	*£*
Rental income on concession agreements	**(147,370)**	*124,001*
Japan House membership income	**234,151**	*256,805*
Income from arrangement with MOFA (Note 24)	**7,751,884**	*8,722,052*
Other Income	**343,440**	*281,044*
Income from sales in the Shop	**1,884,587**	*1,733,217*
	10,066,692	*11,117,119*

During the year, MOFA determined that certain rental income on concession agreements earned in prior years totalling £185,787 were to be repaid to them. Due to this change in the application of the MOFA funding agreement occurring in the current year, this has been recognised in the current year within turnover, in line with the previous recognition of rental income on concession agreements.

4. INTEREST RECEIVABLE

Group

	2025	*As restated (Note 27) 2024*
	£	*£*
Other interest receivable (Note 16)	**17,641**	*15,873*
	17,641	*15,873*

5. CHARITABLE ACTIVITIES

Parent Company

	Unrestricted Funds 2025	Total Funds 2025	*Total Funds 2024*
	£	£	*£*
Grants made	**91,160**	**91,160**	*94,798*
Support costs – governance (Note 6)	**9,882**	**9,882**	*24,485*
	101,042	**101,042**	*119,283*

5. CHARITABLE ACTIVITIES (continued)

Charitable donations were made to the following charitable recipients:

	2025	*2024*
	£	*£*
The Japan Society	**30,000**	-
Common Era, Inc	**25,210**	-
Triangle Arts Trust	**15,950**	-
London Contemporary Music Festival	**5,000**	-
Camden Arts Centre	**15,000**	-
Café Oto	**-**	*3,000*
Delfina Foundation	**-**	*17,600*
Japan House London's touring sampuru	**-**	*20,130*
Studio Voltaire	**-**	*12,568*
The Victoria and Albert Museum	**-**	*2,000*
University of Oxford	**-**	*7,000*
Van Gogh House London & Gallery C.I.C.	**-**	*15,600*
Wysing Arts Centre	**-**	*16,900*
Total Grants made	**91,160**	*94,798*

6. SUPPORT COSTS

Parent Company

	Total Funds 2025	*Total Funds 2024*
	£	*£*
Bank charges	**209**	*60*
Legal and professional related costs	**1,384**	*847*
Audit fee	**8,289**	*23,578*
Total (Note 5)	**9,882**	*24,485*

7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

Group

	2025	*As restated (Note 27) 2024*
	£	*£*
Other trading activities	**10,198,267**	*9,840,568*
	10,198,267	*9,840,568*
Charitable Activities (Note 5)	**101,042**	*119,283*
Total Expenditure	**10,299,309**	*9,959,851*

Other trading activities relate to costs of goods sold, office rent & rates, depreciation and amortisation charges, staff costs, exhibition costs & other trading and compliance costs incurred by the Group and its subsidiaries.

8. AUDITORS' REMUNERATION

	2025	*2024*
	£	*£*
Fees payable to the Charitable Company's auditor and its subsidiaries in respect of Audit-related assurance services	**42,000**	*40,000*
	42,000	*40,000*

9. EMPLOYEES

The average monthly number of employees, including the directors, during the year was as follows:

	2025	*2024*
	88	*89*
Employees including directors who have employment contracts		

Staff costs, including key management personnel, were as follows:

	2025	*2024*
	£	*£*
Wages and salaries	**3,205,845**	*3,010,456*
Social security costs	**288,127**	*267,759*
Cost of defined contribution scheme (Note 22)	**75,442**	*98,989*
	3,569,414	*3,377,204*

Included above is the remuneration of £453,388 *(2024: £357,161)* for the Group's key management.

No Trustees received any remuneration during either reporting period.

10. INTEREST PAYABLE

	2025	*As restated (Note 27) 2024*
	£	*£*
Other interest payable	**17,641**	*31,052*
	17,641	*31,052*

11. TAXATION

	Group Year ended 31.03.2025 £	*Group Year ended 31.03.2024 as restated £*
Corporation tax		
Current tax charge on profits for the year	**23,797**	*251,485*
Adjustments in respect of previous periods	**(99,276)**	*3,065*
Total current tax	**(75,479)**	*254,550*
Deferred tax asset		
Adjustments in respect of previous periods	**-**	*-*
Total deferred tax asset	**-**	*-*
Tax (credit)/charge on profit on ordinary activities	**(75,479)**	*254,550*

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2024: lower than)* the standard rate of corporation tax in the UK of 25% *(2024: 25%)* as set out below:

	Group Year ended 31.03.2025 £	*As restated (Note 27) Group Year ended 31.03.2024 £*
(Loss)/profit on ordinary activities before tax	**(232,617)**	*1,142,089*
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% *(2024: 25%)*	**(58,154)**	*285,522*
Effects of:		
Fixed asset differences	**-**	*1,661*
Expenses not deductible for tax purposes	**26,763**	*25,409*
Reversal of provision not allowed for tax	**-**	*(24,096)*
Charitable donations not tax deductible	**22,790**	*29,915*
Adjustment to tax charge in respect of previous period – current tax	**(99,276)**	*3,065*
Excess of capital allowance over depreciation	**(66,725)**	*(66,926)*
Losses carried back	**99,123**	-
Total tax (credit)/charge for the year	**(75,479)**	*254,550*

Factors that may affect future tax charges

At 31 March 2025, Japan H.L. Limited had capital allowances in excess of depreciation available to offset against future profits of £567,000 *(2024: £633,000)*. No deferred tax asset has been recognised in respect of these due to the uncertainty of suitable future profits against which the asset would be recoverable.

The Trust is a tax exempt charity.

12. INTANGIBLE FIXED ASSETS

Group

	Website development £
Cost	
At 1 April 2024	**34,285**
Additions	**-**
At 31 March 2025	**34,285**
Amortisation	
At 1 April 2024	**15,000**
Charge for the period	**6,428**
At 31 March 2025	**21,428**
Net Book Value	
At 31 March 2025	**12,857**
At 31 March 2024	**19,285**

13. INTANGIBLE FIXED ASSETS – GOODWILL

Group

During the period to 31 March 2020, the Trust acquired 100% of Japan H.L. Limited resulting in goodwill of £501,869 which was amortised on a straight line basis over its useful economic life to June 2024. The amortisation is charged to the Consolidated Statement of Financial Activities.

	£
Cost	
At 1 April 2024	**501,689**
At 31 March 2025	**501,689**
Amortisation	
At 1 April 2024	**476,776**
Charge for the period	**25,093**
At 31 March 2025	**501,689**
Net Book Value	
At 31 March 2025	**-**
At 31 March 2024	**25,093**

14. TANGIBLE FIXED ASSETS

Group

	Short-term leasehold improvements	Fixture and fittings	Total
	£	£	£
Cost or valuation			
At 1 April 2024	8,739,970	363,097	9,103,067
Additions	-	118,235	118,235
At 31 March 2025	8,739,970	481,332	9,221,302
Depreciation			
At 1 April 2024	8,739,970	147,836	8,887,806
Charge for the year	-	103,747	103,747
At 31 March 2025	8,739,970	251,583	8,991,553
Net book value			
At 31 March 2025	-	229,749	229,749
At 31 March 2024	-	215,261	215,261

15. STOCK

	Group		Parent Company	
	2025	*2024*	2025	*2024*
	£	*£*	£	*£*
Finished goods and goods for resale	281,404	*274,015*	-	-
	281,404	*274,015*	-	-

16. DEBTORS

Due after more than one year:

	Group		Parent Company	
	2025	*As restated (Note 27) 2024*	2025	*2024*
	£	*£*	£	*£*
Rent deposit (Note 23)	1,598,693	*1,581,052*	-	-
	1,598,693	*1,581,052*	-	-

Rent deposit includes interest receivable of £48,693 *(2024: £31,052)* as confirmed by the landlord at the year end.

16. DEBTORS (CONTINUED)

Due within one year:

	Group		Parent Company	
	2025	*2024*	**2025**	*2024*
	£	*£*	**£**	*£*
Trade debtors	**140,418**	*61,693*	**-**	*-*
Other debtors	**1,323**	*15,725*	**7,921**	*7,921*
Prepayments & Accrued income	**804,497**	*1,084,864*	**-**	*-*
Corporation tax	**272,920**	*85,528*	**-**	*-*
VAT repayable	**201,996**	*253,071*	**-**	*-*
	1,421,154	*1,500,881*	**7,921**	*7,921*
Total Debtors	**3,019,847**	*3,081,933*	**7,921**	*7,921*

17. CASH AND CASH EQUIVALENTS

	Group		Parent Company	
	2025	*2024*	**2025**	*2024*
	£	*£*	**£**	*£*
Cash at bank	**6,441,539**	*6,914,616*	**717,734**	*851,167*
	6,441,539	*6,914,616*	**717,734**	*851,167*

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent Company	
	2025	*2024*	**2025**	*2024*
	£	*£*	**£**	*£*
Trade creditors	**303,916**	*86,848*	**159**	*-*
Corporation tax	**23,492**	*251,485*	**-**	*-*
Other creditors	**1,890,237**	*2,281,348*	**89**	*-*
Accruals	**97,267**	*73,628*	**18,267**	*50,905*
Other taxation and social security	**69,039**	*66,456*		
Deferred Income	**959,515**	*953,549*	**-**	*-*
VAT payable	**61,013**	*48,236*	**-**	*-*
	3,404,479	*3,761,550*	**18,515**	*50,905*

Other creditors include £1,857,378 (*2024: £2,249,133*) due to MOFA.

19. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

	Group		Parent Company	
		As restated (Note 27)		
	2025	*2024*	**2025**	*2024*
	£	*£*	**£**	*£*
Other creditors (Note 23)	**1,598,693**	*1,581,052*	**-**	*-*
	1,598,693	*1,581,052*	**-**	*-*

Other creditors reflect the value of the rental deposit, including interest, repayable to MOFA at the lease end.

20. FINANCIAL INSTRUMENTS

	Group		Parent Company	
		As restated		
	2025	*2024*	**2025**	*2024*
	£	*£*	**£**	*£*
Financial assets				
Financial assets measured at fair value through income and expenditure	**6,441,539**	*6,914,616*	**717,734**	*851,167*
Financial assets measured at amortised cost	**1,408,056**	*1,658,469*	**7,921**	*7,921*
	7,849,595	*8,573,085*	**725,655**	*859,088*
Financial liabilities				
Financial liabilities measured at amortised cost	**3,438,610**	*4,022,876*	**18,515**	*50,905*

Financial assets measured at fair value through income and expenditure comprise of cash and cash equivalents.

Financial assets measured at amortised cost comprise of trade debtors, rent deposits and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals.

21. PROVISIONS

Group

	Provision for dilapidation
	£
At 1 April 2024	**852,214**
Credited to Consolidated Statement of Financial Activities	**(48,239)**
At 31 March 2025	**803,975**

As part of its property leasing arrangements, the Group's subsidiary, Japan H.L. Limited ("JHLL") has an obligation to return some properties to their original condition (when JHLL conducted significant leasehold improvements) or repair damages which occur during the life of the lease. Based on a formal dilapidation report dated 12 June 2023, the directors have recorded a dilapidation provision. The provision is expected to be utilised in March 2029 (Note 23). The directors consider the provision in place at the year-end to be materially fairly stated.

22. PENSION COMMITMENTS

JHLL, the 100% owned subsidiary, operates a defined contribution pension scheme. The pension costs charge for the year to 31 March 2025 represents contributions payable by JHLL to the scheme and amounted to £75,442 *(2024: £98,989)* (Note 9). Contributions totalling £26,881 *(2024: £26,240)* were payable to the scheme at the reporting date and are included in creditors.

23. COMMITMENTS UNDER OPERATING LEASES

Following the extension of the lease to March 2029 entered into in October 2024, at 31 March 2025 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group		Parent Company	
	2025	*2024*	**2025**	*2024*
	£	*£*	**£**	*£*
Not later than 1 year	**1,764,900**	*1,706,371*	**-**	-
Later than 1 year but not later than 5 years	**5,294,701**	*3,412,741*	**-**	-
	7,059,601	*5,119,112*	**-**	-

JHLL paid a deposit of £1,550,000 to the landlord on 1 April 2017 in accordance with the terms of the lease. Its current value is included in Note 16.

24. RELATED PARTY TRANSACTIONS

No Trustees received any remuneration for the current or prior period.

The Trust and the Group are exempt from disclosing material related party transactions with companies that are wholly owned within the Group.

During the year Group received £7,751,884 *(2024: £8,722,052)* as income from MOFA. The Group owed £3,456,071 *(2024: £3,830,185 as restated)* including rent deposit, to MOFA at the year end (Note 18 & Note 19).

25. SUBSIDIARIES

Company Name	Country of incorporation	Class of shares	Holdings	Aggregate of share capital and reserves	Profit/(loss) for the year ended 31 March 2025
Japan H.L. Limited, parent of	UK (England & Wales)	Ordinary	100%	3,113,069	(102,170)
Japan H.L. Enterprises Limited	UK (England & Wales)	Ordinary	100%	358,039	71,167

26. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

27. PRIOR YEAR ADJUSTMENT

During the current year the directors became aware that the deposit of £1,550,000 paid to the landlord on 1 April 2017 attracted interest. As a result, the previous discounting of the rental deposit and the corresponding amount owed to MOFA to present value was no longer deemed appropriate. As a result of this determination, a prior year adjustment is necessary to restate the rental deposit debtor to its current value of £1,581,052, inclusive of interest earned, from £1,327,482, as at 31 March 2024 and adjust the corresponding amount due to MOFA accordingly, from £1,301,410, as at 31 March 2024.. The net impact of these adjustments results in the profit for the year ended 31 March 2024 being reduced by £26,072.

JAPAN HOUSE LONDON TRUST

England & Wales - Charity number 1179626

Accounts

Registered number: 11491073
Charity number: 1179626

JAPAN HOUSE LONDON TRUST

(A company limited by guarantee)

ANNUAL TRUSTEES' REPORT

(INCLUDING THE STRATEGIC REPORT)

AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

JAPAN HOUSE LONDON TRUST

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ANNUAL TRUSTEES' REPORT
(INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees, who are also directors for the purposes of company law, present their report together with the audited Consolidated Financial Statements of Japan House London Trust ("JHLT" or "the Parent Company" or "the Trust" or "the Charitable Company") and its subsidiary undertakings, Japan H.L. Limited ("JHLL") and Japan H.L. Enterprises Limited ("JHLE") (collectively "the Group") for the year ended 31 March 2024.

The Trustees confirm that the Annual Trustees' Report (including the Strategic Report) and Consolidated Financial Statements of the Group and the Parent Company comply with the Charities Act 2011 and where relevant, the Charities Act 2022, the Companies Act 2006, the Trust's Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("Charities SORP FRS 102").

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

Governing Instrument	Memorandum and Articles of Association
Members	His Excellency Ambassador Hajime Hayashi Sir Alexander David Warren Ms Keshini Navaratnam Mrs Phillida A Purvis Rt Hon. Lord Christopher Francis Patten of Barnes (Resigned on 29 July 2024)
Trustees (also the statutory Directors of the Charitable Company)	His Excellency Ambassador Hajime Hayashi Ms Keshini Navaratnam Mrs Phillida A Purvis Sir Alexander David Warren Mr Satoru Yoshida Mr Yukinobu Nakano (Appointed on 24 October 2023) Mr Satoru Ichinokawa (Appointed on 27 March 2024) Lord William Arthur Waldegrave (Appointed on 30 July 2024) Mr Akihiko Takada (Resigned on 24 October 2023) Mr Takanori Sazaki (Resigned on 7 December 2023) Rt Hon. Lord Christopher Francis Patten of Barnes (Resigned on 29 July 2024)
Executive Chairman	His Excellency Ambassador Hajime Hayashi

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

On 17 June 2020, the subsidiary, Japan H.L. Limited ("JHLL"), acquired a 100% shareholding in a newly incorporated company, Japan H.L. Enterprises Limited ("JHLEL"), and on 30 September 2020, JHLEL acquired the business, assets and operations of The Shop at Japan House London from Salt and Welcome UK Limited. Salt and Welcome UK Limited was a tenant of JHLL.

JHLL is the principal service provider to the Japan House London Project on behalf of the Japanese Ministry of Foreign Affairs ("MOFA"). These services included, and continue to be:

- operating a safe and welcoming public venue; and
- enhancing the project through promotional activities and events.

The provision of the Japan House London Project on behalf of MOFA was through a direct funding arrangement with MOFA for the operation of the Japan House London Project. In March 2024, JHLL entered into a new contract with MOFA for the operation of the Project to March 2029.

Organisation

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

Appointment of Trustees

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

Trustee induction and training

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

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

Related parties

Related parties' transactions are disclosed in the Note 22 in the Financial Statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Pay policy for senior staff

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

The Trustees give their time freely and received no remuneration during the year ended 31 March 2024 nor previous period. There are no staff other than the Trustees in the Trust. The number of staff in the Group is disclosed in Note 8.

Internal Controls

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

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

Governance and Risk Management

A risk assessment has been undertaken which comprises:

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

This continuing process will identify risk areas to which the Group is vulnerable and highlight any necessary safeguards that will need to be put in place.

The Trustees are of the opinion that an adequate risk management process is in place at the Group, whereby key risks facing the business are documented and reviewed. The Trustees, along with the Board of Directors in JHLL, monitor the progress of the Group by reference to certain financial and non-financial key performance indicators, for example, number of visitors to Japan House London.

Key risks for JHLL and hence for the Group are visitor numbers and exhibitions. The success of JHLL and the Group is largely dependent on visitor numbers and a strong public programme. The Group liaises closely with MOFA regarding expectations of forthcoming events and exhibitions. The level of visitors may also be affected by major events in London, such as security issues or disruption to international travel. The current performance environment of "high street" retail and other global factors which may affect JHLL and the Group are also closely monitored.

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

- Organisational purpose;
- Leadership;
- Integrity;
- Decision-making, risk and control;
- Board effectiveness;
- Equality, diversity and inclusion; and
- Openness and accountability.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Ongoing geopolitical conflicts and economic impacts

The ongoing geopolitical conflicts and economic impacts thereof have undoubtedly had an effect on UK companies in a wide ranging manner, potentially affecting their operational capability, liquidity and financial position.

The Trustees have considered the implications and have put in place business continuity plans that should allow the Charitable Company and the Group to continue in operation.

Financial key performance indicators

The results of the Group show total net income for the year of £913,610 *(2023: £457,663)* and total funds carried forward of £4,361,458 *(2023: £3,447,848)*.

Fundraising

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

Policy on Reserves

The Trustees have established a reserves policy to ensure the financial stability of the Trust and its trading subsidiaries, recognising the Trust's reliance on income generated by the subsidiaries.

The policy sets a target to hold reserves equivalent to nine to twelve months' consolidated operating expenses.

The balance held as unrestricted funds as at 31 March 2024 of the Group was £4,361,458 (2023: £3,447,848). The net assets of the Trust are regarded as unrestricted and the available funds at 31 March 2024 will be spent in future periods in accordance with the Trust's charitable objects.

This level of reserves provides a financial buffer against unforeseen risks, income fluctuations, and operational needs, ensuring the sustainability of our charitable activities.

The reserves policy is reviewed annually to reflect changes in financial risks, income sources, and future plans.

STRATEGIC REPORT

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS

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

During the year, JHLL presented exhibitions, demonstrations, talks and events in Japan House and online showcasing aspects of Japanese culture on behalf of the Trust. The Trust made grants to eight organisations to promote further education in Japanese language and culture during the year.

The Trustees have continued to develop and refine their strategies, policies and procedures to further the objectives of the Trust and keep these under constant review.

The results of the Group activities for the year are detailed on page 12.

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS (continued)

Plans for Future Periods

The Trustees do not propose to deviate from the current objectives and activities of the Trust.

The Trustees are actively considering proposals for funding of projects which will supplement and extend the work done by JHLL, identifying activities to foster relationships with appropriate organisations and give weight to future work beyond the Japan House London building.

STATEMENT OF PUBLIC BENEFIT

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

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company 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 Charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company and the Group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's and the Group's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Approved by the Trustees and signed on their behalf by

Satoru Yoshida (Dec 18, 2024 14:07 GMT)

Mr Satoru Yoshida
Trustee

Date: 18 DEC 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JAPAN HOUSE LONDON TRUST

OPINION

We have audited the financial statements of Japan House London Trust ("the Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities (incorporating Income and Expenditure Account), the Consolidated and Charitable Company Balance Sheets, the Consolidated 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 the 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 Group's and the Charitable Company's affairs as at 31 March 2024 and of the Group's 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 Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' 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 Group and Charitable Company'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 other information comprises the information included in the Annual Trustees' Report (including the Strategic Report) and the Consolidated Financial Statements, other than the Consolidated Financial Statements and our Auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 AUDITOR'S REPORT

TO THE MEMBERS OF JAPAN HOUSE LONDON TRUST (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Annual Trustees' Report (incorporating the Strategic Report and the Directors' Report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Annual Trustees' Report (incorporating the Strategic Report and the Directors' Report) have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the Charitable Company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our assessment of the susceptibility of the Charitable Company's and the Group's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

- due to the relatively low volume of transactions we have high visibility to all the material transactions and adjustments;
- due to the relatively simple operational model of the Charitable Company and the Group there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- the review of control accounts and journal entries for large, unusual or unauthorised entries;
- discussions with management involved in the risk and compliance functions including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- analytical review of the detailed Statement of Financial Activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Charitable Company during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Group for previously unreported related party transactions;
- reviewing correspondence and agreements between the Group and other parties, and discussions with management in relation to their compliance with the Charities SORP FRS 102;
- review of the Trustees' and directors' meeting minutes to identify unrecorded transactions;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- review of transactions and journals for any indication of fraud or management override; and
- assessing the appropriateness of the going concern basis with reference to the Charitable Company's and the Group's current performance and expectations for future periods.

Because of the inherent limitations of an audit and the audit procedures described above, there is an unavoidable risk that we will not have detected all irregularities, including some leading to 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 remains a higher risk of non-detection of irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, 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.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JAPAN HOUSE LONDON TRUST (CONTINUED)

USE OF OUR REPORT

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Rawlinson & Hunter Audit LLP

Yueling Wei (Senior statutory auditor)
for and on behalf of
Rawlinson & Hunter Audit LLP
Statutory Auditor
Chartered Accountants

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

Date: 18 December 2024

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted Funds 2024 £	Total Funds 2024 £	*Total Funds (All unrestricted) 2023 £*
INCOME FROM:				
Other trading activities	3	**11,132,992**	**11,132,992**	*9,959,991*
TOTAL INCOME		**11,132,992**	**11,132,992**	*9,959,991*
EXPENDITURE ON:				
Cost of other trading activities	6	**9,845,549**	**9,845,549**	*9,422,444*
Charitable activities	4,6	**119,283**	**119,283**	*40,350*
TOTAL EXPENDITURE	6	**9,964,832**	**9,964,832**	*9,462,794*
Net Income before Taxation		**1,168,160**	**1,168,160**	*497,197*
TAX CHARGE	9	**(254,550)**	**(254,550)**	*(39,534)*
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		**913,610**	**913,610**	*457,663*
NET MOVEMENT IN FUNDS		**913,610**	**913,610**	*457,663*
RECONCILIATION OF FUNDS:				
Total funds brought forward		**3,447,848**	**3,447,848**	*2,990,185*
TOTAL FUNDS CARRIED FORWARD		**4,361,458**	**4,361,458**	*3,447,848*

The Consolidated Statement of Financial Activities include all gains and losses recognized in the period.

All income and expenditure derived from continuing activities.

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2024

Registered number: 11491073
Charity number: 1179626

	Note	£	31 March 2024 £	£	*31 March 2023 £*
FIXED ASSETS					
Intangible assets	10,11	**44,378**		*151,181*	
Tangible assets	12	**215,261**		*200,727*	
			259,639		*351,908*
CURRENT ASSETS					
Stock	13	**274,015**		*206,676*	
Debtors	14	**2,828,362**		*2,531,456*	
Cash at bank and in hand	15	**6,914,616**		*7,874,464*	
		10,016,993		*10,612,596*	
CREDITORS: amounts falling due within one year	16	**(3,761,550)**		*(5,018,058)*	
NET CURRENT ASSETS			**6,255,443**		*5,594,538*
TOTAL ASSETS LESS CURRENT LIABILITIES			**6,515,082**		*5,946,446*
CREDITORS: amounts falling due after more than one year	17		**(1,301,410)**		*(1,550,000)*
PROVISIONS FOR LIABILITIES					
Other provisions	19		**(852,214)**		*(948,598)*
NET ASSETS			**4,361,458**		*3,447,848*
CHARITY FUNDS					
Unrestricted funds			**4,361,458**		*3,447,848*
SHAREHOLDERS' AND CHARITY'S FUNDS			**4,361,458**		*3,447,848*

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

S Yoshida

Satoru Yoshida (Dec 18, 2024 14:07 GMT)

Mr Satoru Yoshida

.....

Trustee

Date: 18 DEC 2024

The notes on pages 16 to 30 form part of these financial statements.

CHARITABLE COMPANY BALANCE SHEET
AT 31 MARCH 2024

Registered number: 11491073
Charity number: 1179626

	Note	£	31 March 2024 £	£	*31 March 2023* £
FIXED ASSETS					
Investments	23		**1**		*1*
					1
CURRENT ASSETS					
Debtors	14	**7,921**		*7,921*	
Cash at bank and in hand	15	**851,167**		*831,363*	
		859,088		*839,284*	
CURRENT LIABILITIES					
Creditors - amounts falling due within one year	16	**(50,905)**		*(11,820)*	
NET CURRENT ASSETS			**808,183**		*827,464*
TOTAL ASSETS LESS CURRENT LIABILITIES			**808,184**		*827,465*
TOTAL NET ASSETS			**808,184**		*827,465*
THE FUNDS OF THE CHARITABLE COMPANY					
Unrestricted income fund			**808,184**		*827,465*
TOTAL CHARITABLE COMPANY FUNDS			**808,184**		*827,465*

The Charitable Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

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

S Yoshida

Satoru Yoshida (Dec 18, 2024 14:07 GMT)

Mr Satoru Yoshida

.....

Trustee

Date: 18 DEC 2024

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £	2023 £
CASH FLOW FROM OPERATING ACTIVITIES:			
Net movement in funds		**913,610**	*457,663*
ADJUSTMENT FOR:			
Depreciation of tangible assets	12	59,308	*46,573*
Amortisation of intangible assets	10,11	106,802	*106,802*
Tax charge	9	254,550	*39,534*
Increase in stock	13	(67,339)	*(33,407)*
(Increase)/decrease in debtors	14	(299,970)	*66,271*
(Decrease)/increase in creditors	16,17	(1,741,367)	*1,492,004*
(Decrease)/increase in provisions	20	(96,384)	*38,598*
Tax paid		(15,216)	*(145,591)*
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVTIES		(886,006)	*2,068,447*
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchases of fixed assets	12	(73,842)	*(19,411)*
NET CASH USED IN INVESTING ACTIVITIES		(73,842)	*(19,411)*
CASH FLOW FROM FINANCING ACTIVITIES:			
Decrease in other loans	16	-	*(71,408)*
NET CASH USED IN FINANCING ACTIVITIES		-	*(71,408)*
CHANGE IN CASH AND CASH EQUIVALANTS IN THE YEAR		(959,848)	*1,977,628*
Cash and cash equivalents brought forward		7,874,464	*5,896,836*
CASH AND CASH EQUIVALENT CARRIED FORWARD	15	6,914,616	*7,874,464*

The notes on pages 16 to 30 form part of these financial statements.

1. GENERAL INFORMATION

Japan House London Trust ("the Trust" or "the Parent Company" or "the Charitable Company") is a registered charity (charity number 1179626) limited by guarantee, whose principal object is to support charitable purposes in whatever manner the Trustees, in their absolute discretion, think fit. The address of the registered office is 101 – 111 Kensington High Street, London W8 5SA.

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

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

2. ACCOUNTING POLICIES

2.1 *Basis of preparation of financial statements*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), The Charities Act 2011 and, where relevant, the Charities Act 2022, and the Companies Act 2006.

The Trust meets the definition of a public benefit entity under FRS 102.

The Consolidated Statement of Financial Activities (SOFA) and the Consolidated Balance Sheet consolidate the financial statements of the Trust and its subsidiary undertakings ("the Group"). The results of the subsidiaries, Japan H.L. Limited ("JHLL") and Japan H.L. Enterprises Limited ("JHLE"), are consolidated on a line by line basis.

No separate SOFA has been presented for the Trust alone as permitted by section 408 of the Companies Act 2006.

The net income and expenditure for the year dealt within the accounts of the Parent Company was net expenditure of £19,281 *(2023: net income of £59,649)*.

The financial statements are prepared in Sterling GBP which is the functional currency of the Charitable Company & its subsidiaries, JHLL and JHLE.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies (see Note 2.22 below).

Basis of consolidation

The consolidated financial statements present the results of the Trust and its own subsidiaries as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations relating to the subsidiaries using the purchase method. In the Consolidated Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Financial Activities from the date on which control is obtained. They are deconsolidated from the date control ceases.

2. ACCOUNTING POLICIES (continued)

2.2 *Going concern*

At the Balance Sheet date, the Group and the Parent Company had net assets of £4,361,458 (*2023: £3,447,848*) and £808,184 (*2023: £827,465*) respectively and cash balance of £6,914,616 (*2023: £7,874,464*) and £851,167 (*2023: £831,363*) respectively.

The ongoing geopolitical conflicts and economic impacts thereof have undoubtedly had an effect on UK companies in a wide ranging manner, potentially affecting their operational capability, liquidity and financial position. The directors have considered the implications and have put in place business continuity that have allowed the Group and the Parent Company to continue in operation.

The directors have also reviewed the Group's and the Parent Company's current and expected liabilities and cash outflows arising from its activity over the next twelve months. The directors are confident that the Group and the Parent Company will be able to meet its liabilities as they fall due for a period of at least twelve months from the date of signature of the financial statements.

The financial statements have been prepared on the going concern basis.

2.3 *Income from trading activities*

Revenue earned includes service revenue earned by charging a margin on costs reimbursed from the Japanese Ministry of Foreign Affairs ("MOFA"). In addition, JHLL has earned rent revenue related to concession agreements to use certain areas of the Japan House London premises. The Group has adopted the accounting policies below to account for this rent revenue:

- the area of the Japan House London premises occupied by tenants is distinguished into two categories, principal and agency, based on activities they conduct;
- rent revenue derived from the area acting as principal is recognised gross; and
- rent revenue derived from the area acting as agency is recognised net.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue earned also includes income from sale of goods by JHLE.

The following criteria must also be met before revenue is recognised:

Revenue from sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. ACCOUNTING POLICIES (continued)

2.3 *Income from trading activities (continued)*

Rendering of services

Revenue from a contract to provide services is recognised in the year in which the services are provided in accordance with the stage of completion of the contract, when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting year can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 *Donation Income*

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

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

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

2.5 *Investment income*

Investment income represents interest receivable from bank deposits.

2.6 *Cost of trading and charitable activities*

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

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

2.7 *Status of funds*

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

2. ACCOUNTING POLICIES (continued)

2.8 *Current and deferred taxation*

The tax expense for the year comprises current and deferred tax for the subsidiaries trading company. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Charitable Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Consolidated Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

2.9 *Foreign currencies*

The Parent Company's and Group's functional and presentational currency is Sterling GBP. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the Balance sheet date.

Transactions in foreign currencies are translated into Sterling GBP at the rate ruling on the date of the transaction.

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

2.10 *Pensions*

The Group operates a defined contribution pension scheme for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Balance Sheet. The assets to the plan are held separately from the Group in independently administered funds.

2. ACCOUNTING POLICIES (continued)

2.11 *Operating leases: JHLL as lessee*

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 *Intangible assets – website development*

Directly attributable website development costs incurred in the creation of the website are initially recognised at cost and amortised over its expected useful life of 5 years. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.13 *Intangible assets – goodwill*

Goodwill represents the difference between amounts paid for the cost of a business combination and the acquirer's interest in the fair value of the group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Financial Activities over its useful economic life of 5 years.

2.14 *Valuation of investments*

Investments in subsidiaries are measured at cost less accumulated impairment in the Parent Company's accounts.

2.15 *Tangible fixed assets and depreciation*

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

However, capitalisation is determined by what services are provided in each location. Where JHLL acts in a principal activity, fixed assets will be capitalised. In certain instances where leasehold improvements are reimbursed ultimately by MOFA and there is no economic benefit to JHLL and the Group, these assets are not capitalised on the Balance Sheet of JHLL and the Group.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Short-term leasehold improvement	- straight line basis over the initial term to the expected lease end date
Fixture and fittings	- 10% reducing balance method

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2. ACCOUNTING POLICIES (continued)

2.16 Stock

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.17 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.18 Cash and cash equivalent

Cash represents cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.19 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Consolidated Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Consolidated Statement of Financial Position.

2.21 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2. ACCOUNTING POLICIES (continued)

2.21 *Financial instruments (continued)*

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Consolidated and Parent Company Balance Sheet when there is an 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.

2.22 *Judgements in applying accounting policies and key sources of estimate uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the Balance Sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means the actual outcomes could differ from those estimates. The following judgements have the most significant effect on the amounts recognised in the financial statements:

Carrying value of intangible assets

The Group reviews the carrying value of its intangible assets, which comprise goodwill and website development, at each reporting date to determine if there is any indication of impairment. Where an indication of impairment is identified the Group estimates the recoverable amount of the asset. This requires judgement by management with respect to certain external factors, including, but not limited, to technological and economic feasibility, and estimated economic life. See Notes 10 & 11 for the carrying value of the Group's intangible assets.

Carrying value of stock

The Group reviews the carrying value of its stock, at each reporting date to determine if there is any indication of impairment. Where an indication of impairment is identified the Group estimates the recoverable amount of the stock. This requires judgement by management with respect to certain external factors, including conditions of stock to determine whether any impairment provision is necessary. See Note 13 for the carrying value of the Group's stock.

3. INCOME

Group

Income from trading activities

Income from trading activities is principally attributable to an agreement with the Japanese Ministry of Foreign Affairs ("MOFA"), rental income from concession agreements executed with restaurant and retail operators and sales in the Shop. All income arose in the United Kingdom.

An analysis of turnover by class of business is as follows:

	2024	*2023*
	£	*£*
Rental income on concession agreements	**124,001**	*124,001*
Japan House membership income	**256,805**	*242,125*
Income from arrangement with MOFA (note 22)	**8,722,052**	*7,881,671*
Other Income	**296,917**	*261,934*
Income from sales in the Shop	**1,733,217**	*1,450,260*
	11,132,992	*9,959,991*

4. CHARITABLE ACTIVITIES

Parent Company

	Unrestricted Funds 2024	Total Funds 2024	*Total Funds 2023*
	£	£	*£*
Grants made	**94,798**	**94,798**	*29,000*
Support costs – governance (Note 5)	**24,485**	**24,485**	*11,350*
	119,283	**119,283**	*40,350*

Charitable donations were made to the following charitable recipients:

	2024	*2023*
	£	*£*
Café Oto	**3,000**	
Delfina Foundation	**17,600**	-
Japan House London's touring sampuru	**20,130**	
Studio Voltaire	**12,568**	-
The Victoria and Albert Museum	**2,000**	-
University of Oxford	**7,000**	
Van Gogh House London & Gallery C.I.C.	**15,600**	-
Wysing Arts Centre	**16,900**	
Grizedale Arts	-	*4,000*
Japan Society	-	*25,000*
Total Grants made	**94,798**	*11,350*

5. SUPPORT COSTS

Parent Company

	Total Funds 2024 £	*Total Funds 2023 £*
Bank charges	**60**	*60*
Legal and professional related costs	**847**	*2,468*
Audit fee	**23,578**	*8,822*
Total (Note 4)	**24,485**	*11,350*

6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

Group

	2024 £	*2023 £*
Other trading activities	**9,845,549**	*9,422,444*
	9,845,549	*9,422,444*
Charitable Activities (Note 4)	**119,283**	*40,350*
Total Expenditure	**9,964,832**	*9,462,794*

Other trading activities relate to costs of goods sold, office rent & rates, depreciation and amortisation charges, staff costs, exhibition costs & other trading and compliance costs incurred by the Group and its subsidiaries.

7. AUDITORS' REMUNERATION

	2024 £	*2023 £*
Fees payable to the Charitable Company's auditor and its subsidiaries in respect of Audit-related assurance services	**40,000**	*40,000*
	40,000	*40,000*

8. EMPLOYEES

The average monthly number of employees, including the directors, during the year was as follows:

	2024	*2023*
Employees including directors who have employment contracts	**89**	*71*

Staff costs, including key management personnel, were as follows:

	2024 £	*2023 £*
Wages and salaries	**3,010,456**	*2,567,986*
Social security costs	**267,759**	*247,919*
Cost of defined contribution scheme (Note 20)	**98,989**	*70,534*
	3,377,204	*2,886,349*

Included above is the remuneration of £357,161 *(2023: £295,819)* for the Group's key management.

No Trustees received any remuneration during either reporting period.

9. TAXATION

	Group Year ended 31.03.2024 £	*Group Year ended 31.03.2023 £*
Corporation tax		
Current tax charge on profits for the year	**251,485**	*59,698*
Adjustments in respect of previous periods	**3,065**	*(20,164)*
Total current tax	**254,550**	*39,534*
Deferred tax asset		
Adjustments in respect of previous periods	**-**	*-*
Total deferred tax asset	**-**	*-*
Tax charge on profit on ordinary activities	**254,550**	*39,534*

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2023: lower than)* the standard rate of corporation tax in the UK of 25% *(2023: 19%)* as set out below:

	Group Year ended 31.03.2024 £	*Group Year ended 31.03.2023 £*
Profit on ordinary activities before tax	**1,168,160**	*497,197*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% *(2023: 19%)*	**292,040**	*94,468*
Effects of:		
Fixed asset differences	**1,661**	*2,005*
Expenses not deductible for tax purposes	**18,891**	*14,718*
Reversal of provision not allowed for tax	**(24,096)**	*-*
Charitable donations not tax deductible	**29,915**	*7,737*
Adjustment to tax charge in respect of previous period – current tax	**3,065**	*(20,164)*
Excess of capital allowance over depreciation	**(66,926)**	*(59,894)*
Unrelieved tax losses carried forward	**-**	*664*
Total tax charge for the year	**254,550**	*39,534*

Factors that may affect future tax charges

At 31 March 2024, Japan H.L. Limited had capital allowances in excess of depreciation available to offset against future profits of £633,000 *(2023: £700,000)*. No deferred tax asset has been recognised in respect of these due to the uncertainty of suitable future profits against which the asset would be recoverable.

The Trust is a tax exempt charity.

10. INTANGIBLE FIXED ASSETS

Group

	Website development £
Cost	
At 1 April 2023	34,285
Additions	-
At 31 March 2024	34,285
Amortisation	
At 1 April 2023	8,572
Charge for the period	6,428
At 31 March 2024	15,000
Net Book Value	19,285
At 31 March 2024	19,285
At 31 March 2023	25,713

11. INTANGIBLE FIXED ASSETS – GOODWILL

Group

During the period to 31 March 2020, the Trust acquired 100% of Japan H.L. Limited resulting in goodwill of £501,869 which is amortised on a straight line basis over its useful economic life to June 2024. The amortisation is charged to the Consolidated Statement of Financial Activities.

	£
Cost	
At 1 April 2023	501,869
At 31 March 2024	501,689
Amortisation	
At 1 April 2023	376,402
Charge for the period	100,374
At 31 March 2023	476,776
Net Book Value	
At 31 March 2024	25,093
At 31 March 2023	125,467

12. TANGIBLE FIXED ASSETS

Group

	Short-term leasehold improvements	Fixture and fittings	Total
	£	£	£
Cost or valuation			
At 1 April 2023	**8,739,970**	**289,255**	**9,029,225**
Additions	**-**	**73,842**	**73,842**
At 31 March 2024	**8,739,970**	**363,097**	**9,103,067**
Depreciation			
At 1 April 2023	**8,739,970**	**88,528**	**8,828,498**
Charge for the year	**-**	**59,308**	**59,308**
At 31 March 2024	**8,739,970**	**147,836**	**8,887,806**
Net book value			
At 31 March 2024	**-**	**215,261**	**215,261**
At 31 March 2023	**-**	**200,727**	**200,727**

13. STOCK

	Group		Parent Company	
	2024	*2023*	**2024**	*2023*
	£	*£*	**£**	*£*
Finished goods and goods for resale	**274,015**	*206,676*	**-**	*-*
	274,015	*206,676*	**-**	*-*

14. DEBTORS

Due after more than one year:

	Group		Parent Company	
	2024	*2023*	**2024**	*2023*
	£	*£*	**£**	*£*
Rent deposit (Note 21)	**1,327,482**	*1,565,179*	**-**	*-*
	1,327,482	*1,565,179*	**-**	*-*

Rent deposit includes interest receivable of £26,072 *(2023: £15,179)* as confirmed by the landlord at the year end. Following the new MOFA contract entered into in March 2024, the Company reviewed the position of the lease with the expectation the lease will be fulfilled to March 2027. Accordingly, the debtor has been discounted to present value as at 31 March 2024.

14. DEBTORS (CONTINUED)

Due within one year:

	Group		Parent Company	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	61,693	99,654	-	-
Other debtors	15,724	33,383	7,921	7,921
Prepayments & Accrued income	1,084,864	539,886	-	-
Corporation tax	85,528	85,528	-	-
VAT repayable	253,071	207,826	-	-
	1,500,880	966,277	7,921	7,921
Total Debtors	2,828,362	2,531,456	7,921	7,921

15. CASH AND CASH EQUIVALENTS

	Group		Parent Company	
	2024	2023	2024	2023
	£	£	£	£
Cash at bank	6,914,616	7,874,464	851,167	831,363
	6,914,616	7,874,464	851,167	831,363

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent Company	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	86,848	124,222	-	3,820
Corporation tax	251,485	15,216	-	-
Other creditors	2,281,348	4,519,757	-	-
Accruals	73,628	80,418	50,905	8,000
Other taxation and social security	66,456	53,369		
Deferred Income	953,549	182,191	-	-
VAT payable	48,236	42,885	-	-
	3,761,550	5,018,058	50,905	11,820

Other creditors include £2,249,133 (*2023: £4,498,231*) due to MOFA.

17. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

	Group		Parent Company	
	2024	2023	2024	2023
	£	£	£	£
Other creditors (Note 21)	1,301,410	1,550,000	-	-
	1,301,410	1,550,000	-	-

Other creditors relate to amounts repayable to MOFA.

17. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR (continued)

Following the new MOFA agreement entered into in March 2024, the Group reviewed the position of the lease with the expectation the lease will be fulfilled to March 2027. The amount included within other creditors reflects the discounted value of the rental deposit, excluding interest, repayable to MOFA as at 31 March 2024.

18. FINANCIAL INSTRUMENTS

	Group		Parent Company	
	2024	*2023*	**2024**	*2023*
	£	*£*	**£**	*£*
Financial assets				
Financial assets measured at fair value through income and expenditure	**6,914,616**	*7,874,464*	**851,167**	*831,363*
Financial assets measured at amortised cost	**1,404,899**	*1,698,216*	**7,921**	*7,921*
	8,319,515	*9,572,680*	**859,088**	*839,284*
Financial liabilities				
Financial liabilities measured at amortised cost	**3,743,234**	*6,327,766*	**50,905**	*11,820*

Financial assets measured at fair value through income and expenditure comprise of cash and cash equivalents.

Financial assets measured at amortised cost comprise of trade debtors, rent deposits, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals.

19. PROVISIONS

Group

	Provision for dilapidation
	£
At 1 April 2023	**948,598**
Credited to Consolidated Statement of Financial Activities	**(96,384)**
At 31 March 2024	**852,214**

As part of its property leasing arrangements, the Group's subsidiary, Japan H.L. Limited ("JHLL") has an obligation to return some properties to their original condition (when JHLL conducted significant leasehold improvements) or repair damages which occur during the life of the lease. Based on a formal dilapidation report dated 12 June 2023, the directors have recorded a dilapidation provision. The provision is expected to be utilised in March 2027 (Note 21). The directors consider the provision in place at the year-end to be materially fairly stated.

20. PENSION COMMITMENTS

JHLL, the 100% owned subsidiary, operates a defined contribution pension scheme. The pension costs charge for the year to 31 March 2024 represents contributions payable by JHLL to the scheme and amounted to £98,989 *(2023: £70,534)* (Note 8). Contributions totalling £26,240 *(2023: £19,784)* were payable to the scheme at the reporting date and are included in creditors.

21. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2024 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group		Parent Company	
	2024	*2023*	**2024**	*2023*
	£	*£*	**£**	*£*
Not later than 1 year	**1,706,371**	*1,670,747*	**-**	*-*
Later than 1 year but not later than 5 years	**3,412,741**	*5,012,240*	**-**	*-*
	5,119,112	*6,682,987*	**-**	*-*

JHLL paid a deposit of £1,550,000 to the landlord on 1 April 2017 in accordance with the terms of the lease. Its present value is included in Note 14.

The lease will expire on 30 March 2027 based on commitments at the year end. Subsequent to the year end, the directors have agreed an extension to the lease to March 2029.

22. RELATED PARTY TRANSACTIONS

No Trustees received any remuneration for the current or prior period.

The Trust and the Group are exempt from disclosing material related party transactions with companies that are wholly owned within the Group.

During the year Group received £8,722,052 *(2023: £7,881,671)* as income from MOFA. The Group owed £3,550,543 *(2023: £6,048,231)* to MOFA at the year end (Note 16 & Note 17).

23. SUBSIDIARIES

Company Name	Country of incorporation	Class of shares	Holdings	Aggregate of share capital and reserves	Profit for the year ended 31 March 2024
Japan H.L. Limited, parent of	UK (England & Wales)	Ordinary	100%	3,241,311	913,490
Japan H.L. Enterprises Limited	UK (England & Wales)	Ordinary	100%	286,972	119,777

24. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

JAPAN HOUSE LONDON TRUST

England & Wales - Charity number 1179626

Accounts

Registered number: 11491073
Charity number: 1179626

JAPAN HOUSE LONDON TRUST

(A company limited by guarantee)

ANNUAL TRUSTEES' REPORT

(INCLUDING THE STRATEGIC REPORT)

AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

JAPAN HOUSE LONDON TRUST

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ANNUAL TRUSTEES' REPORT
(INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees, who are also directors for the purposes of company law, present their report together with the audited Consolidated Financial Statements of Japan House London Trust ("JHLT" or "the Parent Company" or "the Trust" or "the Charitable Company") and its subsidiary undertakings, Japan H.L. Limited ("JHLL") and Japan H.L. Enterprises Limited ("JHLE") (collectively "the Group") for the year ended 31 March 2023.

The Trustees confirm that the Annual Trustees' Report (including the Strategic Report) and Consolidated Financial Statements of the Group and the Parent Company comply with the Charities Act 2011 and where relevant, the Charities Act 2022, the Companies Act 2006, the Trust's Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("Charities SORP FRS 102").

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

Governing Instrument	Memorandum and Articles of Association
Members	His Excellency Ambassador Hajime Hayashi Sir Alexander David Warren Rt Hon. Lord Christopher Francis Patten of Barnes Ms Keshini Navaratnam Mrs Phillida A Purvis
Trustees (also the statutory Directors of the Charitable Company)	His Excellency Ambassador Hajime Hayashi Rt Hon. Lord Christopher Francis Patten of Barnes Ms Keshini Navaratnam Mrs Phillida A Purvis Sir Alexander David Warren Mr Satoru Yoshida Mr Akihiko Takada (Appointed on 1 April 2022) Mr Takanori Sazaki (Appointed 8 December 2022) Mr Yoshinori Katayama (Resigned on 1 April 2022) Mr Hirohiko Miyata (Resigned 17 October 2022)
Executive Chairman	His Excellency Ambassador Hajime Hayashi

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

On 17 June 2020, the subsidiary, Japan H.L. Limited ("JHLL"), acquired a 100% shareholding in a newly incorporated company, Japan H.L. Enterprises Limited ("JHLEL"), and on 30 September 2020, JHLEL acquired the business, assets and operations of The Shop at Japan House London from Salt and Welcome UK Limited. Salt and Welcome UK Limited was a tenant of JHLL.

JHLL is the principal service provider to the Japan House London Project on behalf of the Japanese Ministry of Foreign Affairs ("MOFA") for which it receives a handling fee. These services included, and continue to be:

- operating a safe and welcoming public venue; and
- enhancing the project through promotional activities and events.

Prior to the acquisition of JHLL by the Trust on 30 June 2019, the provision of the Japan House London Project on behalf of the Japanese Ministry of Foreign Affairs was through its previous parent company, Jones Lang LaSalle KK. Since 30 June 2019, JHLL has entered into a direct contract with MOFA for the operation of the Japan House London Project.

Organisation

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

Appointment of Trustees

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

Trustee induction and training

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

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

Related parties

Related parties' transactions are disclosed in the Note 23 in the Financial Statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Pay policy for senior staff

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

The Trustees give their time freely and received no remuneration during the year ended 31 March 2023 nor previous period. There are no staff other than the Trustees in the Trust. The number of staff in the Group is disclosed in Note 8.

Internal Controls

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

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

Governance and Risk Management

A risk assessment has been undertaken which comprises:

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

This continuing process will identify risk areas to which the Group is vulnerable and highlight any necessary safeguards that will need to be put in place.

The Trustees are of the opinion that an adequate risk management process is in place at the Group, whereby key risks facing the business are documented and reviewed. The Trustees, along with the Board of Directors in JHLL, monitor the progress of the Group by reference to certain financial and non-financial key performance indicators, for example, number of visitors to Japan House London.

Key risks for JHLL and hence for the Group are visitor numbers and exhibitions. The success of JHLL and the Group is largely dependent on visitor numbers and a strong public programme. The Group liaises closely with the Japanese Government regarding expectations of forthcoming events and exhibitions. The level of visitors may also be affected by major events in London, such as security issues or disruption to international travel. The current performance environment of "high street" retail and other global factors which may affect JHLL and the Group are also closely monitored.

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

- Organisational purpose;
- Leadership;
- Integrity;
- Decision-making, risk and control;
- Board effectiveness;
- Equality, diversity and inclusion; and
- Openness and accountability.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Ukraine conflict and the ongoing inflationary factors

The Ukraine conflict and the ongoing inflationary factors have undoubtedly had an effect on UK companies in a wide ranging manner, potentially affecting their operational capability, liquidity and financial position.

The Trustees have considered the implications and have put in place business continuity plans that should allow the Charitable Company and the Group to continue in operation.

Japanese Ministry of Foreign Affairs funding agreement

The current funding agreement with the Japanese Ministry of Foreign Affairs is due to expire 31 March 2024. The funding received from this arrangement constitutes a significant part of the revenues received within the Group and enables the subsidiary company to service their ongoing lease commitment. As a result, there is uncertainty surrounding the going concern status of the entity

Financial key performance indicators

The results of the Group show total net income for the year of £457,663 *(2022: £211,831)* and total funds carried forward of £3,447,848 *(2022: £2,990,185)*.

Fundraising

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

Policy on Reserves

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

The Trustees have examined the Trust's and Group's requirements for resources in light of the main risks to the organisation and have no outstanding commitments or cash demands that are not adequately covered by existing resources. The net assets of the Trust are regarded as unrestricted and the available funds at 31 March 2023 will be spent in future periods in accordance with the Trust's charitable objects.

The balance held as unrestricted funds as at 31 March 2023 of the Group was £3,447,848 *(2022: £2,990,185)*. In future years, a specific reserves policy will be adopted by Trustees.

STRATEGIC REPORT

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS

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

During the year, JHLL presented exhibitions, demonstrations, talks and events in Japan House and online showcasing aspects of Japanese culture on behalf of the Trust. The Trust made grants to two organizations to promote further education in Japanese language and culture during the year.

The Trustees have continued to develop and refine their strategies, policies and procedures to further the objectives of the Trust and keep these under constant review.

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS (continued)

The results of the Group activities for the year are detailed on page 12.

Plans for Future Periods

The Trustees do not propose to deviate from the current objectives and activities of the Trust.

The Trustees are actively considering proposals for funding of projects which will supplement and extend the work done by JHLL, identifying activities to foster relationships with appropriate organisations and give weight to future work beyond the Japan House London building.

STATEMENT OF PUBLIC BENEFIT

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

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company 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 Charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company and the Group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's and the Group's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Approved by the Trustees and signed on their behalf by

由田聡
Satoru Yoshida (Dec 18, 2023 15:03 GMT)

Mr Satoru Yoshida
Trustee

Date: 18 DEC 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JAPAN HOUSE LONDON TRUST

OPINION

We have audited the financial statements of Japan House London Trust ("the Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities (incorporating Income and Expenditure Account), the Consolidated and Charitable Company Balance Sheets, the Consolidated 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 the 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 Group's and the Charitable Company's affairs as at 31 March 2023 and of the Group's 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 Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

We draw your attention to Note 2.2 to the financial statements which indicates that the negotiations between the Parent Company's principal trading subsidiary, Japan H.L. Limited ("JHLL") which has undertaken and will continue to undertake the Parent Company's charitable activities on its behalf, and MOFA for a further funding arrangement for periods beyond March 2024 are at an advanced stage and that the directors of JHLL and hence the Trustees of the Parent Company are of a belief that a new funding agreement with MOFA will be agreed to fund JHLL and the Trust's expenses including lease commitments for at least twelve months from the date of signature of the financial statements. The directors of JHLL and the Trustees of the Parent Company have considered a letter received from MOFA in 2019 on this matter, as noted in Note 2.2 to the financial statements and also options to utilise the building space differently in order to generate more revenue or reduce costs in order to settle the rent payments when due should a funding agreement with MOFA not be renewed.

Due to no formal funding agreement having been signed with MOFA nor alternative options considered by the directors of JHLL and the Trustees of the Parent Company having been implemented to ensure that sufficient net cash inflows will be generated in the future to settle lease commitments, these discussions and negotiations as set out in Note 2.2 to the financial statements are inherently subject to and indicate a material uncertainty exists that may cast doubt on the Group's and the Parent Company's ability to continue as a going concern. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JAPAN HOUSE LONDON TRUST (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the Annual Trustees' Report (including the Strategic Report) and the Consolidated Financial Statements, other than the Consolidated Financial Statements and our Auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Annual Trustees' Report (incorporating the Strategic Report and the Directors' Report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent in all material aspects with the financial statements.
- the Annual Trustees' Report (incorporating the Strategic Report and the Directors' Report) have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the Charitable Company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our assessment of the susceptibility of the Charitable Company's and the Group's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:

- due to the relatively low volume of transactions we have high visibility to all the material transactions and adjustments;
- due to the relatively simple operational model of the Charitable Company there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- the review of control accounts and journal entries for large, unusual or unauthorised entries;
- discussions with management involved in the risk and compliance functions including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- analytical review of the detailed Statement of Financial Activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Charitable Company during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Group for previously unreported related party transactions;
- reviewing correspondence and agreements between the Group and other parties, and discussions with management in relation to their compliance with the Charities SORP FRS 102;
- review of the Trustees' meeting minutes to identify unrecorded transactions;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- review of transactions and journals for any indication of fraud or management override; and
- assessing the appropriateness of the going concern basis with reference to the Charitable Company's and the Group's current performance and expectations for future periods.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JAPAN HOUSE LONDON TRUST (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Because of the inherent limitations of an audit and the audit procedures described above, there is an unavoidable risk that we will not have detected all irregularities, including some leading to 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 remains a higher risk of non-detection of irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, 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.

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

USE OF OUR REPORT

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Rawlinson & Hunter Audit LLP

Yueling Wei (Senior statutory auditor)
for and on behalf of
Rawlinson & Hunter Audit LLP
Statutory Auditor
Chartered Accountants

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

Date: 18 December 2023

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds 2023 £	Total Funds 2023 £	*Total Funds (All unrestricted) 2022 £*
INCOME FROM:				
Other trading activities	3.1	**9,959,991**	**9,959,991**	*12,327,901*
TOTAL INCOME		**9,959,991**	**9,959,991**	*12,327,901*
EXPENDITURE ON:				
Cost of other trading activities	6	**9,422,444**	**9,422,444**	*10,727,460*
Charitable activities	4	**40,350**	**40,350**	*35,715*
TOTAL EXPENDITURE	6	**9,462,794**	**9,462,794**	*10,763,175*
Net Income before Taxation		**497,197**	**497,197**	*1,564,726*
TAX (CHARGE)/CREDIT	9	**(39,534)**	**(39,534)**	*(1,352,895)*
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		**457,663**	**457,663**	*211,831*
NET MOVEMENT IN FUNDS		**457,663**	**457,663**	*211,831*
RECONCILIATION OF FUNDS:				
Total funds brought forward		**2,990,185**	**2,990,185**	*2,778,354*
TOTAL FUNDS CARRIED FORWARD		**3,447,848**	**3,447,848**	*2,990,185*

The Consolidated Statement of Financial Activities include all gains and losses recognized in the period.

All income and expenditure derived from continuing activities.

The notes on pages 16 to 30 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2023

Registered number: 11491073
Charity number: 1179626

	Note	£	31 March 2023 £	£	*31 March 2022 £*
FIXED ASSETS					
Intangible assets	10,11	**151,181**		*257,983*	
Tangible assets	12	**200,727**		*227,889*	
			351,908		*485,872*
CURRENT ASSETS					
Stock	13	**206,676**		*173,269*	
Debtors	14	**2,531,456**		*2,597,727*	
Cash at bank and in hand	15	**7,874,464**		*5,896,836*	
		10,612,596		*8,667,832*	
CREDITORS: amounts falling due within one year	16	**(5,018,058)**		*(3,703,519)*	
NET CURRENT ASSETS			**5,594,538**		*4,964,313*
TOTAL ASSETS LESS CURRENT LIABILITIES			**5,946,446**		*5,450,185*
CREDITORS: amounts falling due after more than one year	17		**(1,550,000)**		*(1,550,000)*
PROVISIONS FOR LIABILITIES					
Other provisions	20		**(948,598)**		*(910,000)*
NET ASSETS			**3,447,848**		*2,990,185*
CHARITY FUNDS					
Unrestricted funds			**3,447,848**		*2,990,185*
SHAREHOLDERS' AND CHARITY'S FUNDS			**3,447,848**		*2,990,185*

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

由田聡

Satoru Yoshida (Dec 18, 2023 15:03 GMT)

Mr Satoru Yoshida

.....

Trustee

Date: 18 DEC 2023

The notes on pages 16 to 30 form part of these financial statements.

CHARITABLE COMPANY BALANCE SHEET
AT 31 MARCH 2023

Registered number: 11491073
Charity number: 1179626

	Note	£	31 March 2023 £	£	*31 March 2022 £*
FIXED ASSETS					
Investments	24		**1**		*1*
			1		*1*
CURRENT ASSETS					
Debtors	14	**7,921**		*17,990*	
Cash at bank and in hand	15	**831,363**		*791,807*	
		839,284		*809,797*	
CURRENT LIABILITIES					
Creditors - amounts falling due within one year	16	**(11,820)**		*(41,982)*	
NET CURRENT ASSETS			**827,464**		*767,815*
TOTAL ASSETS LESS CURRENT LIABILITIES			**827,465**		*767,816*
TOTAL NET ASSETS			**827,465**		*767,816*
THE FUNDS OF THE CHARITABLE COMPANY					
Unrestricted income fund			**827,465**		*767,816*
TOTAL CHARITABLE COMPANY FUNDS			**827,465**		*767,816*

The Charitable Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

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

由田聡

Satoru Yoshida (Dec 18, 2023 15:03 GMT)

Mr Satoru Yoshida

.....

Trustee

Date: 18 DEC 2023

The notes on pages 16 to 30 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
CASH FLOW FROM OPERATING ACTIVITIES:			
Net movement in funds		**457,663**	*211,831*
ADJUSTMENT FOR:			
Depreciation of tangible assets	12	**46,573**	*2,316,937*
Amortisation of intangible assets	10,11	**106,802**	*102,517*
Tax charge	9	**39,534**	*1,352,895*
(Increase)/decrease in stock	13	**(33,407)**	*110,250*
Decrease in debtors	14	**66,271**	*1,221,337*
Increase/(decrease) in creditors	16	**1,492,004**	*(3,784,368)*
Increase in provisions	20	**38,598**	*33,885*
Tax paid	9	**(145,591)**	-
NET CASH GENERATED FROM OPERATING ACTIVTIES		**2,068,447**	*1,565,284*
CASH FLOW FROM INVESTING ACTIVITIES:			
Additions of intangible assets	10	**-**	*(34,285)*
Purchases of fixed assets	12	**(19,411)**	*(224,016)*
NET CASH USED IN INVESTING ACTIVITIES		**(19,411)**	*(258,301)*
CASH FLOW FROM FINANCING ACTIVITIES:			
Decrease in other loans	16	**(71,408)**	*(75,924)*
NET CASH USED IN FINANCING ACTIVITIES		**(71,408)**	*(75,924)*
CHANGE IN CASH AND CASH EQUIVALANTS IN THE YEAR		**1,977,628**	*1,231,059*
Cash and cash equivalents brought forward		**5,896,836**	*4,665,777*
CASH AND CASH EQUIVALENT CARRIED FORWARD	15	**7,874,464**	*5,896,836*

The notes on pages 16 to 30 form part of these financial statements.

1. GENERAL INFORMATION

Japan House London Trust ("the Trust" or "the Parent Company" or "the Charitable Company") is a registered charity (charity number 1179626) limited by guarantee, whose principal object is to support charitable purposes in whatever manner the Trustees, in their absolute discretion, think fit. The address of the registered office is 101 – 111 Kensington High Street, London W8 5SA.

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

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

2. ACCOUNTING POLICIES

2.1 *Basis of preparation of financial statements*

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), The Charities Act 2011 and, where relevant, the Charities Act 2022, and the Companies Act 2006.

The Trust meets the definition of a public benefit entity under FRS 102.

The Consolidated Statement of Financial Activities (SOFA) and the Consolidated Balance Sheet consolidate the financial statements of the Trust and its subsidiary undertakings ("the Group"). The results of the subsidiaries, Japan H.L. Limited ("JHLL") and Japan H.L. Enterprises Limited ("JHLE"), are consolidated on a line by line basis.

No separate SOFA has been presented for the Trust alone as permitted by section 408 of the Companies Act 2006.

The net income and expenditure for the year dealt within the accounts of the Parent Company was net income of £59,649 *(2022: £261,890)*.

The financial statements are prepared in Sterling GBP which is the functional currency of the Charitable Company & its subsidiaries, JHLL and JHLE.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies (see Note 2.22 below).

Basis of consolidation

The consolidated financial statements present the results of the Trust and its own subsidiaries as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations relating to the subsidiaries using the purchase method. In the Consolidated Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Financial Activities from the date on which control is obtained. They are deconsolidated from the date control ceases.

2. ACCOUNTING POLICIES (continued)

2.2 *Going concern*

At the Balance Sheet date, the Group and the Parent Company had net assets of £3,447,848 (2022: £2,990,185) and £827,466 (2022: £767,816) respectively and cash balance of £7,874,464 (2022: £5,896,836) and £831,363 (2022: £791,807) respectively.

The current funding agreement between the Parent Company's principal trading subsidiary, Japan H.L. Limited ("JHLL") which has undertaken and will continue to undertake the Parent Company's charitable activities on its behalf, and MOFA is due to expire in March 2024. The directors of JHLL and the Trustees of the Parent Company consider that JHLL and the Trust will have accumulated sufficient financial resources to continue their activities and operations including meeting lease commitments on the building occupied by them through to the lease expiry in March 2027.

The negotiations with MOFA for a further funding arrangement beyond March 2024 are at an advanced stage although no formal agreement has been signed.

The directors of JHLL and the Trustees of the Parent Company are confident that a new funding agreement with MOFA will be agreed to fund JHLL and the Trust's expenses including lease commitments for at least twelve months from the date of signature of the accounts.

In forming this view they have had due consideration of a letter received from MOFA dated 26 June 2019 which stated that MOFA would "conduct close discussion" with JHLL on the lease commitments for the extended period and that MOFA would "give due consideration" to the "dilapidation costs and mesne costs" so that JHLL "would not be burdened with unsupported obligation to restore the property at the end of the lease".

The directors of JHLL and the Trustees of the Parent Company have also considered options to utilise the building space differently in order to generate more revenue or reduce costs in order to settle the rent payments when due should a funding agreement with MOFA not be renewed. Options considered include charging the three organisations currently renting space within the building at market rates instead of discounted rates, reorganising the business structure to reduce overheads and group recharges and reducing or ceasing the marketing and communications functions and to use space currently used for these two functions for revenue generating activities.

Having considered all the above, the Trustees of the Parent Company consider that the financial statements should be prepared on a going concern basis which presumes that funding will be available to finance the future operations and liabilities including lease commitments for at least twelve months from the date of signature of the financial statements.

2.3 *Income from trading activities*

Revenue earned includes service revenue earned by charging a margin on costs reimbursed from the Japanese Ministry of Foreign Affairs ("MOFA"), recognition of income from MOFA for reimbursement of the rental expenses during the period, recognition of grant income received from MOFA for capital assets. In addition, JHLL has earned rent revenue related to concession agreements to use certain areas of the Japan House London premises. The Group has adopted the accounting policies below to account for this rent revenue:

- the area of the Japan House London premises occupied by tenants is distinguished into two categories, principal and agency, based on activities they conduct;
- rent revenue derived from the area acting as principal is recognised gross; and
- rent revenue derived from the area acting as agency is recognised net.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2. ACCOUNTING POLICIES (continued)

2.3 *Income from trading activities (continued)*

Grant income relating to assets is recognised as income over the expected useful life of the assets.

Revenue earned also includes income from sale of goods by JHLE.

The following criteria must also be met before revenue is recognised:

Revenue from sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the year in which the services are provided in accordance with the stage of completion of the contract, when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting year can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 *Donation Income*

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

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

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

2.5 *Investment income*

Investment income represents interest receivable from bank deposits.

2.6 *Cost of trading and charitable activities*

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

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

2. ACCOUNTING POLICIES (continued)

2.7 *Status of funds*

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

2.8 *Current and deferred taxation*

The tax expense for the year comprises current and deferred tax for the subsidiaries trading company. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Charitable Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Consolidated Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

2.9 *Foreign currencies*

The Parent Company's and Group's functional and presentational currency is Sterling GBP. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the Balance sheet date.

Transactions in foreign currencies are translated into Sterling GBP at the rate ruling on the date of the transaction.

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

2.10 *Pensions*

The Group operates a defined contribution pension scheme for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Balance Sheet. The assets to the plan are held separately from the Group in independently administered funds.

2. ACCOUNTING POLICIES (continued)

2.11 *Operating leases: JHLL as lessee*

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 *Intangible assets – website development*

Directly attributable website development costs incurred in the creation of the website are initially recognised at cost and amortised over its expected useful life of 5 years. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.13 *Intangible assets – goodwill*

Goodwill represents the difference between amounts paid for the cost of a business combination and the acquirer's interest in the fair value of the group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Financial Activities over its useful economic life of 5 years.

2.14 *Valuation of investments*

Investments in subsidiaries are measured at cost less accumulated impairment in the Parent Company's accounts.

2.15 *Tangible fixed assets and depreciation*

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

However, capitalisation is determined by what services are provided in each location. Where JHLL acts in a principal activity, fixed assets will be capitalised. In certain instances where leasehold improvements are reimbursed ultimately by MOFA and there is no economic benefit to JHLL and the Group, these assets are not capitalised on the balance sheet of JHLL and the Group.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Short-term leasehold improvement	- straight line basis over the initial term to the expected lease end date
Fixture and fittings	- 10% reducing balance method

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2. ACCOUNTING POLICIES (continued)

2.16 Stock

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.17 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.18 Cash and cash equivalent

Cash represents cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.19 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Consolidated Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Consolidated Statement of Financial Position.

2.21 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2. ACCOUNTING POLICIES (continued)

2.21 *Financial instruments (continued)*

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Consolidated and Parent Company Balance Sheet when there is an 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.

2.22 *Judgements in applying accounting policies and key sources of estimate uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the Balance Sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means the actual outcomes could differ from those estimates. The following judgements have the most significant effect on the amounts recognised in the financial statements:

Carrying value of intangible assets

The Group reviews the carrying value of its intangible assets, which comprise goodwill and website development, at each reporting date to determine if there is any indication of impairment. Where an indication of impairment is identified the Group estimates the recoverable amount of the asset. This requires judgement by management with respect to certain external factors, including, but not limited, to technological and economic feasibility, and estimated economic life. See Notes 10 & 11 for the carrying value of the Group's intangible assets.

Carrying value of stock

The Group reviews the carrying value of its stock, at each reporting date to determine if there is any indication of impairment. Where an indication of impairment is identified the Group estimates the recoverable amount of the stock. This requires judgement by management with respect to certain external factors, including conditions of stock to determine whether any impairment provision is necessary. See Note 13 for the carrying value of the Group's stock.

3. INCOME

Group

Income from trading activities

Income from trading activities is principally attributable to an agreement with the Japanese Ministry of Foreign Affairs ("MOFA"), rental income from concession agreements executed with restaurant and retail operators and sales in the Shop. All income arose in the United Kingdom.

An analysis of turnover by class of business is as follows:

	2023	*2022*
	£	*£*
Rental income on concession agreements	**124,001**	*124,001*
Release of deferred income – rent received in advance	**-**	*1,858,826*
Release of fixed asset grant income	**-**	*2,076,486*
Japan House membership income	**242,125**	*171,229*
Income from arrangement with MOFA (note 23)	**7,881,671**	*6,926,044*
Other Income	**261,934**	*266,140*
Income from sales in the Shop	**1,450,260**	*905,175*
	9,959,991	*12,327,901*

4. CHARITABLE ACTIVITIES

Parent Company

	Unrestricted Funds 2023	Total Funds 2023	*Total Funds 2022*
	£	£	*£*
Grants made	**29,000**	**29,000**	*-*
Support costs – governance (Note 5)	**11,350**	**11,350**	*35,715*
	40,350	**40,350**	*35,715*

£25,000 of the charitable donations was to Japan Society and £4,000 was made to Grizedale Arts. No donations were made in 2022.

5. SUPPORT COSTS

Parent Company

	Total Funds 2023	*Total Funds 2022*
	£	*£*
Bank charges	**60**	*101*
Legal and professional related costs	**2,468**	*22,433*
Audit fee	**8,822**	*13,181*
Total (Note 4)	**11,350**	*35,715*

6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

Group

	2023	2022
	£	£
Other trading activities	9,422,444	10,727,460
	9,422,444	10,727,460
Charitable Activities (Note 4)	40,350	35,715
Total Expenditure	9,462,794	10,763,175

Other trading activities relate to costs of goods sold, office rent & rates, depreciation and amortisation charges, staff costs, exhibition costs & other trading and compliance costs incurred by the Group.

7. AUDITORS' REMUNERATION

	2023	2022
	£	£
Fees payable to the Charitable Company's auditor and its subsidiaries in respect of Audit-related assurance services	40,000	30,000
	40,000	30,000

8. EMPLOYEES

The average monthly number of employees, including the directors, during the year was as follows:

	2023	2022
Employees including directors who have employment contracts	71	71

Staff costs, including key management personnel, were as follows:

	2023	2022
	£	£
Wages and salaries	2,567,986	2,052,168
Social security costs	247,919	207,564
Cost of defined contribution scheme (Note 21)	70,534	61,433
	2,886,349	2,321,165

Included above is the remuneration of £295,819 *(2022: £278,873)* for the Group's key management.

No Trustees received any remuneration during either reporting period.

9. TAXATION

	Group Year ended 31.03.2023 £	*Group Year ended 31.03.2022 £*
Corporation tax		
Current tax charge on profits for the year	**59,698**	*121,273*
Adjustments in respect of previous periods	**(20,164)**	*-*
Total current tax	**39,534**	*121,273*
Deferred tax asset		
Adjustments in respect of previous periods	**-**	*1,231,622*
Total deferred tax asset	**-**	*1,231,622*
Tax charge on profit on ordinary activities	**39,534**	*1,352,895*

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2022: higher than)* the standard rate of corporation tax in the UK of 19% *(2022: 19%)* as set out below:

	Group Year ended 31.03.2023 £	*Group Year ended 31.03.2022 £*
Profit on ordinary activities before tax	**497,198**	*1,564,726*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	**94,468**	*297,298*
Effects of:		
Fixed asset differences	**2,005**	*152,887*
Expenses not deductible for tax purposes	**14,718**	*21,501*
Non-taxable income	**-**	*(394,532)*
Other adjustments	**7,737**	*44,119*
Adjustment to tax charge in respect of previous periods – deferred tax	**-**	*1,231,622*
Adjustment to tax charge in respect of previous period – current tax	**(20,164)**	*-*
Excess of capital allowance over depreciation	**(59,894)**	*-*
Unrelieved tax losses carried forward	**664**	*-*
Total tax charge for the year	**39,534**	*1,352,895*

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase from 19% to 25%. This increase in the tax rate will increase the subsidiaries' tax liabilities on taxable profits going forward.

The Trust is a tax exempt charity.

10. INTANGIBLE FIXED ASSETS

Group

	Website development £
Cost	
At 1 April 2022	**34,285**
Additions	**-**
At 31 March 2023	**34,285**
Amortisation	
At 1 April 2022	**2,143**
Charge for the period	**6,428**
At 31 March 2022	**8,571**
Net Book Value	
At 31 March 2023	**25,714**
At 31 March 2022	*32,142*

11. INTANGIBLE FIXED ASSETS – GOODWILL

Group

During the period to 31 March 2020, the Trust acquired 100% of Japan H.L. Limited resulting in goodwill of £501,869 which is amortised on a straight line basis over its useful economic life to March 2024. The amortisation is charged to the Consolidated Statement of Financial Activities.

	£
Cost	
At 1 April 2022	**501,869**
At 31 March 2023	**501,869**
Amortisation	
At 1 April 2022	**276,028**
Charge for the period	**100,374**
At 31 March 2022	**376,402**
Net Book Value	
At 31 March 2023	**125,467**
At 31 March 2022	*225,841*

12. TANGIBLE FIXED ASSETS

Group

	Short-term leasehold improvements	Fixture and fittings	Total
	£	£	£
Cost or valuation			
At 1 April 2022	**8,739,970**	**269,844**	**9,009,814**
Additions	**-**	**19,411**	**19,411**
At 31 March 2023	**8,739,970**	**289,255**	**9,029,225**
Depreciation			
At 1 April 2022	**8,739,970**	**41,955**	**8,781,925**
Charge for the year	**-**	**46,573**	**46,573**
At 31 March 2023	**8,739,970**	**88,528**	**8,828,498**
Net book value			
At 31 March 2023	**-**	**200,727**	**200,727**
At 31 March 2022	*-*	*227,889*	*227,889*

13. STOCK

	Group		Parent Company	
	2023	*2022*	**2023**	*2022*
	£	*£*	**£**	*£*
Finished goods and goods for resale	**206,676**	*173,269*	**-**	*-*
	206,676	*173,269*	**-**	*-*

14. DEBTORS

Due after more than one year:

	Group		Parent Company	
	2023	*2022*	**2023**	*2022*
	£	*£*	**£**	*£*
Rent deposit (Note 22)	**1,565,179**	*1,550,000*	**-**	*-*
	1,565,179	*1,550,000*	**-**	*-*

14. DEBTORS (CONTINUED)

Due within one year:

	Group		Parent Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	99,654	61,655	-	-
Other debtors	33,383	363,047	7,921	17,990
Prepayments & Accrued income	539,886	431,030	-	-
Corporation tax	85,528	-	-	-
VAT repayable	207,826	191,995	-	-
	966,277	1,047,727	7,921	17,990
Total Debtors	2,531,456	2,597,727	7,921	17,990

15. CASH AND CASH EQUIVALENTS

	Group		Parent Company	
	2023	2022	2023	2022
	£	£	£	£
Cash at bank	7,874,464	5,896,836	831,363	791,807
	7,874,464	5,896,836	831,363	791,807

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent Company	
	2023	2022	2023	2022
	£	£	£	£
Other loans	-	71,408	-	-
Trade creditors	124,222	173,377	3,820	15,455
Corporation tax	15,216	121,273	-	-
Other creditors	4,499,973	3,056,838	-	21,527
Accruals	153,571	106,957	8,000	5,000
Deferred Income	182,191	173,666	-	-
VAT payable	42,885	-	-	-
	5,018,058	3,703,519	11,820	41,982

Other creditors include £4,498,231 (*2022: £3,017,785*) due to MOFA.

17. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

	Group		Parent Company	
	2023	2022	2023	2022
	£	£	£	£
Other loans	-	-	-	-
Other creditors	1,550,000	1,550,000	-	-
	1,550,000	1,550,000	-	-

Other creditors of £1,550,000 relate to amounts repayable to MOFA.

18. FINANCIAL INSTRUMENTS

	Group		Parent Company	
	2023	2022	2023	2022
Financial assets	£	£	£	£
Financial assets measured at fair value through income and expenditure	**7,874,464**	*5,896,836*	**831,363**	*791,807*
Financial assets measured at amortised cost	**1,698,216**	*1,974,702*	**7,921**	*17,990*
	9,572,680	*7,871,538*	**839,284**	*809,797*
Financial liabilities				
Financial liabilities measured at amortised cost	**6,327,766**	*4,958,580*	**11,820**	*20,455*

Financial assets measured at fair value through income and expenditure comprise of cash and cash equivalents.

Financial assets measured at amortised cost comprise of trade debtors, rent deposits, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, other loans and accruals.

19. DEFERRED TAXATION

	Group 2023	*Group 2022*
	£	*£*
At start of the year	**-**	*1,231,622*
Charged to the Consolidated Statement of Financial Activities	**-**	*(1,231,622)*
At end of year	**-**	*-*

The directors reviewed the potential utilisation of the deferred tax assets against the future profitability and business plan of the group companies in 2023 and 2022 and have considered it appropriate not to recognise any deferred tax assets in these financial statements.

20. PROVISIONS

Group

	Provision for dilapidation
	£
At 1 April 2022	**910,000**
Charged to Consolidated Statement of Financial Activities	**38,598**
At 31 March 2023	**948,598**

As part of its property leasing arrangements, the Group has an obligation to return some properties to their original condition (when the Group conducted significant leasehold improvements) or repair damages which occur during the life of the lease. Based on a formal dilapidation report dated 12 June 2023, the directors have recorded a dilapidation provision. The provision is expected to be utilised in March 2027. The directors consider the provision in place at the year-end to be materially fairly stated.

21. PENSION COMMITMENTS

JHLL, the 100% owned subsidiary, operates a defined contribution pension scheme. The pension costs charge for the year to 31 March 2023 represents contributions payable by JHLL to the scheme and amounted to £70,534 *(2022: £61,433)* (Note 8). Contributions totalling £19,784 *(2022: £17,996)* were payable to the scheme at the reporting date and are included in creditors.

22. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2023 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group		Parent Company	
	2023	*2022*	**2023**	*2022*
	£	*£*	**£**	*£*
Not later than 1 year	**1,670,747**	*1,668,206*	**-**	*-*
Later than 1 year but not later than 5 years	**5,012,240**	*6,672,824*	**-**	*-*
	6,682,987	*8,341,030*	**-**	*-*

JHLL paid a deposit of £1,550,000 to the landlord on 1 April 2017 in accordance with the terms of the lease.

The lease will expire on 30 March 2027.

23. RELATED PARTY TRANSACTIONS

No Trustees received any remuneration for the current or prior period.

The Trust and the Group are exempt from disclosing material related party transactions with companies that are wholly owned within the Group.

During the year Group received £7,881,671 *(2022: £6,926,044)* as income from MOFA. The Group owed £6,048,231 *(2022: £4,567,785)* to MOFA at the year end (Note 16 & Note 17).

24. SUBSIDIARIES

Company Name	Country of incorporation	Class of shares	Holdings	Aggregate of share capital and reserves	Profit for the year ended 31 March 2023
Japan H.L. Limited, parent of	UK (England & Wales)	Ordinary	100%	2,327,821	356,212
Japan H.L. Enterprises Limited	UK (England & Wales)	Ordinary	100%	167,195	142,175

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

JAPAN HOUSE LONDON TRUST

England & Wales - Charity number 1179626

Accounts

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Registered number: 11491073
Charity number: 1179626

JAPAN HOUSE LONDON TRUST

(A company limited by guarantee)

ANNUAL TRUSTEES' REPORT

(INCLUDING THE STRATEGIC REPORT)

AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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ANNUAL TRUSTEES' REPORT (INCLUDING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees, who are also directors for the purposes of company law, present their report together with the audited consolidated financial statements of Japan House London Trust' ("JHLT" or "the Parent Company" or "the Trust" or "the Charitable Company") and its subsidiary undertakings, Japan H.L. Limited ("JHLL") and Japan H.L. Enterprises Limited ("JHLE") (collectively "the Group") for the year ended 31 March 2022.

The Trustees confirm that the Annual Trustees' Report (including the Strategic Report) and Consolidated Financial Statements of the Group and the Parent Company comply with the Charities Act 2011 and where relevant, the Charities Act 2022, the Companies Act 2006, the Trust's Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("Charities SORP FRS 102").

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

Governing Instrument	Memorandum and Articles of Association
Members	His Excellency Ambassador Hajime Hayashi Sir Alexander David Warren Rt Hon. Lord Christopher Francis Patten of Barnes Ms Keshini Navaratnam Sir Michael Roger Gifford (Resigned 25 May 2021) Mrs Phillida A Purvis
Trustees (also the statutory Directors of the Charitable Company)	His Excellency Ambassador Hajime Hayashi Rt Hon. Lord Christopher Francis Patten of Barnes Ms Keshini Navaratnam Mrs Phillida A Purvis Sir Alexander David Warren Mr Satoru Yoshida Mr Takanori Sazaki (Appointed 8 December 2022) Mr Yoshinori Katayama (Resigned 1 April 2022) Mr Hirohiko Miyata (Resigned 17 October 2022) Sir Michael Roger Gifford (Resigned 25 May 2021) Mr Akihiko Takada (Appointed on 1 April 2022)
Executive Chairman	His Excellency Ambassador Hajime Hayashi

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

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

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STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

On 17 June 2020, the subsidiary, Japan H.L. Limited ("JHLL"), acquired a 100% shareholding in a newly incorporated company, Japan H.L. Enterprises Limited ("JHLEL"), and on 30 September 2020, JHLEL acquired the business, assets and operations of The Shop at Japan House London from Salt and Welcome UK Limited. Salt and Welcome UK Limited was a tenant of JHLL.

JHLL is the principal service provider to the Japan House London Project on behalf of the Japanese Ministry of Foreign Affairs ("MOFA") for which it receives a handling fee. These services included, and continue to be:

- operating a safe and welcoming public venue; and
- enhancing the project through promotional activities and events.

Prior to the acquisition of JHLL by the Trust on 30 June 2019, the provision of the Japan House London Project on behalf of the Japanese Ministry of Foreign Affairs was through its previous parent company, Jones Lang LaSalle KK. Since 30 June 2019, JHLL has entered into a direct contract with MOFA for the operation of Japan House London Project.

Organisation

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

Appointment of Trustees

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

Trustee induction and training

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

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

Related parties

Related parties' transactions are disclosed in the Note 23 in the Financial Statements.

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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Pay policy for senior staff

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

The Trustees give their time freely and received no remuneration during the year ended 31 March 2022 nor previous period. There are no staff other than the Trustees in the Trust. The number of staff in the Group is disclosed in Note 8.

Internal Controls

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

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

Governance and Risk Management

A risk assessment has been undertaken which comprises:

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

This continuing process will identify risk areas to which the Group is vulnerable and highlight any necessary safeguards that will need to be put in place.

The Trustees are of the opinion that an adequate risk management process is in place at the Group, whereby key risks facing the business are documented and reviewed. The Trustees, along with the Board of Directors in JHLL, monitor the progress of the Group by reference to certain financial and non-financial key performance indicators, for example, number of visitors to Japan House London.

Key risks for JHLL and hence for the Group are visitor numbers and exhibitions. The success of JHLL and the Group is largely dependent on visitor numbers and a strong public programme. The Group liaises closely with the Japanese Government regarding expectations of forthcoming events and exhibitions. The level of visitors may also be affected by major events in London, such as security issues or disruption to international travel. The impact of BREXIT is also closely monitored, as is the current performance environment of "high street" retail and other global factors which may affect JHLL and the Group.

Covid-19, the Ukraine conflict and the ongoing inflationary factors

The Covid-19 pandemic, the Ukraine conflict and the ongoing inflationary factors have undoubtedly had an effect on UK companies in a wide ranging manner, potentially affecting their operational capability, liquidity and financial position.

The Trustees have considered the implications and have put in place business continuity plans that should allow the Charitable Company and the Group to continue in operation.

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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

- Organisatonal purpose;
- Leadership;
- Integrity;
- Decision-making, risk and control;
- Board effectiveness;
- Equality, diversity and inclusion; and
- Openness and accessibility.

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

Financial key performance indicators

The results of the Group show total net income for the year of £211,831 *(2021 as restated: £897,181)* and total funds carried forward of £2,990,185 *(2021 as restated: £2,778,354)*.

Fundraising

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

Policy on Reserves

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

The Trustees have examined the Trust's requirements for resources in light of the main risks to the organisation and have no outstanding commitments or cash demands that are not adequately covered by existing resources. The net assets of the Trust are regarded as unrestricted and the available funds at 31 March 2022 will be spent in future periods in accordance with the Trust's charitable objects.

The balance held as unrestricted funds as at 31 March 2022 was £2,990,185 *(2021 as restated: £2,778,354)*. In future years, a specific reserves policy will be adopted by Trustees.

STRATEGIC REPORT

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS

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

The Trust did not carry out any charitable activity during the year ended 31 March 2022 nor in previous year. During the year JHLL presented exhibitions, demonstrations, talks and events in Japan House and online showcasing aspects of Japanese culture on behalf of the Trust. Subsequent to the year end the Trust made grants to two organizations to promote further education in Japanese language and culture.

The Trustees have continued to develop and refine their strategies, policies and procedures to further the objectives of the Trust and keep these under constant review.

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OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS (continued)

The results of the Group activities for the year are detailed on page 12.

Plans for Future Periods

The Trustees do not propose to deviate from the current objectives and activities of the Trust.

The restrictions on the activities of Japan House London Trust and travel to and from Japan as a result of the Covid pandemic have reduced the opportunities for the Trust to progress projects. The Trustees are actively considering proposals for funding of projects which will supplement and extend the work done by JHLL, identifying activities to foster relationships with appropriate organisations and give weight to future work beyond the Japan House London building.

STATEMENT OF PUBLIC BENEFIT

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

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company 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 Charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company and the Group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

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AUDITOR

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

Approved by the Trustees and signed on their behalf by

DocuSigned by:
由田聡
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Mr Satoru Yoshida
Trustee

Date: 5/5/2023

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JAPAN HOUSE LONDON TRUST

OPINION

We have audited the financial statements of Japan House London Trust ("the Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities (incorporating Income and Expenditure Account), the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement 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 the 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 Group's and the Charitable Company's affairs as at 31 March 2022 and of the Group's 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 Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' 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 Group and Charitable Company'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 Trustees' Report (including the Strategic Report) and the Consolidated Financial Statements, other than the Consolidated Financial Statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF JAPAN HOUSE LONDON TRUST

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the Charitable Company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed auditor under the Companies Act 2006 and report in accordance with those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF JAPAN HOUSE LONDON TRUST

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our assessment of the susceptibility of the Charitable Company's and the Group's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:

- due to the relatively low volume of transactions we have high visibility to all the material transactions and adjustments;
- due to the relatively simple operational model of the Charitable Company there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- the review of control accounts and journal entries for large, unusual or unauthorised entries;
- discussions with management involved in the risk and compliance functions including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- analytical review of the detailed Statement of Financial Activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Charitable Company during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Group for previously unreported related party transactions;
- reviewing correspondence and agreements between the Group and other parties, and discussion with the management in relation to their compliance with the Charities SORP FRS 102;
- review of the Trustees' meeting minutes to identify unrecorded transactions;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- review of transactions and journals for any indication of fraud or management override; and
- assessing the appropriateness of the going concern basis with reference to the Charitable Company's and the Group's current performance and expectations for future periods.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF JAPAN HOUSE LONDON TRUST

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Because of the inherent limitations of an audit and the audit procedures described above, there is an unavoidable risk that we will not have detected all irregularities, including some leading to 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 remains a higher risk of non-detection of irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, 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.

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

USE OF OUR REPORT

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Rawlinson & Hunter Audit LLP

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

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

Date: 5 May 2023

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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATED INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds 2022 £	Total Funds 2022 £	*As Restated (Note 26) Total Funds (All unrestricted) 2021 £*
INCOME FROM:				
Other trading activities	3.1	**12,327,901**	**12,327,901**	*10,383,940*
Bank and other interest receivable	3.2	**-**	**-**	*557*
TOTAL INCOME		**12,327,901**	**12,327,901**	*10,384,497*
EXPENDITURE ON:				
Cost of other trading activities	6	**10,727,460**	**10,727,460**	*9,806,459*
Charitable activities	4	**35,715**	**35,715**	*26,200*
TOTAL EXPENDITURE	6	**10,763,175**	**10,763,175**	*9,832,659*
Net Income before Taxation		**1,564,726**	**1,564,726**	*551,838*
TAX (CHARGE)/CREDIT	9	**(1,352,895)**	**(1,352,895)**	*345,343*
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		**211,831**	**211,831**	*897,181*
NET MOVEMENT IN FUNDS		**211,831**	**211,831**	*897,181*
RECONCILIATION OF FUNDS:				
Total funds brought forward		**2,778,354**	**2,778,354**	*1,881,173*
TOTAL FUNDS CARRIED FORWARD		**2,990,185**	**2,990,185**	*2,778,354*

The Consolidated Statement of Financial Activities include all gains and losses recognized in the period.

All income and expenditure derived from continuing activities.

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CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2022

Registered number: 11491073
Charity number: 1179626

	Note	£	31 March 2022 £	£	As restated (Note 26) 31 March 2021 £
FIXED ASSETS					
Intangible assets	10,11	**257,983**		*326,215*	
Tangible assets	12	**227,889**	**485,872**	*2,320,810*	*2,647,025*
CURRENT ASSETS					
Stock	13	**173,269**		*283,519*	
Debtors	14	**2,597,727**		*5,050,686*	
Cash at bank and in hand	15	**5,896,836**		*4,665,777*	
		8,667,832		*9,999,982*	
CREDITORS: amounts falling due within one year	16	**(3,703,519)**		*(7,366,614)*	
NET CURRENT ASSETS			**4,964,313**		*2,633,368*
TOTAL ASSETS LESS CURRENT LIABILITIES			**5,450,185**		*5,280,393*
CREDITORS: amounts falling due after more than one year	17		**(1,550,000)**		*(1,625,924)*
PROVISIONS FOR LIABILITIES					
Other provisions	20		**(910,000)**		*(876,115)*
NET ASSETS			**2,990,185**		*2,778,354*
CHARITY FUNDS					
Unrestricted funds			**2,990,185**		*2,778,354*
SHAREHOLDERS' AND CHARITY'S FUNDS			**2,990,185**		*2,778,354*

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

DocuSigned by:
由田聡
B6257EE081BB403...

Mr Satoru Yoshida

.....

Trustee

Date: 5/5/2023

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COMPANY BALANCE SHEET
AT 31 MARCH 2022

Registered number: 11491073
Charity number: 1179626

	Note	£	31 March 2022 £	£	*31 March 2021 £*
FIXED ASSETS					
Investments	24		**1**		*1*
			1		*1*
CURRENT ASSETS					
Debtors	14	**17,990**		*13,350*	
Cash at bank and in hand	15	**791,807**		*546,750*	
		809,797		*560,100*	
CURRENT LIABILITIES					
Creditors - amounts falling due within one year	16	**(41,982)**		*(54,175)*	
NET CURRENT ASSETS			**767,815**		*505,925*
TOTAL ASSETS LESS CURRENT LIABILITIES			**767,816**		*505,926*
TOTAL NET ASSETS			**767,816**		*505,926*
THE FUNDS OF THE CHARITABLE COMPANY					
Unrestricted income fund			**767,816**		*505,926*
TOTAL CHARITABLE COMPANY FUNDS			**767,816**		*505,926*

The Parent Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

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

Mr Satoru Yoshida

DocuSigned by:
由田聡
B6257EE081BB403...

.....

Trustee

Date: 5/5/2023

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	As restated 2021 £
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit for the year		**211,831**	*897,181*
ADJUSTMENT FOR:			
Depreciation of tangible assets	12	**2,316,937**	*2,285,002*
Amortisation of intangible assets	10,11	**102,517**	*100,374*
Interest receivable	3.2	**-**	*(557)*
Decrease/(increase) in stock	13	**110,250**	*(283,519)*
Decrease in debtors	14	**1,221,337**	*1,863,109*
(Decrease) in creditors	16	**(3,784,368)**	*(1,342,902)*
Increase in provisions	20	**33,885**	*33,885*
Tax charge/(credit)		**1,352,895**	*(345,343)*
NET CASH GENERATED FROM OPERATING ACTIVTIES		**1,565,284**	*3,207,230*
CASH FLOW FROM INVESTING ACTIVITIES:			
Additions of intangible assets	10	**(34,285)**	
Purchases of fixed assets	12	**(224,016)**	*(45,828)*
Interest receivable	3.2	**-**	*557*
Non cash adjustments		**-**	*-*
NET CASH (USED IN) INVESTING ACTIVITIES		**(258,301)**	*(45,271)*
CASH FLOW FROM FINANCING ACTIVITIES:			
(Decrease) in other loans	17	**(75,924)**	*(395,080)*
NET CASH (USED IN) FINANCING ACTIVITIES		**(75,924)**	*(395,080)*
CHANGE IN CASH AND CASH EQUIVALANTS IN THE YEAR		**1,231,059**	*2,766,879*
Cash and cash equivalents brought forward		**4,665,777**	*1,898,898*
CASH AND CASH EQUIVALENT CARRIED FORWARD	15	**5,896,836**	*4,665,777*

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

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

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

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

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), The Charities Act 2011 and, where relevant, the Charities Act 2022, and the Companies Act 2006.

The Trust meets the definition of a public benefit entity under FRS 102.

The Consolidated Statement of Financial Activities (SOFA) and the Consolidated Balance Sheet consolidate the financial statements of the Trust and its subsidiary undertakings ("the Group"). The results of the subsidiaries, Japan H.L. Limited ("JHLL") and Japan H.L. Enterprises Limited ("JHLE"), are consolidated on a line by line basis.

No separate SOFA has been presented for the Trust alone as permitted by section 408 of the Companies Act 2006.

The net income and expenditure for the year dealt with in the accounts of the Parent Company was net income of £261,890 *(2021: £126,625)*.

The financial statements are prepared in Sterling GBP which is the functional currency of the Charitable Company & its subsidiaries, JHLL and JHLE.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies (see Note 2.23 below)

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2. ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements present the results of the Trust and its own subsidiaries as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations relating to the subsidiaries using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Financial Activities from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.2 Going concern

At the Balance Sheet date the Group had net assets of £2,990,185 (*2021 as restated: £2,778,354*) and the Parent Company £767,816 (*2021: £505,926*) and cash balances of £5,896,836 (*2021: £4,665,777*) and £791,807 (*2021: £546,750*) respectively.

The Covid-19 pandemic, the Ukraine conflict and the ongoing inflationary factors have undoubtedly had an effect on UK companies in a wide ranging manner potentially affecting their operational capability, liquidity and financial position. The directors have considered the implications and have put in place business continuity plans that have allowed the Group to continue in operation.

The directors have also reviewed the Group's current and expected liabilities and cash outflows arising from its activity over the next twelve months. The directors are confident that the Group will be able to meet its liabilities as they fall due for a year of at least twelve months from the date of signature of the financial statements.

The financial statements therefore have been prepared on the going concern basis.

2.3 Income from trading activities

Revenue earned includes service revenue earned by charging a margin on costs reimbursed from the Japanese Ministry of Foreign Affairs ("MOFA"), recognition of income from MOFA for reimbursement of the rental expenses during the period, recognition of grant income received MOFA for capital assets. In addition, JHLL has earned rent revenue related to concession agreements to use certain areas of the Japan House London premises. The Group has adopted the accounting policies below to account for this rent revenue:

- the area of the Japan House London premises occupied by tenants is distinguished into two categories, principal and agency, based on activities they conduct;
- rent revenue derived from the area acting as principal is recognised gross; and
- rent revenue derived from the area acting as agency is recognised net.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Grant income relating to assets is recognised as income over the expected useful life of the assets.

Revenue earned also includes income from sale of goods by JHLE.

The following criteria must also be met before revenue is recognised:

Revenue from sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;

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2. ACCOUNTING POLICIES (continued)

2.3 *Income from trading activities (continued)*

Revenue from sale of goods (continued)

- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the year in which the services are provided in accordance with the stage of completion of the contract, when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting year can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 *Donation Income*

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

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

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

2.5 *Investment income*

Investment income represents interest receivable from bank deposits.

2.6 *Cost of trading and charitable activities*

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

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

2.7 *Status of funds*

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

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2. ACCOUNTING POLICIES (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax for the subsidiaries trading company. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Charitable Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

2.9 Foreign currencies

The Parent Company's and Group's functional and presentational currency is Sterling GBP. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the Balance sheet date.

Transactions in foreign currencies are translated into Sterling GBP at the rate ruling on the date of the transaction.

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

2.10 Pensions

The Group operates a defined contribution pension scheme for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Balance Sheet. The assets to the plan are held separately from the Group in independently administered funds.

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2. ACCOUNTING POLICIES (continued)

2.11 Operating leases: JHLL as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same year as the related expenditure.

2.13 Intangible assets – website development

Website development costs are initially recognised at cost and amortised over its expected useful life of 5 years. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

2.14 Intangible assets – goodwill

Goodwill represents the difference between amounts paid for the cost of a business combination and the acquirer's interest in the fair value of the group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Financial Activities over its useful economic life.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment in the Parent Company's accounts.

2.16 Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

However, capitalisation is determined by what services are provided in each location. Where JHLL acts in a principal activity, fixed assets will be capitalised. In certain instances where leasehold improvements are reimbursed ultimately by MOFA and there is no economic benefit to the JHLL and the Group, these assets are not capitalised on the balance sheet of JHLL and the Group.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Short-term leasehold improvement	- straight line basis over the initial term of the expected lease end date
Fixture and fittings	- 10% reducing balance method

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2. ACCOUNTING POLICIES (continued)

2.16 Tangible fixed assets and depreciation (continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.17 Stock

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.18 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.19 Cash and cash equivalent

Cash represents cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.20 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.22 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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2. ACCOUNTING POLICIES (continued)

2.22 *Financial instruments (continued)*

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Consolidated and Parent Company Balance Sheet when there is an 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.

2.23 *Judgements in applying accounting policies and key sources of estimate uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the Balance Sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means the actual outcomes could differ from those estimates. The following judgements have the most significant effect on the amounts recognised in the financial statements:

Carrying value of intangible assets

The Group reviews the carrying value of its intangible assets, which comprise goodwill and website development, at each reporting date to determine if there is any indication of impairment. Where an indication of impairment is identified the Group estimates the recoverable amount of the asset. This requires judgement by management with respect to certain external factors, including, but not limited, to technological and economic feasibility, and estimated economic life. See Notes 10 & 11 for the carrying value of the Group's intangible assets.

Carrying value of stock

The Group reviews the carrying value of its stock, at each reporting date to determine if there is any indication of impairment. Where an indication of impairment is identified the Group estimates the recoverable amount of the stock. This requires judgement by management with respect to certain external factors, including conditions of stock to determine whether any impairment provision is necessary. See Note 13 for the carrying value of the Group's stock.

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3. INCOME

Group

3.1 Income from trading activities

Income from trading activities is principally attributable to an agreement with the Japanese Ministry of Foreign Affairs ("MOFA"), rental income from concession agreements executed with restaurant and retail operators and sales in the Shop. All income arose in the United Kingdom.

An analysis of turnover by class of business is as follows:

	2022	*2021*
	£	*£*
Rental income on concession agreements	**124,001**	*124,001*
Release of deferred income – rent received in advance	**1,858,826**	*1,849,827*
Release of fixed asset grant income (refer below)	**2,076,486**	*2,076,486*
Japan House membership income	**171,229**	*182,938*
Income from arrangement with MOFA	**6,926,044**	*5,913,662*
Other Income	**266,140**	*88,494*
Income from sales in the Shop	**905,175**	*148,532*
	12,327,901	*10,383,940*

Funding received indirectly from MOFA in 2017 covered the cost of the principal fixed assets and was therefore treated as a grant. As a result, the income was deferred (see Note 16) and recognised over the expected life of the related fixed assets.

3.2 Investment Income

	Unrestricted Funds	**Total Funds 2022**	*Total Funds 2021*
	£	**£**	*£*
Bank and other interest receivable	**-**	**-**	*557*

4. CHARITABLE ACTIVITIES

Parent Company

	Unrestricted Funds 2022	**Total Funds 2022**	*Total Funds 2021*
	£	**£**	*£*
Support costs – governance (Note 5)	**35,715**	**35,715**	*26,200*

5. SUPPORT COSTS

Parent Company

	Total Funds 2022	*Total Funds 2021*
	£	*£*
Bank charges	**101**	*63*
Legal and professional related costs	**22,433**	*11,995*
Audit fee	**13,181**	*14,142*
Total (Note 4)	**35,715**	*26,200*

6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

Group

	2022	*As restated (Note 26) 2021*
	£	*£*
Other trading activities	**10,727,460**	*9,806,459*
	10,727,460	*9,806,459*
General support costs (Notes 4 and 5)	**35,715**	*26,200*
Charitable Activities	**35,715**	*26,200*
Total Expenditure	**10,763,175**	*9,832,659*

Other trading activities relate to costs of goods sold, office rent & rates, depreciation and amortisation charges, staff costs, exhibition costs & other trading and compliance costs incurred by the Group.

7. AUDITORS' REMUNERATION

	2022	*2021*
	£	*£*
Fees payable to the Charitable Company's auditor and its subsidiaries in respect of Audit-related assurance services	**30,000**	*27,500*
	30,000	*27,500*

8. EMPLOYEES

The average monthly number of employees, including the directors, during the year was as follows:

	2022	*2021*
Employees including directors who have employment contracts	**71**	*55*

Staff costs, including key management personnel, were as follows:

	2022	*2021*
	£	*£*
Wages and salaries	**2,052,168**	*1,601,165*
Social security costs	**207,564**	*195,725*
Cost of defined contribution scheme (Note 21)	**61,433**	*28,461*
	2,321,165	*1,825,351*

Included above is the remuneration of £288,873 *(2021: £404,343)* for the Group's key management.

One of the key management received remuneration of £125,250 (*2021: £159,188*) and one other received remuneration of £109,250 (*2021: £121,188*).

No Trustees received any remuneration during either reporting period.

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9. TAXATION

	Group Year ended 31.03.2022	*As restated (Note 26) Group Year ended 31.03.2021*
	£	£
Corporation tax		
Current tax charge on profits for the year	**121,273**	-
Adjustments in respect of previous periods	**-**	*(140,441)*
Total current tax	**121,273**	-
Deferred tax asset		
Adjustments in respect of previous periods (Note 19)	**1,231,622**	-
Originated and reversal of timing differences (Note 19)	**-**	*(204,902)*
Total deferred tax asset	**1,231,622**	*(204,902)*
Tax charge/(credit) on profit on ordinary activities	**1,352,895**	*(345,343)*

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than *(2021: lower than)* the standard rate of corporation tax in the UK of 19% *(2021: 19%)* as set out below:

	Group Year ended 31.03.2022	*As restated (Note 26) Group Year ended 31.03.2021*
	£	£
Profit on ordinary activities before tax	**1,564,726**	*551,838*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	**297,298**	*104,849*
Effects of:		
Fixed asset differences	**152,887**	*166,279*
Expenses not deductible for tax purposes	**21,501**	*18,063*
Non-taxable income	**(394,532)**	*(399,520)*
Other adjustments	**44,119**	*59,979*
Adjustment to tax charge in respect of previous periods – deferred tax	**1,231,622**	*(154,552)*
Adjustment to tax charge in respect of previous period – current tax	**-**	*(140,441)*
Total tax charge/(credit) for the year	**1,352,895**	*(345,343)*

Factors that may affect future tax charges

There were no factors that may affect future tax charges other than the deferred tax asset of £Nil *(2021: £1,231,622)* (Note 19).

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase from 19% to 25%. This increase will impact the trading subsidiary undertakings in the future years.

The Trust is a tax exempt charity.

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10. INTANGIBLE FIXED ASSETS

Group

	Website development £
Cost	
At 1 April 2021	-
Additions	34,285
At 31 March 2022	34,285
Amortisation	
At 1 April 2021	-
Charge for the period	2,143
At 31 March 2021	2,143
Net Book Value	
At 31 March 2022	32,142
At 31 March 2021	-

11. INTANGIBLE FIXED ASSETS – GOODWILL

Group

During the period to 31 March 2020, the Trust acquired 100% of Japan H.L. Limited resulting in goodwill of £501,869 which is amortised on a straight line basis over its useful economic life to March 2024. The amortisation is charged to the Group's Statement of Financial Activities.

	£
Cost	
At 1 April 2021	501,869
At 31 March 2022	501,869
Amortisation	
At 1 April 2021	175,654
Charge for the period	100,374
At 31 March 2021	276,028
Net Book Value	
At 31 March 2022	225,841
At 31 March 2021	*326,215*

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12. TANGIBLE FIXED ASSETS

Group

	Short-term leasehold improvements	Fixture and fittings	Total
	£	£	£
Cost or valuation			
At 1 April 2021	**8,739,970**	**45,828**	**8,785,798**
Additions	**-**	**224,016**	**224,016**
At 31 March 2022	**8,739,970**	**269,844**	**9,009,814**
Depreciation			
At 1 April 2021	**6,459,978**	**5,010**	**6,464,988**
Charge for the year	**2,279,992**	**36,945**	**2,316,937**
At 31 March 2022	**8,739,970**	**41,955**	**8,781,925**
Net book value			
At 31 March 2022	**-**	**227,889**	**227,889**
At 31 March 2021	*2,279,992*	*40,818*	*2,320,810*

13. STOCK

	Group		Parent Company	
	2022	*2021*	**2022**	*2021*
	£	£	£	£
Finished goods and goods for resale	**173,269**	*283,519*	**-**	*-*
	173,269	*283,519*	**-**	*-*

14. DEBTORS

Due after more than one year:

	Group		Parent Company	
	2022	*2021*	**2022**	*2021*
	£	£	£	£
Rent deposit (Note 22)	**1,550,000**	*1,550,000*	**-**	*-*
	1,550,000	*1,550,000*	**-**	*-*

14. DEBTORS (CONTINUED)

Due within one year:

	Group		Parent Company	
	2022	*2021*	**2022**	*2021*
	£	*£*	**£**	*£*
Trade debtors	**61,655**	*212,237*	**-**	*-*
Other debtors	**363,047**	*755*	**17,990**	*13,350*
Prepayments - prepaid rent & others	**-**	*1,298,891*	**-**	*-*
Other prepayments	**431,030**	*500,105*	**-**	*-*
VAT repayable	**191,995**	*257,076*	**-**	*-*
Deferred tax asset (Note 9 & Note 19)	**-**	*1,231,622*	**-**	*-*
	1,047,727	*3,500,686*	**17,990**	*13,350*
Total Debtors	**2,597,727**	*5,050,686*	**17,990**	*13,350*

15. CASH AND CASH EQUIVALENTS

	Group		Parent Company	
	2022	*2021*	**2022**	*2021*
	£	*£*	**£**	*£*
Cash at bank	**5,896,836**	*4,665,777*	**791,807**	*546,750*
	5,896,836	*4,665,777*	**791,807**	*546,750*

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent Company	
	2022	*As restated (Note 26) 2021*	**2022**	*2021*
	£	*£*	**£**	*£*
Other loans	**71,408**	*303,696*	**-**	*-*
Trade creditors	**173,377**	*297,947*	**15,455**	*14,114*
Corporation tax	**121,273**	*-*	**-**	*-*
Other creditors	**3,056,838**	*2,648,983*	**21,527**	*21,026*
Accruals	**106,957**	*88,114*	**5,000**	*19,035*
Deferred Income	**173,666**	*4,027,874*	**-**	*-*
	3,703,519	*7,366,614*	**41,982**	*54,175*

On 30 June 2019 JHLL borrowed an amount of ¥136,663,067 from Jones Lang LaSalle K.K. The loan attracts 1% interest per annum. The loan is payable over three years from the start date and is included as other loans above and in Note 17 for 2021. As the security of the loan of ¥136,663,067 provided by Jones Lang LaSalle K.K. the Group has entered into a debenture in respect of the subsidiary's assets in favour of the lender in a form satisfactory to the lender.

Other creditors include £3,017,785 (*2021 as restated: £2,561,124*) due to MOFA.

Prior year deferred income included grants received in 2017, via Jones Lang LaSalle K.K. from MOFA, to cover the cost of the principal fixed assets and rent received in advance in 2017, via Jones Lang LaSalle K.K., from MOFA, for 60 months. These deferred income amounts were released over the expected life of those fixed assets to 31 March 2022 over a five year initial lease period to 31 March 2022.

17. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

	Group		Parent Company	
	2022	2021	2022	2021
	£	£	£	£
Other loans	-	75,924	-	-
Other creditors	1,550,000	1,550,000	-	-
Deferred Income	-	-	-	-
	1,550,000	1,625,924	-	-

Other creditors of £1,550,000 relate to amounts repayable to MOFA.

18. FINANCIAL INSTRUMENTS

	Group		Parent Company	
	2022	2021	2022	2021
Financial assets	£	£	£	£
Financial assets measured at fair value through income and expenditure	5,896,836	4,665,777	791,807	546,750
Financial assets measured at amortised cost	1,974,702	1,762,992	-	100
	7,871,538	6,428,769	791,807	546,850
Financial liabilities				
Financial liabilities measured at amortised cost	4,958,580	4,964,664	20,455	36,641

Financial assets measured at fair value through income and expenditure comprise of cash and cash equivalents.

Financial assets measured at amortised cost comprise of trade debtors, rent deposits and other debtors.

Financial liabilities measured at cost less impairment comprise of trade creditors, other creditors, other loans and accruals.

19. DEFERRED TAXATION

	Group 2022	Group 2021
		£
At start of the year	1,231,622	1,026,720
(Charged)/credited to the Consolidated Statement of Financial Activities (Note 9)	(1,231,622)	204,902
At end of year (Note 14)	-	1,231,622

The deferred tax asset is made up as follows:

	2022	2021
	£	£
Fixed Assets		
Timing differences – excess of capital allowances over depreciation	-	1,213,253
Other timing differences	-	18,369
	-	1,231,622

The directors have reviewed the potential utilisation of the deferred tax assets against the future profitability and business plan of the group companies and now consider it appropriate not to recognise any deferred tax assets in these financial statements.

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20. PROVISIONS

Group

	Provision for dilapidation
	£
At 1 April 2021	**876,115**
Charged to Consolidated Statement of Financial Activities	**33,885**
At 31 March 2022	**910,000**

As part of its property leasing arrangements, the Group has an obligation to return some properties to their original condition (when the Group conducted significant leasehold improvements) or repair damages which occur during the life of the lease. Based on a formal dilapidation report dated 25 June 2019, the directors have recorded a dilapidation provision. The provision was expected to be utilised in March 2022. However the Group did not exercise the break clause in March 2022 and the lease end date is now March 2027. The directors consider the provision in place at the year end to be materially fairly stated.

21. PENSION COMMITMENTS

JHLL, the 100% owned subsidiary, operates a defined contribution pension scheme. The pension costs charge for the year to 31 March 2022 represents contributions payable by JHLL to the scheme and amounted to £61,433 *(2021: £28,461)* (Note 8). Contributions totalling £17,996 *(2021: £2,664)* were payable to the scheme at the reporting date and are included in creditors.

22. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group		Parent Company	
	2022	*2021*	**2022**	*2021*
	£	*£*	**£**	*£*
Not later than 1 year	**1,668,206**	*1,700,628*	-	-
Later than 1 year but not later than 5 years	**6,672,824**	*8,503,140*	-	-
	8,341,030	*10,203,768*	-	-

JHLL paid a deposit of £1,550,000 to the landlord on 1 April 2017 in accordance with the terms of the lease.

The lease will expire on 30 March 2027.

23. RELATED PARTY TRANSACTIONS

No Trustees received any remuneration for the current or prior period.

The Trust and the Group are exempt from disclosing material related party transactions with companies that are wholly owned within the Group.

During the year Group received £6,926,044 *(2021: £5,913,662)* as income from MOFA. The Group owed £4,567,785 *(2021 as restated: £4,112,124)* to MOFA at the year end (Note 16 & Note 17).

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24. SUBSIDIARIES

Company Name	Country of incorporation	Class of shares	Holdings	Aggregate of share capital and reserves	(Loss)/profit for the year ended 31 March 2022
Japan H.L. Limited	UK (England & Wales)	Ordinary	100%	£1,971,609	(£21,928)
Japan H.L. Enterprises Limited	UK (England & Wales)	Ordinary	100%	£25,020	£72,243

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.

26. PRIOR YEAR ADJUSTMENT

During the current year the Trustees became aware that, despite there being no formal contract or agreement in place, there is an internal accounting manual for diplomatic missions applied by the Japanese Ministry of Foreign Affairs ("MOFA") in determining the treatment of VAT refunds. It has since been clarified that any VAT refunds receivable for each fiscal year but which are received subsequent to the fiscal year are required to be returned to MOFA. As a result of this clarification from MOFA, a prior year adjustment is necessary to restate an amount due to MOFA for the VAT refunds received for the quarters ended 31 March 2020 and 31 March 2021 totalling £268,355, thus reducing the profit and increasing the amount due to MOFA by this amount in the previous year.

JAPAN HOUSE LONDON TRUST

England & Wales - Charity number 1179626

Accounts

Registered number: 11491073
Charity number: 1179626

JAPAN HOUSE LONDON TRUST

(A company limited by guarantee)

ANNUAL TRUSTEES' REPORT

AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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ANNUAL TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also directors for the purposes of company law, present their report together with the audited consolidated financial statements of Japan House London Trust' ("JHLT" or "the Parent Company" or "the Trust" or "the Charitable Company") and its subsidiaries undertaking, Japan H.L. Limited ("JHLL") and Japan H.L. Enterprises Limited ("JHLE") (collectively "the Group") for the year ended 31 March 2021. Where comparatives are presented, these are for the period 30 June 2019 to 31 March 2020.

The Trustees confirm that the Annual Trustees' Report and Consolidated Financial Statements of the Group and the Parent Company comply with the Charities Act 2011, the Companies Act 2006, the Trust's Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("Charities SORP FRS 102").

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

Governing Instrument	Memorandum and Articles of Association
Members	His Excellency Hajime Hayashi (Appointed 26 February 2021) Sir Alexander David Warren Rt Hon. Lord Christopher Francis Patten of Barnes Ms Keshini Navaratnam Sir Michael Roger Gifford (Resigned 25 May 2021) Mrs Phillida A Purvis His Excellency Yasumasa Nagamine (Resigned 4 January 2021)
Trustees (also the statutory Directors of the Charitable Company)	His Excellency Hajime Hayashi (Appointed 26 February 2021) His Excellency Yasumasa Nagamine (Resigned 4 January 2021) Rt Hon. Lord Christopher Francis Patten of Barnes Ms Keshini Navaratnam Mrs Phillida A Purvis Sir Alexander David Warren Mr Takanori Sazaki (Resigned on 10 December 2020) Mr Satoru Yoshida Mr Yoshinori Katayama (Appointed on 20 October 2020) Mr Hirohiko Miyata (Appointed on 4 June 2020, resigned on 15 October 2020 and reappointed on 14 December 2020) Sir Michael Roger Gifford (Resigned 25 May 2021)
Executive Chairman	His Excellency Hajime Hayashi (Appointed 26 February 2021) His Excellency Yasumasa Nagamine (Resigned 4 January 2021)

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

On 17 June 2020, the subsidiary, Japan H.L. Limited ("JHLL"), acquired a 100% shareholding in a newly incorporated company, Japan H.L. Enterprises Limited ("JHLEL"), and on 30 September 2020, JHLEL acquired the business, assets and operations of The Shop at Japan House London from Salt and Welcome UK Limited. Salt and Welcome UK Limited was a tenant of JHLL.

JHLL is the principal service provider to the Japan House London Project on behalf of the Japanese Ministry of Foreign Affairs ("MOFA") for which it receives a handling fee. These services included, and continue to be:

- operating a safe and welcoming public venue; and
- enhancing the project through promotional activities and events.

Prior to the acquisition of JHLL by the Trust on 30 June 2019, the provision of the Japan House London Project on behalf of the Japanese Ministry of Foreign Affairs was through its previous parent company, Jones Lang LaSalle KK. Since 30 June 2019, JHLL has entered into a direct contract with MOFA for the operation of Japan House London Project.

Organisation

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

Appointment of Trustees

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

Trustee induction and training

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

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

Related parties

Related parties' transactions are disclosed in the Note 22 in the Financial Statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Pay policy for senior staff

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

The Trustees give their time freely and received no remuneration during the year ended 31 March 2021 nor previous period. There are no staff other than the Trustees in the Trust. The number of staff in the Group is disclosed in Note 8.

Internal Controls

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

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

Governance and Risk Management

A risk assessment has been undertaken which comprises:

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

This continuing process will identify risk areas to which the Group is vulnerable and highlight any necessary safeguards that will need to be put in place.

The Trustees are of the opinion that an adequate risk management process is in place at the Group, whereby key risks facing the business are documented and reviewed. The Trustees, along with the Board of Directors in JHLL, monitor the progress of the Group by reference to certain financial and non-financial key performance indicators, for example, number of visitors to Japan House London.

Key risks for JHLL and hence for the Group are visitor numbers and exhibitions. The success of JHLL and the Group is largely dependent on visitor numbers and a strong public programme. The Group liaises closely with the Japanese Government regarding expectations of forthcoming events and exhibitions. The level of visitors may also be affected by major events in London, such as security issues or disruption to international travel. The impact of BREXIT is also closely monitored, as is the current performance environment of "high street" retail.

Covid-19

The Covid-19 pandemic that has taken hold in the UK has undoubtedly had an effect on all UK companies in a wide ranging manner, potentially affecting their operational capability, liquidity and financial position.

The lockdown during 2020 & 2021 to fight Covid-19 has forced cancellation of many planned activities and virtual activities have replaced physical attendance of these activities.

The Trustees have considered the implications and have put in place business continuity plans that should allow the Charitable Company and the Group to continue in operation.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

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

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

Financial key performance indicators

The results of the Group show total net income for the year of £1,165,536 *(9 months ended 31 March 2020: £1,712,127)* and total funds carried forward of £3,046,709 *(9 months ended 31 March 2020: £1,881,173)*.

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS

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

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

Group Activities

The Trust did not carry out any charitable activity during the year ended 31 March 2021 nor previous period.

Governance costs of £26,200 *(9 months ended 31 March 2020: £28,693)* were incurred during the year and are detailed in Analysis of Governance Cost (Note 4).

The results of the Group activities for the year are detailed on page 12.

Fundraising

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

Policy on Reserves

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

The Trustees have examined the Trust's requirements for resources in light of the main risks to the organisation and have no outstanding commitments or cash demands that are not adequately covered by existing resources. The net assets of the Trust are regarded as free reserves and the available funds at 31 March 2021 will be spent in future periods in accordance with the Trust's charitable objects.

The balance held as unrestricted funds as at 31 March 2021 was £3,046,709 *(9 months ended 31 March 2020: £1,881,173)*. In future years, a specific reserves policy will be adopted by Trustees.

OBJECTIVES, ACTIVITIES, FINANCIAL REVIEW AND FUTURE PLANS (continued)

Plans for Future Periods

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

STATEMENT OF PUBLIC BENEFIT

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

TRUSTEES' RESPONSIBILITIES STATEMENT

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company and the Group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

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AUDITOR

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

Approved by the Trustees and signed on their behalf by

DocuSigned by:
由田聡
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Mr Satoru Yoshida
Trustee

Date: 29/3/2022 | 13:14 BST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS AND TRUSTEES OF JAPAN HOUSE LONDON TRUST

OPINION

We have audited the financial statements of Japan House London Trust ("the Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities (incorporating Income and Expenditure Account), the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Charitable Company's affairs as at 31 March 2021 and of the Group's 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 Companies Act 2006 and 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trustees' 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 Group and Charitable Company'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 Trustees' Report and the Consolidated Financial Statements, other than the Consolidated Financial Statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the Group has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our assessment of the susceptibility of the Charitable Company's and the Group's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:

- due to the relatively low volume of transactions we have high visibility to all the material transactions and adjustments;
- due to the relatively simple operational model of the Charitable Company there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- the review of control accounts and journal entries for large, unusual or unauthorised entries;
- discussions with management involved in the risk and compliance functions including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- analytical review of the detailed Statement of Financial Activities for variances that are either unexpected or considered not to be in accordance with our understanding of the Charitable Company during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the Group for previously unreported related party transactions;
- reviewing correspondence and agreements between the Group and other parties, and discussion with the management in relation to their compliance with the Charities SORP FRS 102;
- review of the Trustees' meeting minutes to identify unrecorded transactions;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- review of transactions and journals for any indication of fraud or management override; and
- assessing the appropriateness of the going concern basis with reference to the Charitable Company's and the Group's current performance and expectations for future periods.

Because of the inherent limitations of an audit and the audit procedures described above, there is an unavoidable risk that we will not have detected all irregularities, including some leading to 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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 remains a higher risk of non-detection of irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, 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.

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

USE OF OUR REPORT

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the Charitable Company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulation 2008. Our audit work has been undertaken so that we might state to the Charitable Company's members and 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 Charitable Company and its members and the Charitable Company's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Rawlinson & Hunter Audit LLP

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

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

Date: 29 March 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds £	Total Funds Year ended 31.03.2021 £	*Total Funds (All unrestricted) 30.06.2019 to 31.03.2020 £*
INCOME FROM:				
Other trading activities	3.1	**10,383,940**	**10,383,940**	*7,702,856*
Bank and other interest receivable	3.2	**557**	**557**	*26,349*
TOTAL INCOME		**10,384,497**	**10,384,497**	*7,729,205*
EXPENDITURE ON:				
Cost of other trading activities	6	**9,538,104**	**9,538,104**	*6,874,664*
Charitable activities	4	**26,200**	**26,200**	*28,693*
TOTAL EXPENDITURE	6	**9,564,304**	**9,564,304**	*6,903,357*
Net Income before Taxation		**820,193**	**820,193**	*825,848*
TAX	9	**345,343**	**345,343**	*886,279*
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		**1,165,536**	**1,165,536**	*1,712,127*
NET MOVEMENT IN FUNDS		**1,165,536**	**1,165,536**	*1,712,127*
RECONCILIATION OF FUNDS:				
Total funds brought forward		**1,881,173**	**1,881,173**	*169,046*
TOTAL FUNDS CARRIED FORWARD		**3,046,709**	**3,046,709**	*1,881,173*

The Consolidated Statement of Financial Activities include all gains and losses recognized in the period.

All income and expenditure derived from continuing activities.

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CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2021

Registered number: 11491073
Charity number: 1179626

	Note	£	31 March 2021 £	£	*31 March 2020 £*
FIXED ASSETS					
Intangible assets	10	**326,215**		*426,589*	
Tangible assets	11	**2,320,810**	**2,647,025**	*4,559,984*	*4,986,573*
CURRENT ASSETS					
Stock	12	**283,519**		-	
Debtors	13	**5,050,686**		*6,708,893*	
Cash at bank and in hand	14	**4,665,777**		*1,898,898*	
		9,999,982		*8,607,791*	
CREDITORS: amounts falling due within one year	15	**(7,098,259)**		*(4,964,090)*	
NET CURRENT ASSETS			**2,901,723**		*3,643,701*
TOTAL ASSETS LESS CURRENT LIABILITIES			**5,548,748**		*8,630,274*
CREDITORS: amounts falling due after more than one year	16		**(1,625,924)**		*(5,906,871)*
PROVISIONS FOR LIABILITIES					
Other provisions	19		**(876,115)**		*(842,230)*
NET ASSETS			**3,046,709**		*1,881,173*
CHARITY FUNDS					
Unrestricted funds			**3,046,709**		*1,881,173*
SHAREHOLDERS' AND CHARITY'S FUNDS			**3,046,709**		*1,881,173*

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

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由田聡
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Mr Satoru Yoshida

Trustee
Date: 29/3/2022 | 13:14 BST

The notes on pages 16 to 31 form part of these financial statements.

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COMPANY BALANCE SHEET
AT 31 MARCH 2021

Registered number: 11491073
Charity number: 1179626

	Note	£	31 March 2021 £	£	*31 March 2020 £*
FIXED ASSETS					
Investments	23		1		*1*
			1		*1*
CURRENT ASSETS					
Debtors	13	13,350		-	
Cash at bank and in hand	14	546,750		*413,494*	
		560,100		*413,494*	
CURRENT LIABILITIES					
Creditors - amounts falling due within one year	15	(54,175)		*(34,194)*	
NET CURRENT ASSETS			505,925		*379,300*
TOTAL ASSETS LESS CURRENT LIABILITIES			505,926		*379,301*
TOTAL NET ASSETS			505,926		*379,301*
THE FUNDS OF THE CHARITABLE COMPANY					
Unrestricted income fund			505,926		*379,301*
TOTAL CHARITABLE COMPANY FUNDS			505,926		*379,301*

The Parent Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

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

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Mr Satoru Yoshida

Trustee

Date: 29/3/2022 | 13:14 BST

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Year ended 31 March 2021 £	30.06.2019 to 31.03.2020 £
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit for the year before tax		**1,165,536**	*825,848*
ADJUSTMENT FOR:			
Depreciation of tangible assets	11	**2,285,002**	*1,709,995*
Amortisation of goodwill	10	**100,374**	*75,280*
Interest receivable	3.2	**(557)**	*(26,349)*
(Increase) in stock	12	**(283,519)**	-
Decrease in debtors		**1,863,109**	*2,021,385*
(Decrease) in creditors		**(1,611,257)**	*(2,844,281)*
Increase in provisions	19	**33,885**	*25,413*
Tax credit (net)		**(345,343)**	*(886,279)*
NET CASH GENERATED FROM OPERATING ACTIVTIES		**3,207,230**	*901,012*
CASH FLOW FROM INVESTING ACTIVITIES:			
Fixed assets acquired through acquisition of subsidiaries undertaking		-	*6,269,979*
Net liabilities acquired through acquisition of subsidiaries undertaking		-	*(6,771,848)*
Purchases of fixed assets	11	**(45,828)**	-
Interest receivable	3.2	**557**	*26,349*
Non cash adjustments		-	*501,868*
NET CASH (USED IN)/ GENERATED FROM INVESTING ACTIVITIES		**(45,271)**	*26,348*
CASH FLOW FROM FINANCING ACTIVITIES:			
(Decrease) / Increase in other loan	16	**(395,080)**	*774,700*
NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES		**(395,080)**	*774,700*
CHANGE IN CASH AND CASH EQUIVALANTS IN THE YEAR		**2,766,879**	*1,702,060*
Cash and cash equivalents brought forward		**1,898,898**	*196,838*
CASH AND CASH EQUIVALENT CARRIED FORWARD	14	**4,665,777**	*1,898,898*

The notes on pages 16 to 31 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. GENERAL INFORMATION

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

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

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

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), The Charities Act 2011, and the Companies Act 2006.

The Trust meets the definition of a public benefit entity under FRS 102.

The Consolidated Statement of Financial Activities (SOFA) and the Consolidated Balance Sheet consolidate the financial statements of the Trust and its subsidiary undertakings ("the Group"). The results of the subsidiaries, Japan H.L. Limited ("JHLL") and Japan H.L. Enterprises Limited ("JHLE"), are consolidated on a line by line basis.

No separate SOFA has been presented for the Trust alone as permitted by section 408 of the Companies Act 2006.

The net income and expenditure for the year dealt with in the accounts of the Parent Company was net income of £126,625 *(9 months ended 31 March 2020: £210,255)*.

The financial statements are prepared in Sterling GBP which is the functional currency of the Charitable Company & its subsidiaries, JHLL and JHLE.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies (see Note 2.22 below)

2. ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements present the results of the Trust and its own subsidiaries as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations relating to the subsidiaries using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Financial Activities from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.2 Going concern

At the Balance Sheet date the Group had net assets of £3,046,709 and the Parent Company £505,926 and cash balances of £4,665,777 and £546,750 respectively.

The Covid-19 pandemic that has taken hold in the UK has undoubtedly had an effect on all UK companies in a wide ranging manner, and it has affected the Group's operational capability and activity levels. The directors have considered the implications and have put in place business continuity plans that have allowed the Group to continue in operation.

The directors have also reviewed the Group's current and expected liabilities and cash outflows arising from its activity over the next twelve months. The directors are confident that the Group will be able to meet its liabilities as they fall due for a year of at least twelve months from the date of signature of the financial statements.

The financial statements therefore have been prepared on the going concern basis.

2.3 Income from trading activities

Revenue earned includes service revenue earned by charging a margin on costs reimbursed from the Japanese Ministry of Foreign Affairs ("MOFA"), recognition of income from MOFA for reimbursement of the rental expenses during the period, recognition of grant income received MOFA for capital assets. In addition, JHLL has earned rent revenue related to concession agreements to use certain areas of the Japan House London premises. The Group has adopted the accounting policies below to account for this rent revenue:

- the area of the Japan House London premises occupied by tenants is distinguished into two categories, principal and agency, based on activities they conduct;
- rent revenue derived from the area acting as principal is recognised gross; and
- rent revenue derived from the area acting as agency is recognised net.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Grant income relating to assets is recognised as income over the expected useful life of the assets.

The following criteria must also be met before revenue is recognised:

Revenue from sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

ACCOUNTING POLICIES (continued)

2.3 *Income from trading activities (continued)*

Revenue from sale of goods (continued)

- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the year in which the services are provided in accordance with the stage of completion of the contract, when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting year can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 *Donation Income*

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

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

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

2.5 *Investment income*

Investment income represents interest receivable from bank deposits.

2.6 *Cost of trading and charitable activities*

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

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

2.7 *Status of funds*

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

2.8 *Current and deferred taxation*

The tax expense for the year comprises current and deferred tax for the subsidiaries trading company. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

2. ACCOUNTING POLICIES (continued)

2.8 *Current and deferred taxation (continued)*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

2.9 *Foreign currencies*

The Parent Company's and Group's functional and presentational currency is Sterling GBP. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance sheet date.

Transactions in foreign currencies are translated into Sterling GBP at the rate ruling on the date of the transaction.

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

2.10 *Pensions*

The Group operates a defined contribution pension scheme for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Balance Sheet. The assets to the plan are held separately from the Group in independently administered funds.

2.11 *Operating leases: JHLL as lessee*

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 *Government grants*

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

2. ACCOUNTING POLICIES (continued)

2.12 *Government grants (continued)*

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same year as the related expenditure.

2.13 *Intangible assets – goodwill*

Goodwill represents the difference between amounts paid for the cost of a business combination and the acquirer's interest in the fair value of the group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Financial Activities over its useful economic life.

2.14 *Valuation of investments*

Investments in subsidiaries are measured at cost less accumulated impairment in the Parent Company's accounts.

2.15 *Tangible fixed assets and depreciation*

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

However, capitalisation is determined by what services are provided in each location. Where JHLL acts in a principal activity, fixed assets will be capitalised. In certain instances where leasehold improvements are reimbursed ultimately by MOFA and there is no economic benefit to the JHLL and the Group, these assets are not capitalised on the balance sheet of JHLL and the Group.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Short-term leasehold improvement	- straight line basis over the term of the lease
Fixture and fittings	- 10% reducing balance method

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.16 *Stock*

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.17 *Debtors*

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2. ACCOUNTING POLICIES (continued)

2.18 *Cash and cash equivalent*

Cash represents cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.19 *Creditors*

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 *Provisions for liabilities*

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.21 *Financial instruments*

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2. ACCOUNTING POLICIES (continued)

2.21 *Financial instruments (continued)*

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Consolidated and Parent Company Balance Sheet when there is an 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.

2.22 *Judgements in applying accounting policies and key sources of estimate uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the Balance Sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means the actual outcomes could differ from those estimates. The following judgements have the most significant effect on the amounts recognised in the financial statements:

Carrying value of intangible assets

The Group reviews the carrying value of its intangible assets, which comprise goodwill, at each reporting date to determine if there is any indication of impairment. Where an indication of impairment is identified the Group estimates the recoverable amount of the asset. This requires judgement by management with respect to certain external factors, including, but not limited, to technological and economic feasibility, and estimated economic life. See Note 10 for the carrying value of the Group's intangible assets.

Carrying value of stock

The Group reviews the carrying value of its stock, at each reporting date to determine if there is any indication of impairment. Where an indication of impairment is identified the Group estimates the recoverable amount of the stock. This requires judgement by management with respect to certain external factors, including conditions of stock to determine whether any impairment provision is necessary. See Note 12 for the carrying value of the Group's stock.

3. INCOME

3.1 *Income from trading activities*

Income from trading activities is principally attributable to an agreement with the Japanese Ministry of Foreign Affairs ("MOFA") and rental income from concession agreements executed with restaurant and retail operators and all arose in the United Kingdom.

An analysis of turnover by class of business is as follows:

	Year ended 31 March 2021	*30.06.2019 to 31.03.2020*
	£	*£*
Rental income on concession agreements	124,001	*142,531*
Release of deferred income – rent received in advance	1,849,827	*1,014,402*
Release of fixed asset grant income (refer below)	2,076,486	*1,709,995*
Japan House membership income	182,938	*20,082*
Income from arrangement with MOFA	5,913,662	*4,427,135*
Other Income	88,494	*388,711*
Income from sales in the shop	148,532	-
	10,383,940	*7,702,856*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3.1 *Income from trading activities (continued)*

Funding received indirectly from MOFA in 2017 covered the cost of the principal fixed assets and is therefore treated as a grant. As a result, the income is deferred (see Notes 15 and 16) and is recognised over the expected life of the related fixed assets.

3.2 *Investment Income*

	Unrestricted funds	Total funds Year ended 31 March 2021	*Total funds 30.06.2019 to 31.03.2020*
	£	£	£
Bank and other interest receivable	**557**	**557**	*26,349*

4. CHARITABLE ACTIVITIES

Parent Company

	Unrestricted funds 2021	Total funds Year ended 31 March 2021	*Total funds 30.06.2019 to 31.03.2020*
	£	£	£
Support costs – governance (Note 5 below)	**26,200**	**26,200**	*28,693*

5. SUPPORT COSTS

Parent Company

	Total funds Year ended 31 March 2021	*Total funds 30.06.2019 to 31.03.2020*
	£	£
Bank charges	**63**	-
Legal and professional related costs	**11,995**	*18,001*
Audit fee	**14,142**	*10,692*
Total (Note 5 above)	**26,200**	*28,693*

6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

Group

	Other costs Year ended 31 March 2021	*Other costs 30.06.2019 to 31.03.2020*
	£	£
Other trading activities	**9,538,104**	*6,874,664*
	9,538,104	*6,874,664*
General support costs	**26,200**	*28,693*
Charitable Activities	**26,200**	*28,693*
Total Expenditure	**9,564,304**	*6,903,357*

Other trading activities relate to costs of goods sold, office rent & rates, depreciation and amortisation charges, staff costs, exhibition costs & other trading costs incurred by JHLL and JHLE.

7. AUDITORS' REMUNERATION

	Year ended 31 March 2021 £	30.06.2019 to 31.03.2020 £
Fees payable to the Charitable Company's auditor and its subsidiaries in respect of Audit-related assurance services	27,500	27,500
	27,500	27,500

8. EMPLOYEES

The average monthly number of employees, including the directors, during the year was as follows:

	Year ended 31 March 2021	30.06.2019 to 31.03.2020
Employees including directors who have employment contracts	55	41

Staff costs, including key management personnel, were as follows:

	Year ended 31 March 2021 £	30.06.2019 to 31.03.2020 £
Wages and salaries	1,601,165	914,063
Social security costs	195,725	104,718
Cost of defined contribution scheme (Note 20)	28,461	15,558
	1,825,351	1,034,339

Included above is the remuneration of £404,343 *(2020: £218,794)* for the Group's key management.

No Trustees received any remuneration during either reporting period.

9. TAXATION

	Group Year ended 31.03.2021 £	*Group 30.06.2019 to 31.03.2020 £*
Corporation tax		
Current tax charge on profits for the year	-	*140,441*
Adjustments in respect of previous periods	(140,441)	*-*
Total current tax	-	*140,441*
Deferred tax asset		
Originated and reversal of timing differences (Note 18)	(204,902)	*(1,026,720)*
Total deferred tax asset	(204,902)	*(1,026,720)*
Tax credit on profit on ordinary activities	(345,343)	*(886,279)*

Factors affecting tax credit for the year/period

The tax assessed for the year is lower than *(2020: lower than)* the standard rate of corporation tax in the UK of 19% *(2020: 19%)* as set out below:

	Group Year ended 31.03.2021 £	*Group 30.06.2019 to 31.03.2020 £*
Profit on ordinary activities before tax	820,193	*825,848*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	155,837	*156,911*
Effects of:		
Fixed asset differences	166,279	*146,233*
Expenses not deductible for tax purposes	18,105	*34,230*
Non-taxable income	(399,520)	*(394,532)*
Other adjustments	8,949	*36,337*
Recognition of deferred tax asset not previously recognised	-	*(865,458)*
Adjustment to tax charge in respect of previous period – deferred tax	(154,552)	-
Adjustment to tax charge in respect of previous period – current tax	(140,441)	-
Total tax credit for the year/period	(345,343)	*(886,279)*

Factors that may affect future tax charges

There were no factors that may affect future tax charges other than the deferred tax asset of £1,231,622 *(2020: £1,026,720)* (Note 18).

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase from 19% to 25%. As the legislation was not substantively enacted at the reporting date, deferred tax balances continue to be recognised at 19%. This change is expected to affect the Group favourably.

The Trust is a tax exempt charity.

10. INTANGIBLE FIXED ASSETS – GOODWILL

Group

During the prior period to 31 March 2020, the Trust acquired 100% of Japan H.L. Limited resulting in goodwill of £501,869 which is amortised on a straight line basis over its useful economic life to March 2024. The amortisation is charged to the Group's Statement of Financial Activities.

	£
Cost	
At 1 April 2020	**501,869**
At 31 March 2021	**501,869**
Amortisation	
At 1 April 2020	**75,280**
Charge for the period	**100,374**
At 31 March 2021	**175,654**
Net Book Value	
At 31 March 2021	**326,215**
At 31 March 2020	*426,589*

11. TANGIBLE FIXED ASSETS

Group

	Short-term leasehold improvements	Fixture and fittings	Total
	£	£	£
Cost or valuation			
At 1 April 2020	**8,739,970**	**-**	**8,739,970**
Additions	**-**	**45,828**	**45,828**
At 31 March 2021	**8,739,970**	**45,828**	**8,785,798**
Depreciation			
At 1 April 2020	**4,179,986**	**-**	**4,179,986**
Charge for the year	**2,279,992**	**5,010**	**2,285,002**
At 31 March 2021	**6,459,978**	**5,010**	**6,464,988**
Net book value			
At 31 March 2021	**2,279,992**	**40,818**	**2,320,810**
At 31 March 2020	*4,559,984*	*-*	*4,559,984*

12. STOCK

	Group		Parent Company	
	2021	2020	2021	2020
	£	£	£	£
Finished goods and goods for resale	283,519	-	-	-
	283,519	-	-	-

13. DEBTORS

Due after more than one year:

	Group		Parent Company	
	2021	2020	2021	2020
	£	£	£	£
Rent deposit (Note 21)	1,550,000	1,550,000	-	-
Prepayments - prepaid rent (Note 21)	-	1,438,138	-	-
	1,550,000	2,988,138	-	-

Due within one year:

	Group		Parent Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	212,237	144,356	-	-
Other debtors	755	47,147	13,350	-
Prepayments - prepaid rent & others (Note 21)	1,298,891	1,849,827	-	-
Other prepayments	500,105	460,645	-	-
VAT repayable	257,076	192,060	-	-
Deferred tax asset (Note 9 & Note 18)	1,231,622	1,026,720	-	-
	3,500,686	3,720,755	13,350	-
Total Debtors	5,050,686	6,708,893	13,350	-

14. CASH AND CASH EQUIVALENTS

	Group		Parent Company	
	2021	2020	2021	2020
	£	£	£	£
Cash at bank	4,665,777	1,898,898	546,750	413,494
	4,665,777	1,898,898	546,750	413,494

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent Company	
	2021	2020	2021	2020
	£	£	£	£
Other loans	303,696	344,142	-	-
Trade creditors	297,947	30,108	14,114	-
Corporation tax	-	140,441	-	-
Other creditors	2,380,628	134,024	21,026	18,250
Accruals	88,114	346,563	19,035	15,944
Deferred Income	4,027,874	3,968,812	-	-
	7,098,259	4,964,090	54,175	34,194

Other creditors include £2,292,789 due to MOFA.

Deferred income relates to the following:

- Grants received in 2017, via Jones Lang LaSalle K.K from MOFA, to cover the cost of the principal fixed assets; and
- Rent received in advance in 2017, via Jones Lang LaSalle K.K, from MOFA, for the entire lease term.

This grant deferred income is being released over the expected life of those fixed assets to 31 March 2022. The rent received in advance is also released as income over the term of the lease to 31 March 2022.

16. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR

	Group		Parent Company	
	2021	2020	2021	2020
	£	£	£	£
Other loans	75,924	430,558	-	-
Other creditors	1,550,000	1,550,000	-	-
Deferred Income	-	3,926,313	-	-
	1,625,924	5,906,871	-	-

Deferred income relates to the following:

- Grants received in 2017, via Jones Lang LaSalle K.K from MOFA, to cover the cost of the principal fixed assets; and
- Rent received in advance in 2017, via Jones Lang LaSalle K.K, from MOFA, for the entire lease term.

The grant deferred income is being released as income over the expected life of those fixed assets to 31 March 2022. The rent received in advance is also released as income over the term of the lease to 31 March 2022.

Other creditors of £1,550,000 relate to amounts repayable to MOFA.

On 30 June 2019 JHLL borrowed the loan of ¥136,663,067 from Jones Lang LaSalle K.K. The loan attracts 1% interest per annum. The loan is payable over three years from the start date and is included as other loans in Note 15 and Note 16.

The following liabilities were secured:

	2021	2020
	£	£
Other loans due within 1 year (Note 15)	303,696	344,142
Other loans due after 1 year but less than 5 years (Note 16)	75,924	430,558
	379,620	774,700

16. CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR (continued)

Details of security provided:

As the security of the loan of ¥136,663,067 provided by Jones Lang LaSalle K.K. the Group has entered into a debenture in respect of the subsidiary's assets in favor of the lender in a form satisfactory to the lender.

17. FINANCIAL INSTRUMENTS

	Group		Parent Company	
	2021	*2020*	**2021**	*2020*
	£	*£*	**£**	*£*
Financial assets				
Financial assets measured at fair value through income and expenditure	**4,665,777**	*1,898,898*	**546,750**	*413,494*
Financial assets measured at amortised cost	**1,762,992**	*1,789,207*	**100**	*-*
	6,428,769	*3,688,105*	**546,850**	*413,494*
Financial liabilities				
Financial liabilities measured at amortised cost	**4,696,309**	*2,835,395*	**36,641**	*34,194*

Financial assets measured at fair value through income and expenditure comprise of cash and cash equivalents.

Financial assets measured at amortised cost comprise of trade debtors, rent deposits and other debtors.

Financial liabilities measured at cost less impairment comprise of trade creditors, other creditors, other loans and accruals.

18. DEFERRED TAXATION

	Group	Group
	2021	*2020*
		£
At start of the year/period	**1,026,720**	*-*
Credited to the Consolidated Statement of Financial Activities (Note 9)	**204,902**	*1,026,720*
At end of year/period (Note 13)	**1,231,622**	*1,026,720*

The deferred tax asset is made up as follows:

	2021	*2021*
	£	*£*
Fixed Assets		
Timing differences – excess of capital allowances over depreciation (Note 9)	**1,213,253**	*1,026,720*
Other timing differences	**18,369**	*-*
	1,231,622	*1,026,720*

19. PROVISIONS

Group

	Provision for dilapidation £
At 1 April 2020	842,230
Charged to Consolidated Statement of Financial Activities	33,885
At 31 March 2021	876,115

As part of its property leasing arrangements, the Group has an obligation to return some properties to their original condition (when the Group conducted significant leasehold improvements) or repair damages which occur during the life of the lease. Based on a formal dilapidation report dated 25 June 2020, the directors have recorded a dilapidation provision. The provision is expected to be utilised in March 2022.

20. PENSION COMMITMENTS

JHLL, the 100% owned subsidiary, operates a defined contribution pension scheme. The pension costs charge for the year to 31 March 2021 represents contributions payable by JHLL to the scheme and amounted to £28,461 *(9 months period to 31 March 2020: £15,558)* (Note 8). Contributions totalling £2,664 *(2020: £4,270)* were payable to the fund at the reporting date and are included in creditors.

21. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2021 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group		Parent Company	
	2021 £	*2020 £*	2021 £	*2020 £*
Not later than 1 year	1,700,628	*1,849,827*	-	-
Later than 1 year but not later than 5 years	8,503,140	*1,849,827*	-	-
	10,203,768	*3,699,654*	-	-

JHLL paid a deposit of £1,550,000 to the landlord on 1 April 2017 in accordance with the terms of the lease. JHLL is paying the remainder of the rent to the landlord on escrow account over a 60 months term beginning 1 April 2017 for which it was previously reimbursed by MOFA via its previous owner, Jones Lang LaSalle.

The increase in the commitment in the current year has arisen as the Group has not exercised a break in the lease such that the lease now expires on 30 March 2027.

22. RELATED PARTY TRANSACTIONS

No Trustees received any remuneration for the current or prior period.

The Trust and the Group are exempt from disclosing other material related party transactions with companies that are wholly owned within the Group.

During the year Group received £5,913,662 *(9 months period to 31 March 2020: £4,427,135)* as income directly from MOFA. The Group owed £3,842,789 *(2020: £1,550,000)* to MOFA at the year end (Note 15 & Note 16).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

23. SUBSIDIARIES

Company Name	Country of incorporation	Class of shares	Holdings	Aggregate of share capital and reserves	Profit / (loss) for the year/ period ended 31.03.21
Japan H.L. Limited	UK (England & Wales)	Ordinary	100%	£2,261,892	£1,186,608
Japan H.L. Enterprises Limited	UK (England & Wales)	Ordinary	100%	£(47,223)	£(47,323)

24. ULTIMATE CONTROLLING PARTY

The ultimate controlling party are the Trustees.