

The Charity Registration Number is :- 1187288

Kotatsu Japanese Animation Festival
Report and Accounts
30 November 2022



Kotatsu Japanese Animation Festival

Report and accounts for the year ended 30 November 2022

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Kotatsu Japanese Animation Festival Trustees' Annual Report for the year ended 30 November 2022

The Trustees present their Report and Accounts for the year ended 30 November 2022.

Reference and administrative details

The charity name.

The legal name of the charity is:- Kotatsu Japanese Animation Festival.

The charity's areas operation and UK charitable registration.

The charity is registered in England & Wales with the Charity Commission in England & Wales (CCEW) with charity number 1187288.

The charity does not operate in any overseas jurisdictions.

Legal structure of the charity

There are no restrictions in the governing documents on the operation of the Charity or on its investment powers other than those imposed by Charity Law.

The trustees are all individuals.

The principal operating address, telephone number, email and web addresses of the charity are:-

21 Coronation Street
Trethomas, CAERPHILLY
Gwent, CF83 8DL
Telephone 7597929989
Email Address info@kotatsufestival.com Web address www.kotatsufestival.com

The Trustees in office on the date the report was approved were:-

Elizabeth Davies	Chair of the board of Trustees
Jason Maher	Trustee
Rahul David Sethi	Trustee
Louise Shazzeela Beer	Trustee
Robin Lyons	Trustee

The following persons served as Trustees during the year ended 30 November 2022 :-

Elizabeth Davies	
Louise Shazzeela Beer	
Nathan Lee Elward	Resigned February 27, 2022
Robin Lyons	Appointed March 2, 2022
Jason Maher	
Rahul David Sethi	

All trustees are also members of the charity. They delegate the day-to-day running of the festival to the Director, Eiko Meredith. The Trustees, in consultation with the Director, make decisions on policy and strategy. None of the trustees receive any remuneration or other benefit from their work with the charity.

Objects and activities of the charity

The purposes of the charity as set out in its governing document.

Kotatsu Japanese Animation was established in 2010. It is uniquely the only festival in Wales to screen the real diversity of Japanese animated films and to host anime related master classes and Japan / animation workshops mainly free of charge (dependent upon funding). It became a CIO in 2020.

The objects of the charity, as denoted in its constitution, are to promote the art and culture of Japan by holding a festival of Japanese animated films for the benefit of the public.

The festival screens the best in Japanese animation and culture to diverse and inclusive audiences, including families and children, young people, adults of all ages and individuals with disabilities and other distinct groups.

The Trustees have complied with the duty in section 2 of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission on public benefit. The main beneficiaries are people of all ages who live in Wales. With the escalation of delivery of activities via the Internet in the last year, as highlighted in this report, the festival also provides wider worldwide benefits to online audiences.

The main activities undertaken in relation to those purposes during the year.

The 2022 Festival was successfully held again as a live physical event at its three established partner venues, in South, Mid and North Wales, namely Chapter in Cardiff, Aberystwyth Arts Centre and Pontio in Bangor. The three are nationally recognized arts centres, which are Arts Council of Wales Revenue Funded Organisations. Trustees are indebted to these venues and their staff for their continued support for our Festival.

It was held over a 16-day period during October to November 1, 2022. A total of 21 screenings were Held at the three venues, with six of them F rated. (F rating is awarded to films, which are directed and/or written by women. It is designed to champion women and NBs and to redress the imbalance in the film industry). 14 feature films were screened and one short. These were the highest numbers since 2010. The Critics Awards and Audience Awards proved extremely popular again with attendees, and we hope we can retain these features in future Festivals.

After the decline in general attendances at Chapter due to the Pandemic, and the inevitable reduced capacity in their cinemas in 2021, due to social distancing regulations, Chapter suggested we start more regular screenings throughout the year to rebuild our audiences. We started by screening *Tokyo Godfathers* as our first Kotatsu Anime club event at Chapter in December 2022 to increase awareness of the Festival.

From November 2021 to March 2022 in partnership with Cardiff Library Services, we hosted a number of Educational Workshops as part of our educational outreach programme. This attracted participants aged 7 –64. The project comprised hosting an online anime Education workshop presented by one of Japan's most respected and lauded Japanese anime critics, Ryota Fujitsu, and a face to face animation workshop presented by Cardiff based Mwnci Animation Studio, held at Cardiff Central Library. Through the Anime Education Workshops participants gained a greater insight into the screenplay, the underlying themes of morality and humanity, as well as the production values of *Spirited Away*, one of the most influential and universally acclaimed animation films from Japan, directed by the master Miyazaki of Studio Ghibli. This was a major achievement for the festival as it's very rare occurrence to see such an event in the UK presented by someone of his calibre and stature in the industry.

Cardiff Metropolitan University School of Art and Design, a new partner, facilitated a 5-day physical animation workshop, which was very well received by all attendees. It also gave a platform for Mwnci Animation Studio, whose team members are all young university graduates, to promote the animation sector to potential new recruits wishing to pursue a career in the sector. It also gave Mwnci inspiration to expand their own services through providing educational workshops of this nature.

The festival had always held the ambition to host such workshops, and it was only lack of funds that delayed realising that ambition. Thanks to support from Ffilm Cymru Wales, we were able to host these workshops this year, generating so much positive feedback. We have already received requests from attendees as well as people who were unable to attend this time to host more workshops online and face to face in the foreseeable future.

A series of accessible online Japanese cultural workshops were also held as part of the Festival's free outreach

and audience participation programme, extending the horizons and knowledge of their participants, and introducing people to an art form and culture new to them. These workshops have particular appeal amongst unrepresented groups, people who have mobility or other health issues, are in socially deprived areas, living in places with limited public transport, and are unable to attend face-to-face workshops, for example. Featured in this series:

- An Introduction and Demonstration of Kimono and Yukata Dressing Technique with Yumiko Jones.
- Learning basic Anime words and phrases in Japanese, with Kaori Onoda - - - An Introductory Workshop of Japanese Calligraphy for Beginners with Yukiko Ayres. (This workshop alone has since been viewed 5,800 times to date on YouTube.)
- An introductory workshop to Japanese Manga, for beginners, hosted by Shangomola Edunjobi

During the year our Festival also collaborated with Cardiff Animation Festival at Chapter in April 2022. This collaboration involved two film screenings. The first was *Ongaku*, which won last year's Kotatsu Festival Audience Award 2021. The second film was *Summer Ghost*, only released in Japan in November 2021 and premiered in Wales 5 months later. Directed by Loundraw, this was also his directorial debut. Previously he was in charge of concept design for *Josse*, *The Tiger and the Fish* and undertook the illustration for *I Want to Eat Your Pancreas*.

The main activities undertaken during the year to further the charity's purpose for the public benefit.

The Trustees have complied with the duty in section 2 of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission on public benefit. Given the charity promotes the advancement of the arts through the festival and its outreach programme of activities the trustees are satisfied that the charity meets the requirements of being for the public benefit. The main beneficiaries are people of all ages who live primarily but not exclusively in Wales. With the continuation of delivery of online activities, as highlighted in this report, the festival provides wider benefits to extended audiences, including those unable or reluctant to attend in person.

The Trustees have complied with the duty in section 2 of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission on public benefit in managing the activities of the charity.

The contribution of volunteers during the year.

As a small charity with only one part time Festival Director we depend on the contribution of volunteers to deliver the festival, in the run-up and during the screenings and events. The festival has a loyal following. In the university town of Aberystwyth, with a renowned film department, and in Cardiff where there are many animation students, we have always benefitted from the services of student volunteers to undertake a range of roles on screening days at the venues. Trustees wish to extend their thanks and appreciation to all volunteers whose support is invaluable to the festival.

The Challenges

The year covered by this report, December 1, 2021 to 30 November 2022, still felt the impact of the Covid19 pandemic, particularly at arts and cultural venues. Though the lifting of severe Lockdown restrictions meant venues could re-open in mid 2021, this was not without its challenges into 2022. Against the backdrop of reduced audiences in 2021, due to reduced capacity as a result of social distancing regulations, 2022 still saw fewer numbers of attendances than pre pandemic in Wales. A reluctance to attend still prevailed compounded by cost of living rises, especially rising food and energy prices, in 2022. This demonstrates some of the challenges we faced in planning for the 2022 Festival.

Arts Council Wales' Cultural Recovery Fund grant was invaluable to the survival of the Kotatsu Japanese Animation Festival during the Covid19 pandemic. The Festival, during this financial year, still faced financial challenges with a reduction in the availability of grants and reduction in ticket income. In tandem with these challenges the festival has also been impacted by inflation and the cost of living crisis, and increases in rental fees for some films. The charity relies on successful applications for grants from a variety of funders who operate schemes of support in the arts/film and community sectors. Going forward a concerted effort must be sustained to secure more sources of funding. Small-scale sponsorship was secured again from the following: Cloth Cat

Animation, Tetsu's Armature and Satory Design.

Financial review

The charity's financial position at the end of the year ended 30 November 2022

The financial position of the charity at 30 November 2022 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows:-

	2022	2021
	£	£
Net income	(5,200)	16,624
Unrestricted Revenue Funds available for the general purposes of the charity	5,961	11,161
Restricted Revenue Funds	-	-
Endowment Revenue Funds	(4,241)	(4,241)
Total Endowment funds	(4,241)	(4,241)
Total Funds	1,720	6,920

Financial review of the position at the reporting date, 30 November 2022.

The trustees consider the financial performance by the charity during the year to have been satisfactory.

Specific changes in fixed assets are detailed in the notes to the accounts.

Policies on reserves.

Though the charity has only been operating for 1 year, trustees have examined the charity's requirements for reserves considering the main risks to the organisation. A policy has been established to build free reserves to cover temporary shortfalls in income. The free reserves of the funds that are available to spend as at 30 November 2022, are £15,000.00.

Availability and adequacy of assets of each of the funds

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Details of The Independent Examiner

Marklan Jackson BSc AATQB
Member of AAT Certified Accountant
32 Tridwr Road
Abertidwr
CAERPHILLY
Gwent
CF83 4DN

Statement of Trustees' Responsibilities

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008. Notwithstanding the explicit

requirement in the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008, to prepare the financial statements in accordance with the SORP 2005, in view of the fact that the SORP 2005 has been withdrawn, the Trustees determined to interpret this responsibility as requiring them to follow current best practice and prepare the accounts according to the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), .

In particular, charity law requires the Trustees, if they prepare accounts on an accruals basis, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficit of the charity. In preparing those financial statements the Trustees are required to :-


- to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;

The law requires that the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for the year.

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

The Trustees are also responsible for the contents of the Trustees' report, and the statutory responsibility of the Independent Examiner in relation to the Trustees' report is limited to examining the report and ensuring that , on the face of the report, there are no material inconsistencies with the figures disclosed in the financial statements.

This report was approved by the board of trustees on April 29, 2023.



Elizabeth Davies - Chair

Trustee
Date: April 29, 2023

Kotatsu Japanese Animation Festival

Report of the Independent Examiner to the Trustees of the charity on the accounts for the year ended 30 November 2022

I report to the Trustees on my examination of the financial statements of the charity on pages 13 to 30 for the year ended 30 November 2022 which have been prepared in accordance with the Charities Act 2011 (the Act) and with the Financial Reporting Standard 102, (effective 1st January 2016) as modified by FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), published by the Charity Commission in England & Wales (CCEW), and under the historical cost convention and the accounting policies set out on page 21.

Respective responsibilities of the Trustees and the Independent Examiner and the basis of the report

As described on page 9, you, the charity's Trustees, are responsible for the preparation of the financial statements in accordance with the Charities Act 2011 and all other applicable law and with United Kingdom Generally Accepted Accounting Practice, applicable to smaller entities, and for being satisfied that the financial statements give a true and fair view.

The Trustees consider that the audit requirement of Section 144(1) of the Charities Act 2011 (the Act) does not apply, and that there is no requirement in the Governing Document for the conducting of an audit. As a consequence, the Trustees have elected that the financial statements be subject to independent examination. Having satisfied myself that the financial statements are not required to be audited under any legal provision, or otherwise, and are eligible for independent examination, it is my responsibility to:-

- a. examine the financial statements of the charity under Section 145 of the Act;
- b. follow the applicable procedures in the Directions given by the Charity Commission under section 145(5)(b) of the Act.

Basis of Independent Examiner's Statement and scope of work undertaken

I report in respect of my examination of the charity's financial statements carried out under s145 of the Act. In carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act setting out the duties of an independent examiner in relation to the conducting of an independent examination. An independent examination includes a review of the accounting records kept by the charity and of the accounting systems employed by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you, as Trustees, concerning such matters. The purpose of the examination is to establish as far as possible that there have been no breaches of charity legislation and that, on a test basis of evidence relevant to the amounts and disclosures made, the financial statements comply with the SORP.

The procedures undertaken do not provide all the evidence that would be required in an audit, and information supplied by the Trustees in the course of the examination is not subjected to audit tests or enquiries and does not cover all the matters that an auditor would consider in arriving at an opinion. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide.

Consequently, I do not express an audit opinion on the view given by the financial statements, and in particular, I express no opinion as to whether the financial statements give a true and fair view of the affairs of the charity, and my report is limited to the matters set out in the statement below.

I planned and performed my examination so as to satisfy myself that the objectives of the independent examination are achieved and before finalising the report I obtained written assurances from the Trustees of all material matters.

Independent Examiner's Statement, Report and Opinion

Subject to the limitations upon the scope of my work as detailed above, I have completed my examination: and can confirm that:-

This is a report in respect of an examination carried out under 145 of the Act and in accordance with Directions given by the Charity Commission under section 145(5)(b) of the Act which may be applicable;

and that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:-

accounting records were not kept in respect of the charity as required by with Section 130 of The Charities Act 2011;

the financial statements do not accord with those records; or

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

have not been prepared in accordance with the methods and principles set out in the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP).

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

Signed:-



Marklan Jackson - Independent Examiner BSc AATQB
AAT Certified Accountant
32 Tridwr Road
Abertidwr
CAERPHILLY
Gwent
CF83 4DN

This report was signed on 30 June 2023

Kotatsu Japanese Animation Festival - Statement of Financial Activities for the year ended 30 November 2022

Statement of Financial Activities for the year ended 30 November 2022

	SORP Ref	Current year Unrestricted Funds.	Current year Restricted Funds.	Current year Endowment Funds.	Current year Total Funds	Prior Year Total Funds
		2022 £	2022 £	2022 £	2022 £	2021 £
Income & Endowments from:						
Donations & Legacies	A1	9,578	-	-	9,578	29,767
Charitable activities	A2	2,824	-	-	2,824	3,604
Other	A5	23	-	-	23	2
Total income	A	12,425	-	-	12,425	33,373
Expenditure on:						
Raising funds	B1	1,867	-	-	1,867	1,155
Charitable activities	B2	15,758	-	-	15,758	15,594
Total expenditure	B	17,625	-	-	17,625	16,749
Net income for the year		(5,200)	-	-	(5,200)	16,624
Net income after transfers.	A-B-C	(5,200)	-	-	(5,200)	16,624
Net movement in funds		(5,200)	-	-	(5,200)	16,624
Reconciliation of funds:-	E					
Total funds brought forward		11,161	-	(4,241)	6,920	(4,241)
Total funds carried forward		5,961	-	(4,241)	1,720	12,383

The 'SORP Ref' indicated above is the classification of income set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the Balance Sheet.

A Statement of Total Recognised Gains and Losses is included as a primary statement in these accounts.

All the prior year transactions were unrestricted items, and no further analysis is required

All activities derive from continuing operations.

The notes attached on pages 14 to 23 form an integral part of these accounts.

Statement of Total Recognised Gains and Losses for the year ended 30 November 2022

	2022 £	2021 £
Surplus for the year :-		
Net excess of income over expenditure from operations before tax	(14,257)	(13,127)
Realised gains on disposals of social investments which are programme related	-	-
<i>Income from operations before tax in the Statement of Financial Activities</i>	(14,257)	(13,127)
<i>Add/(deduct) non income and expenditure items:-</i>		
Grants for the acquisition of fixed assets	9,058	29,751
Net Movement in funds before taxation	(5,199)	16,624
Funds generated in the year as shown on Statement of Financial Activities	(5,199)	16,624

The notes attached on pages 14 to 23 form an integral part of these accounts.

Kotatsu Japanese Animation Festival - Resources applied in the year ended 30 November 2022 towards fixed assets for Charity use:-

	2022 £	2021 £
Funds generated in the year as detailed in the SOFA	(5,200)	16,624
Resources applied on functional fixed assets	-	-
Other applications of funds	-	-
Net resources available to fund charitable activities	(5,200)	16,624

The resources applied on fixed assets for charity use represents the cost of additions less proceeds of any disposals.

Movements in revenue and capital funds for the year ended 30 November 2022

Revenue accumulated funds

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total Funds 2022 £	Last year Total Funds 2021 £
Accumulated funds brought forward	11,161	-	(4,241)	6,920	(4,241)
Recognised gains and losses before transfers	(5,200)	-	-	(5,200)	16,624
	5,961	-	(4,241)	1,720	12,383
(From)/To unrestricted revenue funds	-	-	-	-	-
Closing revenue funds	5,961	-	(4,241)	1,720	12,383

Summary of funds

	Unrestricted and Designated funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total Funds 2022 £	Last Year Total Funds 2021 £
Revenue accumulated funds	5,961	-	(4,241)	1,720	12,383

The notes attached on pages 14 to 23 form an integral part of these accounts.

Kotatsu Japanese Animation Festival

Income and Expenditure Account for the year ended 30 November 2022 as required by the Companies Act 2006

	2022 £	2021 £
Income		
Income from operations	3,344	3,620
Investment income		
Other operating income	23	2
Gross income in the year before exceptional items	3,367	3,622
Gross income in the year i	3,367	3,622
Expenditure		
Charitable expenditure, excluding depreciation and amortisation	15,605	15,442
Depreciation and amortisation		152
Fundraising costs	1,867	1,155
Realised losses on disposals of social investments which are programme related	-	-
Total expenditure in the year	17,624	16,749
Net income before tax in the financial year	(14,257)	(13,127)
Tax on surplus on ordinary activities	-	-
Net income after tax in the financial year	(14,257)	(13,127)
Retained surplus for the financial year	(14,257)	(13,127)

All activities derive from continuing operations

In accordance with the provisions of the Companies Act 2006, the headings and subheadings used in the Income and Expenditure account have been adapted to reflect the special nature of the charity's activities.

The notes attached on pages 14 to 23 form an integral part of these accounts.

Kotatsu Japanese Animation Festival - Balance Sheet as at 30 November 2022

	Notes	SORP Ref	2022 £	2021 £
Fixed assets		A		
Tangible assets	7	A2	305	457
Current assets		B		
Debtors	8	B2	-	1,400
Cash at bank and in hand		B4	16,130	19,759
Total current assets			16,130	21,159
Creditors: amounts falling due within one year	9	C1	(1,023)	(899)
Net current assets			15,107	20,260
			15,412	20,717
Net assets				
Creditors: amounts falling due after more than one year	10	C2	(1,849)	(1,955)
The total net assets of the charity			13,563	18,762
The total net assets of the charity are funded by the funds of the charity, as follows:-				
Endowment funds				
Endowment Revenue Funds	13	D1	(4,241)	(4,241)
			(4,241)	(4,241)
Restricted funds				
Restricted Revenue Funds	13	D2	-	-
			-	-
Unrestricted Funds				
Unrestricted Revenue Funds	13	D3	5,961	11,161
			5,961	11,161
Designated Funds				
Total charity funds			1,720	6,920

The 'SORP Ref' indicated above is the classification of Balance Sheet items as set out in the formal SORP documents. As required by paragraph 4.60 of the SORP, the brought forward and carried forward funds above have been agreed to the SOFA..

The notes attached on pages 14 to 23 form an integral part of these accounts.

The Trustees acknowledge their responsibilities for complying with the requirements of charity legislation with respect to accounting records and the preparation of accounts.

The charity is subject to Independent Examination under charity legislation, and the report of the Independent Examiner is on page 12.

The Trustees are satisfied that, although the charity is not registered under the Companies Acts, if it were so registered, it would be eligible to prepare accounts in accordance with the provisions in Part 15 of the Companies Act 2006, applicable to companies subject to the small companies regime.

Elizabeth Davies

Chair of the board of Trustees

Approved by the board of trustees on April 29, 2023

The notes attached on pages 14 to 23 form an integral part of these accounts.

Kotatsu Japanese Animation Festival

Notes to the Accounts for the year ended 30 November 2022

1 Accounting policies

Policies relating to the production of the accounts.

Basis of preparation and accounting convention

The accounts have been prepared on the accruals basis, under the historical cost convention, and in accordance with the Financial Reporting Standard 102, (effective 1st January 2016) and 'FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), published by the Charity Commission in England & Wales (CCEW) , effective January 2016, , and in accordance with all applicable law in the charity's jurisdiction of registration, except that the charity has prepared the financial statements in accordance with the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), in preference to the previous SORP, the SORP 2005, which has been withdrawn, notwithstanding the fact that the extant statutory regulations, the Charities (Accounts and Reports) Regulations 2008 refer explicitly to the SORP 2005. This has been done to accord with current best practice.

Going Concern

The charitable activities are entirely dependent on continuing grant aid and voluntary donations as well as trading revenues. As a consequence, the going concern basis is dependent on the future flow of these uncertain funding streams. Accordingly, the Trustees have obtained forecasts and, after reviewing the financial forecasts for future periods to 30 November 2022, the Trustees are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements. Other than these matters, the Trustees are not aware of any material uncertainties about the charity's ability to continue as a going concern.

Risks and future assumptions

The charity is a public benefit entity.

The Trustees have complied with the duty in section 2 of the Charities Act 2011 to have due regard to the guidance published by the Charity Commission on public benefit. The main beneficiaries are people of all ages who live in Wales. With the escalation of delivery of activities via the Internet in the last year, as highlighted in this report, the festival also provides wider worldwide benefits to online audiences.

Policies relating to categories of income and income recognition.

Nature of income

Gross income represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Categories of Income

Income is categorised as income from exchange transactions (contract income) and income from non-exchange transactions (gifts), investment income and other income.

Income from exchange transactions is received by the charity for goods or services supplied under contract or where entitlement is subject to fulfilling performance related conditions. The income the charity receives is approximately equal in value to the goods or services supplied by the charity to the purchaser.

Income from a non-exchange transaction is where the charity receives value from the donor without providing equal value in exchange, and includes donations of money, goods and services freely given without giving equal value in exchange.

Income recognition

Income, whether from exchange or non-exchange transactions, is recognised in the statement of financial activities (SOFA) on a receivable basis, when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities and only when the charity has legal entitlement, the income is probable and can be measured reliably.

Dividends are accrued when the shareholder's right to receive payment is established.

Income subject to terms and conditions which must be met before the charity is entitled to the resources is not recognised until the conditions have been met.

All income is accounted for gross, before deducting any related fees or costs.

Income from legacies

Income from legacies is recognised when the charity has sufficient evidence that a gift has been left to them, that where required, probate has been granted, the executor is satisfied that the property in question will not be required to satisfy claims in the estate, that it is probable that the amount will be received by the charity, and the amount to be received can be estimated with sufficient accuracy, and that any conditions attached to the legacy are either within the control of the charity or have been met.

Where a payment is received from an estate or is notified as receivable by the executors after the reporting date and before the accounts are authorised for issue but it is clear that the payment had been agreed by the executors prior to the end of the reporting period, then the amount concerned is treated as an adjusting event and accrued as income in the accounting period if receipt is probable.

Where the charity has established entitlement to a legacy but there is uncertainty as to the amount of the payment, details of the legacy are disclosed as a contingent asset until the criteria for income recognition are met. Where a legacy is subject to the interest of a life tenant, the legacy is not recognised as income until the death of the life tenant.

If it is doubtful that full settlement of a legacy debtor will be received, then an adjustment is made to reduce the amount of the legacy debtor and legacy income rather than charging the adjustment as expenditure in the Statement of Financial Activities

Donated goods, facilities and services

Donated fixed assets are recognised at the current fair value. All such donations are recognised as donation income, and debited to fixed assets.

Donated goods that are not fixed assets are accounted for at a fair value, unless it is impractical to reliably measure the value of the donated items.

In the absence of any direct evidence of fair value of donated goods, then a value is derived from the cost of the item to the donor or, in the case of goods that are expected to be sold, the estimated resale value after deducting any anticipated costs of sales.

If it is impracticable to measure the fair value of goods donated for resale, or the costs of valuation outweigh the benefits, the donated goods are recognised as income when sold, with an equivalent amount being recognised as an expense.

The costs of goods donated for distribution to beneficiaries is deemed to be the fair value of those goods upon receipt. When the goods are distributed freely or for a nominal consideration, then the carrying amount is adjusted at the time of sale, to the value at the point of distribution and the adjustment is shown as a cost of donations made.

The carrying amount of any stock held for distribution is assessed for impairment at the reporting date. All donated goods are recognised as donation income, and debited to trading stock. When trading stock is subsequently sold, or appropriated to meet an expense, then the carrying value of the stock is recognised as an expense. In accordance with the SORP, goods donated for distribution to beneficiaries, or for consumption by the charity are included in *'legacies and donations'*. Goods donated for resale are included in *'Income from other trading activities'*

The cost of any stock of goods donated for distribution to beneficiaries is deemed to be the fair value of those gifts at the time of their receipt. If the goods held are to be distributed freely or for a nominal consideration, then the carrying amount is subsequently adjusted to reflect the lower of deemed cost adjusted for any loss of service potential and replacement cost. Replacement cost is the economic cost incurred if the charity was to replace the service potential of the donated goods at its own expense in the most economic manner.

Donated services and facilities (including seconded staff and use of property) are included in the accounts on the basis of the value of the gift to the charity.

All donated services and facilities are recognised as donation income when received, (provided the value of the gift can be measured reliably) and recognised as an expense with an equivalent value.

Membership subscriptions

The income and any associated Gift Aid or other tax refund from a membership subscription received by the charity in the nature of a gift, is accounted for on the same basis as a donation.

The income from a membership subscription received by the charity where the subscription purchases the right to services or benefits is recognised as income from charitable activities.

Policies relating to expenditure on goods and services provided to the charity.

Recognition of liabilities and expenditure

A liability, and the related expenditure, is recognised when a legal or constructive obligation exists as a result of a past event, and when it is more likely than not that a transfer of economic benefits will be required in settlement, and when the amount of the obligation can be measured or reliably estimated..

Liabilities arising from future funding commitments and constructive obligations, including performance related grants, where the timing or the amount of the future expenditure required to settle the obligation are uncertain, give rise to a provision in the accounts, which is reviewed at the accounting year end. The provision is increased to reflect any increases in liabilities, and is decreased by the utilisation of any provision within the period, and reversed if any provision is no longer required. These movements are charged or credited to the respective funds and activities to which the provision relates.

Allocating costs to activities

Direct costs that are specifically related to an activity are allocated to that activity. Shared direct costs and support costs are apportioned between activities.

The basis for apportionment, which is consistently applied, and proportionate to the circumstances, is :-

Staffing - on the basis of time spent in connection with any particular activity.

Staffing - on a per capita basis, based on the number of people employed within any particular activity.

Premises related costs - on the proportion of floor area occupied by a particular activity.

Non-specific support costs - on the basis of the usage of resources, in terms of time taken, capacity used, request made or other measures

Estimation techniques used in apportioning costs - give details

Policies relating to assets, liabilities and provisions and other matters.

Fixed Asset Investments

Fixed asset investments in quoted shares, traded bonds, investment properties and similar investments are shown initially at cost upon acquisition and at their market value at the balance sheet date at the end of the financial period. Investment properties are not depreciated.

Fixed asset investments in unlisted equities are shown at the balance sheet date at the best estimate of their market value, where practicable. Where valuation techniques are considered unreliable or where, in the opinion of the trustees, the costs outweigh the benefits to the users of the accounts, the investment is included at cost, and a review is undertaken at each year end as to whether the asset should be written down.

All gains on fixed asset investments, whether realised or unrealised, are included in row B4 of the Statement of Financial Activities.

Tangible fixed assets

Tangible fixed assets are measured at their original cost value, or subsequent revaluation, or if donated, as described above. Cost value includes all costs expended in bringing the asset into its intended working condition.

Depreciation has been provided at the following rates in order to write off the assets to their anticipated residual value over their estimated useful lives.

Freehold premises	0	% straight line
Leasehold premises	2	% straight line
Plant and machinery	20	% straight line
Motor vehicles	25	% straight line

A regular annual review of the likelihood of asset impairment is undertaken.

Accounting for capital grants and fixed asset funds.

Gifts of tangible fixed assets or grants of a capital nature, given for the purposes of acquiring specific assets to be fully utilised in the furtherance of the objects of the charity, are credited to fixed asset funds after the donated asset has been received or sums have been properly expended on the restricted purpose.

Where the terms of the gift require the charity to hold the asset on an ongoing basis for a specific purpose, then the fixed asset fund so created is categorised as a restricted fixed asset fund, and the relevant restrictions are noted in the fixed asset note 7.

Where the terms of the gift are met once the asset is acquired, so allowing the charity to use the asset on an unrestricted basis, including the right to receive the proceeds of any future sale of the asset on an unrestricted basis, then the fixed asset fund so created is categorised as a designated fixed asset fund.

When assets are acquired for the furtherance of the charity's objects, utilising the charity's own unrestricted funds, a transfer is made from unrestricted funds to a designated fixed asset fund.

Whether acquired with unrestricted or restricted funds, the asset acquired is initially shown in the balance sheet at the full cost of acquisition or subsequent revaluation.

As the related assets are depreciated, in accordance with the depreciation policy, in order to reflect the diminution in the asset, a transfer is made from the relevant fixed asset funds to either unrestricted or restricted revenue funds, as appropriate to the terms of the original gift, if any.

The effect of this policy is that the aggregate of all fixed asset funds shall equate to the net book value of fixed assets.

In the first year that this policy was adopted, a transfer to fixed asset funds was made equivalent to the net book value of the assets.

Any residual liability to the donor arising from, for example, the asset's future sale, is disclosed as a contingent liability unless the event that would trigger repayment of the grant becomes probable in which case a liability for repayment is recognised.

Insofar as this policy relates to Government grants and to the extent that it may be a departure from the FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015, (as amended by the Bulletin issued in October 2018 and applicable to all accounting periods beginning on or after 1st January 2019), (The SORP), such departure is justified on the basis that it is in order to comply with the SORP.

Debtors

Debtors are measured at their recoverable amounts at the balance sheet date.

Creditors and provisions

Creditors are measured at their payable amounts at the balance sheet date.

Financial instruments including cash and bank balances

Cash held by the charity is included at the amount actually held and counted at the year end. Bank balances, whether in credit or overdrawn, are shown at the amounts properly reconciled to the bank statements.

All financial assets and liabilities are measured at fair value, the basis for determining fair value is based on taking the retail value of the same from three sources.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal or as implied by law.

Endowment funds are funds donated to the charity, where the funds shall be invested and the charity shall enjoy the benefit of the income from the capital fund, but where restrictions are placed on the use of the capital.

2 Liability to taxation

The Trustees consider that the charity satisfies the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively on the specific charitable objects of the charity and for no other purpose. Value Added Tax is not recoverable by the charity, and is therefore included in the relevant costs in the Statement of Financial Activities.

3 Winding up or dissolution of the charity

If upon winding up or dissolution of the charity there remain any assets, after the satisfaction of all debts and liabilities, the assets represented by the accumulated fund shall be transferred to some other charitable body or bodies having similar objects to the charity.

4 Net surplus before tax in the financial year

	2022	2021
	£	£
The net surplus before tax in the financial year is stated after charging:-	0	-
Depreciation of owned fixed assets	152	152

5 Staff costs and emoluments

Salary costs

	2022	2021
	£	£
Gross Salaries excluding trustees and key management personnel	11,190	7,110
Total salaries, wages and related costs	11,478	7,110

The average number of full time staff employed in the year was	1	1
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The estimated full time equivalent number of all staff employed in the year was	1	1
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The estimated equivalent number of full time staff deployed in different activities in the year was:-

Engaged on charitable activities	1	1
Engaged on publicity activities	1	1
Engaged on fundraising activities	1	1
Engaged on management and administration	1	1

The estimated full time equivalent number of all staff employed as above

1	1
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Neither the trustees nor any persons connected with them have received any remuneration from the charity or any related entity, either in the current or prior year.

No employees received emoluments (excluding pension costs) in excess of £60,000 per annum.

Highest paid employee (Eiko Meredith)

The remuneration in the year was

	1	1
Total remuneration package included in total salaries above	1	1

6 Remuneration and payments to Trustees and persons connected with them

No trustees or persons connected with them received any remuneration from the charity, or any related entity.

7 Tangible fixed assets

Current Year	Land and Buildings	Plant & Machinery	Motor Vehicles	Total	Total
	£	£	£	£	£
Cost					
Additions	-	-	-	-	-
At 30 November 2022	-	609	-	609	609
Depreciation					
Charge for the year	-	152	-	152	152
At 30 November 2022	-	304	-	304	304
Net book value					
At 30 November 2022	-	305	-	305	305

Prior Year	Land and Buildings	Plant & Machinery	Motor Vehicles	Total
	£	£	£	£

8 Debtors

	2022	2021
	£	£
Trade debtors	-	600
Prepayments and accrued income	-	800
	-	1,400

9 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	-	-
Accruals	660	778
Other creditors	363	121
	1,023	899

10 Creditors: amounts falling due after one year

	2022	2021
	£	£
Other creditors	1,849	1,955

11	Income and Expenditure account summary	2022 £	2021 £
	At 1 December 2021	(17,368)	(4,241)
	Transfers in for the year	-	-
	At 1 December 2021	(17,368)	(4,241)
	Surplus after tax for the year	(14,257)	(13,127)
	At 30 November 2022	(31,625)	(17,368)

12 Particulars of how particular funds are represented by assets and liabilities

At 30 November 2022	Unrestricted funds £	Designated funds £	Endowment funds £	Restricted funds £	Total Funds £	Total Funds £
Tangible Fixed Assets	305	-	-	-	305	305
Current Assets	20,371	-	(4,241)	-	16,130	16,130
Current Liabilities	(1,023)	-	-	-	(1,023)	(1,023)
Long Term Liabilities	(1,849)	-	-	-	(1,849)	(1,849)
	17,804	-	(4,241)	-	13,563	13,563
At 1 December 2021	Unrestricted funds £	Designated funds £	Endowment funds £	Restricted funds £	Total Funds £	Total Funds £
Current Assets	25,400	-	(4,241)	-	21,159	21,159
Current Liabilities	(899)	-	-	-	(899)	(899)
	23,003	-	(4,241)	-	18,762	18,762

13 Change in total funds over the year, analysed by individual funds

	Funds brought forward from 2021	Movement in funds in 2022	Transfers between funds in 2022	Funds carried forward to 2023	Funds carried forward to 2023
	£	See Note £	See Note £	£	£
Unrestricted and designated funds:-					
Unrestricted Revenue Funds	11,161	(5,200)	-	5,961	5,961
Total unrestricted and designated funds	11,161	(5,200)	-	5,961	5,961

Restricted funds:-

	(4,890)	-	-	(4,890)	(4,890)
Grant funding for staff wages	4,890	-	-	4,890	4,890
Total restricted funds	-	-	-	-	-
Endowment funds:-					
Initial funds from Eiko Meredith	4,241	-	-	4,241	4,241
Total endowment funds	(4,241)	-	-	(4,241)	(4,241)
Total charity funds	6,920	(5,200)	-	1,720	1,720

14 Analysis of movements in funds over the year

	Income	Expenditure	Other Gains & Losses	Movement in funds	Movement in funds
	2022 £	2022 £	2022 £	2022 £	2022 £
Unrestricted and designated funds:-					
Unrestricted Revenue Funds	12,425	(17,625)	-	(5,200)	(5,200)
Restricted funds:-					
	-	-	-	-	-
Endowment funds:-					
	12,425	(17,625)	-	(5,200)	(5,200)

15 The purposes for which the funds as detailed in note 13 are held by the charity are:-

Unrestricted and designated funds:-

Unrestricted Revenue Funds	These funds are held for the meeting the objectives of the charity, and to provide reserves for future activities, and , subject to charity legislation, are free from all restrictions on their use.
Unrestricted Revaluation Reserve	This fund represents the unrestricted surplus arising on the revaluation of the charity's assets.
Designated Revenue Funds	These funds are held for the carryout a specific charity activity, and any surplus will create a reserve for future activities.
Designated Fixed Asset Funds	The purpose of these funds is described under the accounting policy 'Accounting for capital grants and fixed asset funds'.

Restricted funds:-

Restricted Fixed Asset Funds	The purpose of these funds is described under the accounting policy 'Accounting for capital grants and fixed asset funds'.
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Restricted Revaluation Reserve	This fund represents the restricted surplus arising on the revaluation of the charity's assets.
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Grant funding for staff wages	Funding was provided by the Welsh Government and HM Revenue and Customs (CJRS) to maintain staff wages.
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Endowment funds:-

Endowment Fixed Asset Funds	The purpose of these funds is described under the accounting policy 'Accounting for capital grants and fixed asset funds'.
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Endowment Revaluation Reserve	This fund represents the restricted surplus relating to endowment funds arising on the revaluation of the charity's assets.
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These funds represent the monies that were generated by Eiko Meredith T/A Kotatsu Japanese animation festival prior to Kotatsu Japanese Animation Festival being registered as a charity and have been

- transferred in for use for the charity's activities.

16 Ultimate controlling party

The charity is under the control of its Trustees.