

The Charity Registration Number is :- 1187288

Kotatsu Japanese Animation Festival
Report and Accounts
30 November 2023



Kotatsu Japanese Animation Festival

Report and accounts for the year ended 30 November 2023

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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 of 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
Rahul David Sethi	Trustee
Louise Shazzeela Beer	Trustee
Robin Lyons	Trustee

The following persons served as Trustees during the year ended 30 November 2023:-

Elizabeth Davies
Louise Shazzeela Beer
Rahul David Sethi
Robin Lyons

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 Kotatsu Festival 2023 was successfully held again as a live physical event in November 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 recognised arts centres, which are Arts Council of Wales Revenue Funded Organisations. Trustees are indebted to these venues and their staff for their continued support of our Festival.

In March 2023, thanks to our partner Cardiff Animation Festival, we screened the superb stop-motion animation and cult favourite '*Junk Head*' at Chapter as a part of the Mini Cardiff Animation Festival.

This year's festival screened nine feature films and one short film. These ranged from classic films to the latest releases such as '*The First Slam Dunk*' and included the stop-motion film '*Chieri and Cherry*' made ten years ago.

As a festival, we are always keen to show films by male and female directors to promote gender balance. This year we screened the short film '*Nico/Agony*' directed by Yuji Umoto. The Director himself is male, however, this film received grant funding from the Agency for Cultural Affairs in Japan to employ and train young talents including female animators. We pride ourselves in screening diverse films which otherwise may not be available to our audiences in the cinema.

We held a free reading area with free access to comics and manga at Chapter and Aberystwyth Arts Centres to encourage sustainability and create a welcoming atmosphere for the audience. Reading materials are donated by members of the public including our trustee, to prolong their shelf life and avoid them going to landfill.

On 10th November, we also held a free online event in partnership with Japan Foundation, London. This event was held on Zoom to be accessible, so people from all over the world could attend. The lecturer was Fujitsu Ryota, Japan's leading animation critic. FUJITSU serves as an adjunct lecturer at Tokyo Polytechnic University and holds the position of programming advisor for the anime section of the Tokyo International Film Festival.

In his special online talk, he explained about the very popular Japanese animation genre, Mecha (Robot Animation) from Japan. He explained how story and style combined in this genre and talked about the social environment from which it evolved. There are many Japanese animated film screenings in the UK, more than before, but still, there are not many talks/events explaining the background of the story and the production process. So this online talk was very significant and well received, with 137 people attending this online talk. Of the 48 people who filled in a survey of the event, 47 gave positive feedback.

As we did last year, individual screenings of anime films were shown at the Chapter Arts Centre in Cardiff to increase awareness of Japanese animation and build an audience for the festival.

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 the 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

Funding is still a major challenge and grants are hard to come by. We rely mainly on volunteers and find it difficult to attract trustees who have the time to make a decent contribution. We need to increase our marketing and promotional efforts.

Also, as anime becomes more mainstream, more Japanese films are available on streaming sites like Netflix. This will not make the festival redundant but there is a debate about whether the festival should become more niche. We want to introduce an audience in the UK to films they cannot see elsewhere but still remain popular and entertaining. We are competing with these streaming sites for the best anime films and this may have an impact on costs.

Financial review

The charity's financial position at the end of the year ended 30 November 2023

The financial position of the charity on 30 November 2023 and comparatives for the prior period, as more fully detailed in the accounts, can be summarised as follows:-

	2023	2022
	£	£
Net income	(5,628)	263
Unrestricted Revenue Funds available for the general purposes of the charity	(15,067)	(5,200)
Restricted Revenue Funds	-	-
Endowment Revenue Funds	-	(4,241)
Total Endowment funds	-	(4,241)
Total Funds	(15,067)	(9,441)

Financial review of the position at the reporting date, 30 November 2023.

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.

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 2023 are £7,074.

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 May 16, 2024.

Robin Lyons - Chair

Trustee

Date: May 16, 2024

Kotatsu Japanese Animation Festival

Report of the Independent Examiner to the Trustees of the charity on the accounts for the year ended 30 November 2023

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 laws 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 22 March 2024

Kotatsu Japanese Animation Festival - Statement of Financial Activities for the year ended 30 November 2023

Statement of Financial Activities for the year ended 30 November 2023

	SORP Ref	Current year Unrestricted Funds.	Current year Restricted Funds.	Current year Endowment Funds.	Current year Total Funds	Prior Year Total Funds
		2023 £	2023 £	2023 £	2023 £	2022 £
Income & Endowments from:						
Donations & Legacies	A1	3,422	-	-	3,422	9,578
Charitable activities	A2	2,889	-	-	2,889	2,824
Other	A5	115	-	-	115	23
Total income	A	6,426	-	-	6,426	12,425
Expenditure on:						
Raising funds	B1	2,124	-	-	2,124	1,867
Charitable activities	B2	12,645	-	-	12,645	12,023
Total expenditure	B	14,769	-	-	14,769	13,890
Net income for the year		(8,343)	-	-	(8,343)	(1,465)
Net income after transfers.	A-B-C	(8,343)	-	4,241	(4,102)	(1,465)
Net movement in funds		(8,343)	-	4,241	(4,102)	(1,465)
Reconciliation of funds:-	E					
Total funds brought forward		(5,200)	-	(4,241)	9,441	(4,241)
Total funds carried forward		(13,543)	-	-	(13,343)	(5,706)

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 2023

	2023 £	2022 £
Surplus for the year:-		
Net excess of income over expenditure from operations before tax	(12,736)	(10,523)
Realised gains on disposals of social investments which are programme-related	-	-
<i>Income from operations before tax in the Statement of Financial Activities</i>	(12,736)	(10,523)
<i>Add/(deduct) non-income and expenditure items:-</i>		
Grants for the acquisition of fixed assets	2,868	9,058
Net Movement in funds before taxation	(9,868)	(1,465)
Funds generated in the year as shown on Statement of Financial Activities	(9,868)	(1,465)

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 2023 towards fixed assets for Charity use:-

	2023 £	2022 £
Funds generated in the year as detailed in the SOFA	(4,102)	(1,465)
Resources applied on functional fixed assets	-	-
Other applications of funds	-	-
Net resources available to fund charitable activities	(4,102)	(1,465)

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 2023

Revenue accumulated funds

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £	Last year Total Funds 2022 £
Accumulated funds brought forward	(5,200)	-	(4,241)	(9,441)	(4,241)
Recognised gains and losses before transfers	(8,343)	-	-	(8,343)	263
	(13,543)	-	(4,241)	(17,784)	(5,706)
(From)/To unrestricted revenue funds	-	-	4,241	4,241	-
Closing revenue funds	(13,543)	-	-	(13,543)	(5,706)

Summary of funds

	Unrestricted and Designated funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £	Last Year Total Funds 2022 £
Revenue accumulated funds	(13,543)	-	-	(13,543)	(5,706)

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 2023 as required by the Companies Act 2006

	2023 £	2022 £
Income		
Income from operations	3,443	3,344
Investment income		
Other operating income	115	23
Gross income in the year before exceptional items	3,558	3,367
Gross income in the year	3,558	3,367
Expenditure		
Charitable expenditure, excluding depreciation and amortisation	14,018	11,871
Depreciation and amortisation	152	152
Fundraising costs	2,124	1,867
Realised losses on disposals of social investments which are programme related	-	-
Total expenditure in the year	16,924	13,890
Net income before tax in the financial year	(12,736)	(10,523)
Tax on surplus on ordinary activities	-	-
Net income after tax in the financial year	(12,736)	(10,523)
Retained surplus for the financial year	(12,736)	(10,523)

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 2023

	Notes	SORP Ref	2023 £	2022 £
Fixed assets		A		
Tangible assets	7	A2	152	305
Current assets		B		
Debtors	8	B2	-	-
Cash at bank and in hand		B4	7,074	19,759
Total current assets			<u>7,074</u>	<u>19,759</u>
Creditors: amounts falling due within one year	9	C1	<u>(3,531)</u>	<u>(899)</u>
Net current assets			3,453	18,860
			<u>3,695</u>	<u>19,165</u>
Net assets				
Creditors: amounts falling due after more than one year	10	C2	(4,241)	(1,955)
The total net assets of the charity			<u>(546)</u>	<u>17,210</u>
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)
Restricted funds				
Restricted Revenue Funds	13	D2	-	-
			-	-
Unrestricted Funds				
Unrestricted Revenue Funds	13	D3	(13,543)	(5,200)
			(13,543)	(5,200)
Designated Funds				
Total charity funds			<u>(13,543)</u>	<u>(9,441)</u>

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.

Robin Lyons

Chair of the board of Trustees

Approved by the board of trustees on May 16, 2024

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 2023

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

	2023	2022
	£	£
The net surplus before tax in the financial year is stated after charging:-	-	-
Depreciation of owned fixed assets	152	152

5 Staff costs and emoluments

Salary costs

	2023	2022
	£	£
Gross Salaries excluding trustees and key management personnel	2,500	11,190
Total salaries, wages and related costs	2,500	11,190

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	-	457	-	457	457
Net book value					
At 30 November 2022	-	152	-	152	152

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

8 Debtors

	2023	2022
	£	£
Trade debtors	-	-
Prepayments and accrued income	-	-
	-	-

9 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	-	-
Accruals	764	778
Other creditors	2,767	121
	3,531	899

10 Creditors: amounts falling due after one year

	2023	2022
	£	£
Other creditors	4,241	1,955

11	Income and Expenditure account summary	2023 £	2022 £
	At 1 December 2022	(14,764)	(4,241)
	Transfers in for the year	4,241	-
	At 1 December 2022	(10,523)	(4,241)
	Surplus after tax for the year	(12,376)	(10,523)
	At 30 November 2023	<u>(23,259)</u>	<u>(14,764)</u>

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

At 30 November 2023	Unrestricted funds £	Designated funds £	Endowment funds £	Restricted funds £	Total Funds £	Total Funds £
Tangible Fixed Assets	152	-	-	-	152	152
Current Assets	7,074	-	-	-	7,074	7,074
Current Liabilities	(3,531)	-	-	-	(3,531)	(3,531)
Long Term Liabilities	(4,241)	-	-	-	(4,241)	(4,241)
	<u>(546)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(546)</u>	<u>(546)</u>
At 1 December 2022	Unrestricted funds £	Designated funds £	Endowment funds £	Restricted funds £	Total Funds £	Total Funds £
Current Assets	24,000	-	(4,241)	-	19,759	19,759
Current Liabilities	(899)	-	-	-	(899)	(899)
	<u>21,450</u>	<u>-</u>	<u>(4,241)</u>	<u>-</u>	<u>17,209</u>	<u>17,209</u>

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

	Funds brought forward from 2022 £	Movement in funds in 2023 See Note £	Transfers between funds in 2023 See Note £	Funds carried forward to 2024 £	Funds carried forward to 2024 £
Unrestricted and designated funds:-					
Unrestricted Revenue Funds	(5,200)	(8,343)	-	(13,543)	(13,543)
Total unrestricted and designated funds	<u>(5,200)</u>	<u>(8,343)</u>	<u>-</u>	<u>(13,543)</u>	<u>(13,543)</u>

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	-	-	4241	4,241	4,241

Total charity funds	(5,200)	(8,343)	-	(9,302)	(9,302)
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14 Analysis of movements in funds over the year

	Income	Expenditure	Other Gains & Losses	Movement in funds	Movement in funds
	2023 £	2023 £	2023 £	2023 £	2023 £
Unrestricted and designated funds:-					
Unrestricted Revenue Funds	6,426	(14,769)	-	(8,343)	(8,343)
Restricted funds:-	-	-	-	-	-
Endowment funds:-					
	6,426	(14,769)	-	(8,343)	(8,343)

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.
Grant funding for staff wages	Funding was provided by the Welsh Government and HM Revenue and Customs (CJRS) to maintain staff wages.

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'.
Endowment Revaluation Reserve	<p>This fund represents the restricted surplus relating to endowment funds arising on the revaluation of the charity's assets.</p> <p>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</p> <ul style="list-style-type: none"> - transferred in for use for the charity's activities.

16 Ultimate controlling party

The charity is under the control of its Trustees.