

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM

England & Wales · Charity number 1000091

## Details

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Status	Registered
Legal form	Charitable company
Company number	<a href="#">02259457</a>
Registered	1990-08-16
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Phone	01753663711
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Website	<a href="http://www.teikyofoundation.com">www.teikyofoundation.com</a>

## Activities

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**Objects:** TO ADVANCE THE EDUCATION AND TRAINING OF STUDENTS AND MEMBERS OF TEIKYO UNIVERSITY TOKYO JAPAN IN THE UNITED KINGDOM AT DURHAM UNIVERSITY AND OTHER PERSONS IN DURHAM AND ELSEWHERE

**Activities:** Advance the education and training of students and members of Teikyo University, Tokyo, Japan in the United Kingdom at Durham University

## Classification

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- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Arts/culture/heritage/science, Amateur Sport
- **Who:** Children/young People, The General Public/mankind

## Geography

- **Area of benefit:** DURHAM AND ELSEWHERE
- Durham
- Oxfordshire

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,338,010	£1,344,646	£-1,310,133	22
2024-03-31	£1,242,258	£1,094,322	£-1,303,497	22
2023-03-31	£902,102	£872,623	£-1,425,601	20
2022-03-31	£361,546	£687,464	-	-
2021-03-31	£238,230	£517,804	-	-

## Trustees

Name	Role	Appointed
<b>YOSHIHITO OKINAGA</b>	Chair	
Atsushi NISHIKAWA		2024-08-27
Dr HIROKO OKINAGA		
Dr TAKUJI ODA		2013-06-01
YUJI YOSHIDA		
Yuichi KONO		2020-10-01

**TEIKYO UNIVERSITY OF JAPAN IN DURHAM**

England & Wales - Charity number 1000091

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# Accounts

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Charity registration number 1000091

Company registration number 02259457 (England and Wales)

**TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Dr Y Okinaga Dr H Okinaga Mr Y Yoshida Dr T Oda Mr A Nishikawa Mr Y Hirayama	(Appointed 1 September 2024) (Appointed 7 November 2024)
<b>Principal</b>	Mr E Kosuge	
<b>Secretary</b>	Mr Y Hirayama	
<b>Charity number</b>	1000091	
<b>Company number</b>	02259457	
<b>Registered office</b>	Teikyo Foundation (UK) Fulmer Grange Framewood Road Slough Buckinghamshire United Kingdom SL2 4QS	
<b>Auditor</b>	Azets Audit Services Westpoint Lynch Wood Peterborough Cambridgeshire United Kingdom PE2 6FZ	

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# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## CONTENTS

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	<b>Page</b>
Trustees' report	1 - 5
Statement of trustees' responsibilities	6
Independent auditor's report	7 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 22

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# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2025

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The trustees, who are also directors of the charitable company for the purposes of the Companies Act 2006, present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Teikyo University of Japan in Durham Limited is a charitable company that was incorporated on the 18 May 1988 with the liability of its members limited by guarantee. The registered office and principal address of the charitable company is at Teikyo Foundation (UK), Framewood Road, Wexham, Buckinghamshire, SL2 4QS.

#### **Objectives and activities**

The charitable company's aims and objectives are to advance the education and training of students and members of Teikyo University and Teikyo Heisei University of Japan in Tokyo, in the United Kingdom at Durham University and other persons in Durham and elsewhere.

In setting the charitable company's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit charitable purposes, and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The charitable company has arrangements with Teikyo University of Japan which has guaranteed payment of its expenses. Teikyo University of Japan has acquired, at its own expense, leases, buildings and services at Durham University and has agreed on a certain usage by the charitable company of the facilities at Wadham College, Oxford and at St Edmund's College, Cambridge.

The trustees main aims and objectives in the year under review continued to be to pursue the opportunities available to the students at Durham, Oxford and Cambridge Universities, so that each student can develop and fulfil his or her potential to the highest level and also contribute to the wider communities in Durham, Oxford and Cambridge.

#### **Significant activities**

##### ***(a) Teikyo University of Japan in Durham***

Teikyo University of Japan in Durham is located within the grounds of Durham University and has the potential to host up to approx. 200 undergraduate students for 3 to 7 months of their four-year course throughout year. The aim is to give the students a taste of the academia offered by universities in the United Kingdom. The students attend their own English and faculty lectures during the day. The programme also provides various opportunities to travel extensively throughout the United Kingdom.

##### ***(b) Teikyo University of Japan at Oxford***

The charitable company, together with Teikyo University of Japan and Teikyo Foundation (UK), has a 60-year agreement with Wadham College, University of Oxford. A division of the charity, known as Teikyo University of Japan at Oxford, is allowed to hold an induction course at Wadham College, at a time of mutual convenience outside the Oxford University academic full term, for up to 50 students and teachers from Teikyo University and Teikyo Heisei University. In addition, the agreement provides for Okinaga Junior Research Fellowship - postgraduate fellows selected from open competition at Wadham College - to study in the field of Japanese Studies at the University of Oxford.

##### ***(c) Structure Relationships***

The bedrock on which the success of the two divisions of the Company depends are the relationships with Durham University and its Officers, and the Colleges and their Heads, and similarly at Wadham College, with the Warden and the Fellows.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### Achievements and performance

#### Teikyo University of Japan in Durham

In the academic years 2020/21 and 2021/22, Teikyo University of Japan in Durham did not receive any students on-site, as both the Spring and Autumn programmes were suspended due to the COVID-19 pandemic. On-campus activities resumed in April 2022, with students returning for in-person instruction. Since then, the academic programmes have continued successfully, including throughout the 2024/25 academic year.

During the period of campus closure, an Online English Learning Programme was launched to support students from Teikyo University and Teikyo Heisei University in Japan. This remote learning initiative, originally introduced in the 2020/21 academic year, has gained momentum and continued beyond the reopening of the campus. To date, more than 300 students have participated in the online programme, which typically runs for 2 to 4 weeks.

The table below summarises student participation in programmes delivered by Teikyo University of Japan in Durham over the past five years:

	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
<b>Main Programme</b>					
Standard Course	0	0	29	27	20
Other Main Courses (*)	0	0	14	27	21
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>43</b>	<b>54</b>	<b>41</b>
<b>Short-term Programme</b>					
ECCP	0	0	8	11	14
Medical Students	0	0	0	0	0
Teikyo Study Abroad Prog.	0	0	28	37	29
Others	0	0	0	12	7
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>36</b>	<b>60</b>	<b>50</b>
<b>On-line Programme</b>	<b>47</b>	<b>133</b>	<b>66</b>	<b>72</b>	<b>51</b>
<b>Grand Total</b>	<b>47</b>	<b>133</b>	<b>145</b>	<b>186</b>	<b>142</b>

(\*) Other Main Courses include GJS (Global Japanese Studies' course) and GCP (Global Campus Programme).

A total of 23 staff (2024: 22 staff), which includes 13 part-time employees (2024: 11 part-time employees), were employed to teach and administer the programme as of 31 March 2025. Every opportunity to collaborate with Durham University to benefit their students was pursued. Moreover, a very close relationship between Teikyo University of Japan in Durham and the County and City Councils has been established; in particular, the Mayor of Durham City Council is particularly supportive and generous in helping Teikyo University of Japan in Durham.

Teikyo University of Japan in Durham holds an annual 'Japanese Festival' on campus which attracts many staff and students at Durham University together with a high percentage of local people from the city and wider community. Due to the COVID-19 pandemic, there were no festivals in 2020 and 2021. However, after the re-opening of the campus, the festival was held in October 2022 for the first time in these three years and it was held successfully in October 2024 with more than 500 visitors at the campus.

The Japanese Library is open on a part time basis to Durham University staff and students and again is open to members of the local community.

There has been a well-established local 'Schools Liaison Programme' which involves the Japanese undergraduates visiting local primary schools in Durham to hold 'mini-Japanese culture awareness days'. This programme was discontinued in 2020 because of the campus closure due to the COVID-19. As the campus has been re-opened in 2022, the programme has resumed and this programme has the full backing of the local Education Authority.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### **Wadham College**

In the academic year 2021/2022 as well as in 2020/2021, due to the COVID-19 pandemic, there were no student admissions for the Oxford Induction at Wadham College as no programme took place at Teikyo University of Japan in Durham. After the re-opening of the campus, the induction course was held in April 2022, April 2023, and April 2024.

An Okinaga Junior Research Fellowship scholar who was nominated in 2019 in Japanese Studies continued her research until summer 2023 with one-year extended period. In Autumn 2023, a succeeding scholar was newly nominated for a three-year period (until summer 2026) in the fellowship programme.

#### **Financial review**

The financial performance of the charitable company is shown in the Statement of Financial Activities. The charitable company's total income for the year ended 31 March 2025 was £1,338,010 (2024: £1,242,258). The charitable company's income has increased due to increases in Teikyo University's donated services for payroll and other reimbursed items. Although rental income has increased slightly, we have a decrease in tuition/accommodation income due to lower student numbers.

This resulted in the charitable company having net expenditure of £6,636 for the year ended 31 March 2025 (2024: net income of £147,936). At the 31 March 2025, the charitable company had negative Unrestricted Funds of £1,310,133 (2024: £1,303,497).

#### **Going concern**

Teikyo University of Japan has agreed to provide financial support to the charitable company to enable it to continue its operations as a going concern for the foreseeable future. In addition, Teikyo Foundation (UK) provides funding so that the charitable company can meet its day-to-day working capital requirements.

#### **Reserves policy**

As a result of the Net Expenditure in the past years before the year ended 31 March 2023, the charitable company has negative Unrestricted Funds of £1,310,133 at 31 March 2025 (2024: £1,303,497). Despite this, the charitable company aims to hold sufficient liquid funds to meet its day-to-day expenditure requirements. The charitable company had 'Cash at Bank and In Hand' of £491,049 at 31 March 2025 (2024: £544,237).

The charitable company has ongoing financial support from Teikyo University of Japan and day-to-day working capital funding from a connected charity, Teikyo Foundation (UK). The charitable company's main liability is the intercompany balance owed to Teikyo Foundation (UK) of £1,142,442 at 31 March 2025 (2024: £1,196,771).

The trustees therefore consider that no significant reserves are required due to the status and financial standing of Teikyo University of Japan and Teikyo Foundation (UK).

#### **Investment policy and objectives**

The charitable company has absolute powers of investment over its available funds. The Board of Trustees continue to keep under review the risks and rewards of the investments and the current state of the market.

The investment policy for the year ended 31 March 2025 was to place all available funds, other than those required for day-to-day operations of the charitable company, with National Westminster Bank Plc. In addition, professional advice is available from Mitsubishi UFJ Financial Group through the charitable company's connected charity, Teikyo Foundation (UK).

#### **Statement of risk management**

The trustees have a duty to identify and review the risks to which the charitable company is exposed to. The trustees and management of the charitable company continue to keep its activities under review, particularly with regard to any major risks that may arise as well as the systems and procedures established to manage them. It is the responsibility of management to monitor the effectiveness of internal controls and other viable means by which risks identified can be mitigated.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### Principal risks and uncertainties

The principal risks and uncertainties facing the charitable company is the maintenance of student numbers at a level to generate sufficient tuition and accommodation income in excess of the operating costs.

In mitigation of this risk, the charitable company works closely with Teikyo University and Teikyo Heisei University of Japan to promote its courses and maximise student numbers each academic year. The charitable company generates additional income through the letting of surplus student rooms at the halls to other students at Durham University, and the letting of the surplus flats at the staff flats to other people at Durham University.

As already mentioned, Teikyo University of Japan also provide financial support to the charitable company.

#### COVID-19 pandemic

In the spring of 2020, it was becoming evident that COVID-19 was having a severe disruption on many countries and on 11 March 2020 the World Health Organization declared it was a pandemic.

The ongoing impact of the COVID-19 pandemic had continued to result in a material impact on the financial performance and position of the charitable company for the years ended 31 March 2021 and 2022, respectively. After the normal Spring and Autumn courses being cancelled for the two straight years of 2020/21 and 2021/22, students returned and the programme resumed in April 2022 and continued to date.

In order to continue operating as a going concern, the charitable company has and will continue to rely on the ongoing financial support from Teikyo University of Japan and Teikyo Foundation (UK).

#### Plans for future periods

The charitable company's future plans remain the same as reported above. This is because the trustees are confident that the student numbers has recovered and will continue to increase in the near future as the COVID-19 pandemic has passed, and the lifting of travel restrictions and development of vaccines have been achieved.

#### Structure, governance and management

The charitable company is a registered charity, governed by its Memorandum and Articles of Association, and is engaged in providing educational facilities to Japanese and other nationals. The charitable company's Memorandum and Articles of Association dated 4 April 1988, were last amended on 14 February 2002.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr Y Okinaga  
Dr H Okinaga  
Mr Y Yoshida  
Dr T Oda  
Mr A Isihara (resigned 1 April 2024)  
Mr Y Kono (resigned 31 October 2024)  
Mr A Nishikawa (appointed 1 September 2024)  
Mr Y Hirayama (appointed 1 November 2024)

Teikyo University of Japan in Durham is a charitable company limited by guarantee.

The charitable company does receive financial support from Teikyo University of Japan. Dr Y Okinaga is considered to be a key individual continuing the vision of Dr S Okinaga, the founder of Teikyo University of Japan in Durham.

#### Recruitment and appointment of new trustees

Teikyo University of Japan may, by written notice, appoint or remove a trustee, and the trustees are also able to appoint new trustees.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### Organisational management

The Board of Trustees meet at least once a year to determine the 'general policy' of the charitable company and review its overall management and control, for which they are legally responsible. The work of implementing most of the Board of Trustees policies is delegated to the Principal and Bursar of Teikyo University of Japan in Durham.

### Induction and training of new trustees

New trustees who are also the directors are inducted into the workings of the company as a registered charity.

### Connected charities

Dr Y Okinaga is a guarantor of Teikyo Foundation (UK) whose main activity is also the provision of educational facilities to Japanese nationals and is located at Framewood Road, Wexham, Buckinghamshire, SL2 4QS.

### Auditor

Azets Audit Services were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

  
.....  
Dr Y Okinaga  
Trustee

Date: 19th June 2025

# **TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2025***

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The trustees, who are also the directors of Teikyo University of Japan in Durham Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

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#### Opinion

We have audited the financial statements of Teikyo University of Japan in Durham Limited (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

We draw attention to note 1.2 in the financial statements in relation to going concern, which indicates that the charity is supported by Teikyo University.

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

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

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

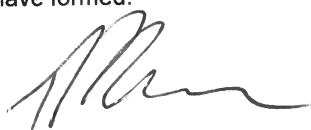
In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **Use of our report**

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



**Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)**  
for and on behalf of Azets Audit Services

20/6/25  
.....

**Chartered Accountants**  
**Statutory Auditor**

Westpoint  
Lynch Wood  
Peterborough  
Cambridgeshire  
United Kingdom  
PE2 6FZ

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2025**

		Unrestricted funds 2025 £	Unrestricted funds 2024 £
	Notes		
<b><u>Income from:</u></b>			
Donations and legacies	3	464,044	278,574
Charitable activities	4	867,702	953,203
Investments	5	6,264	10,481
<b>Total income</b>		<b>1,338,010</b>	<b>1,242,258</b>
<b><u>Expenditure on:</u></b>			
Charitable activities	6	1,344,646	1,094,322
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(6,636)</b>	<b>147,936</b>
Fund balances at 1 April 2024		(1,303,497)	(1,451,433)
<b>Fund balances at 31 March 2025</b>		<b>(1,310,133)</b>	<b>(1,303,497)</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.


# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		29,795		4,094
<b>Current assets</b>					
Debtors	12	73,666		39,823	
Cash at bank and in hand		491,049		544,237	
		564,715		584,060	
<b>Creditors: amounts falling due within one year</b>	13	(1,442,643)		(1,429,651)	
Net current liabilities			(877,928)		(845,591)
<b>Total assets less current liabilities</b>			(848,133)		(841,497)
<b>Creditors: amounts falling due after more than one year</b>	14		(462,000)		(462,000)
<b>Net liabilities</b>			(1,310,133)		(1,303,497)
<b>Income funds</b>					
Unrestricted funds			(1,310,133)		(1,303,497)
			(1,310,133)		(1,303,497)

The financial statements were approved by the Trustees on 19/06/2025.

  
 .....  
 Dr Y Okinaga  
 Trustee

Company registration number 02259457

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

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	Notes	2025 £	£	2024 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	17		(29,900)		(90,243)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(29,552)		-	
Investment income received		6,264		10,481	
<b>Net cash (used in)/generated from investing activities</b>			(23,288)		10,481
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(53,188)		(79,762)
Cash and cash equivalents at beginning of year			544,237		623,999
<b>Cash and cash equivalents at end of year</b>			491,049		544,237

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# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2025

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#### 1 Accounting policies

##### Charity information

Teikyo University of Japan in Durham Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Teikyo Foundation (UK), Fulmer Grange, Framewood Road, Slough, Buckinghamshire, SL2 4QS, United Kingdom.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements have been prepared under the going concern basis because Teikyo University has undertaken to support the charitable company and has agreed not to recall the amounts advanced until all other liabilities have been met. In addition, Teikyo Foundation (UK) provides day-to-day working capital funding and support. Having considered the information available to them, the directors and trustees have concluded that the going concern basis of preparation is appropriate.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

#### 1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

At the date an item is purchased, if the item is expected to have a useful economic life of less than two years and/or cost less than £500 it is not to be capitalised and instead written off in the year of purchase.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% straight line on historic cost
Motor vehicles	25% straight line on historic cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
<b>Donations and gifts</b>		
Teikyo University	272,628	95,879
Durham University	-	250
Okinaga Foundation	191,416	182,445
	<u>464,044</u>	<u>278,574</u>

### 4 Charitable activities

	2025	2024
	£	£
Student tuition and accomodation income	338,793	479,605
Student trip income	57,541	28,423
Other	10,114	5,109
Letting income from student flats and dormitories	461,254	440,066
	<u>867,702</u>	<u>953,203</u>

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2025	2024
	£	£
Interest receivable	6,264	10,481
	<u>6,264</u>	<u>10,481</u>

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 6 Charitable activities

	2025 £	2024 £
Staff costs	695,253	596,994
Depreciation and impairment	3,851	7,958
Teaching	106,648	98,867
Welfare	82,842	84,755
Premises and Estates	310,837	230,069
Administration	132,154	50,454
	<u>1,331,585</u>	<u>1,069,097</u>
Share of governance costs (see note 7)	13,061	25,225
	<u><u>1,344,646</u></u>	<u><u>1,094,322</u></u>

### 7 Support costs

	Support costs £	Governance costs £	2025 £	2024 £
Audit fees	-	10,541	10,541	23,225
Accountancy	-	2,520	2,520	2,000
	<u>-</u>	<u>13,061</u>	<u>13,061</u>	<u>25,225</u>
Analysed between Charitable activities	<u>-</u>	<u>13,061</u>	<u>13,061</u>	<u>25,225</u>

Governance costs includes payments to the auditors of £10,541 (2024- £23,225) for audit fees.

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### 9 Employees

The average monthly number of employees during the year was:

	<b>2025</b>	<b>2024</b>
	<b>Number</b>	<b>Number</b>
Teaching & Support	22	22

#### Employment costs

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Wages and salaries	625,023	534,045
Social security costs	38,696	34,308
Other pension costs	31,534	28,641
	<u>695,253</u>	<u>596,994</u>

Key management personnel include the directors and the senior executives which are made up of the Principal and the Bursar. The total pay and benefits received by key management personnel were £130,209 (2024: £110,486).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	<b>2025</b>	<b>2024</b>
	<b>Number</b>	<b>Number</b>
£70,001 to £80,000	1	-

#### 10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

11 Tangible fixed assets	Fixtures and Motor vehicles fittings		Total
	£	£	£
<b>Cost</b>			
At 1 April 2024	575,208	73,109	648,317
Additions	5,099	24,453	29,552
Disposals	-	(19,850)	(19,850)
At 31 March 2025	580,307	77,712	658,019
<b>Depreciation and impairment</b>			
At 1 April 2024	571,114	73,109	644,223
Depreciation charged in the year	3,851	-	3,851
Eliminated in respect of disposals	-	(19,850)	(19,850)
At 31 March 2025	574,965	53,259	628,224
<b>Carrying amount</b>			
At 31 March 2025	5,342	24,453	29,795
At 31 March 2024	4,094	-	4,094
<b>12 Debtors</b>		<b>2025</b>	<b>2024</b>
<b>Amounts falling due within one year:</b>		<b>£</b>	<b>£</b>
Trade debtors		32,437	5,660
Prepayments and accrued income		41,229	34,163
		73,666	39,823
<b>13 Creditors: amounts falling due within one year</b>		<b>2025</b>	<b>2024</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Deferred income	15	129,984	44,788
Trade creditors		43,292	55,105
Amounts owed to connected charities		1,179,801	1,235,685
Other creditors		3,521	3,401
Accruals		86,045	90,672
		1,442,643	1,429,651

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

**14 Creditors: amounts falling due after more than one year**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>

Other creditors	462,000	462,000
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**15 Deferred income**

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>

Other deferred income	129,984	44,788
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Deferred income is included in the financial statements as follows:

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>

Deferred income is included within:

Current liabilities	129,984	44,788
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Movements in the year:

Deferred income at 1 April 2024	44,788	207,886
Released from previous periods	(44,788)	(207,886)
Resources deferred in the year	129,984	44,788

Deferred income at 31 March 2025	129,984	44,788
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Deferred income relates to tuition and letting income received in advance for the following term.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### 16 Related party transactions

##### Transactions with related parties

During the year ended 31 March 2025, Teikyo Foundation (UK), a charity under common control which provides a centralised accounting and payroll service for the charitable company, incurred payroll costs of £538,386 (2024: £491,227) and other expenses of £17,864 (2024: £26,143) on behalf of Teikyo University of Japan In Durham Limited. These amounts were recharged at cost. Further, Teikyo University of Japan in Durham made sales of £6,687 (2024: £9,604) to Teikyo Foundation (UK).

At 31 March 2025, Teikyo University of Japan In Durham Limited owed Teikyo Foundation (UK) an amount of £1,142,442 (2024: £1,196,771).

Teikyo University, the ultimate controlling entity based in Japan, provided donated services in respect of salary costs amounting to £160,671 (2024: £95,879). Further, tuition income of £202,735 was generated from Teikyo University in the year to 31 March 2025 (2024: £244,310), along with £105,657 of other reimbursements (2024: £nil). An amount of £37,359 (2024: £38,915) is owed to Teikyo University at the 31 March 2025. In addition, a loan of £462,000 (2024: £462,000) was due to Teikyo University at the 31 March 2025.

Teikyo University of Japan in Durham Limited uses four buildings owned by Teikyo University for its principal activities. These buildings are used rent free subject to the charity meeting the full cost of maintenance.

##### Connected charities

Mr Y Okinaga is a guarantor of Teikyo Foundation (UK), a registered charity whose main activity is also the provision of educational facilities to Japanese nationals. Teikyo Foundation (UK) is based in Wexham, Buckinghamshire.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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<b>17 Cash generated from operations</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
(Deficit)/surplus for the year	(6,636)	147,936
Adjustments for:		
Investment income recognised in statement of financial activities	(6,264)	(10,481)
Depreciation and impairment of tangible fixed assets	3,851	7,958
Movements in working capital:		
(Increase)/decrease in debtors	(33,843)	89,333
(Decrease) in creditors	(72,204)	(161,891)
Increase/(decrease) in deferred income	85,196	(163,098)
<b>Cash absorbed by operations</b>	<u>(29,900)</u>	<u>(90,243)</u>
<b>18 Analysis of changes in net funds</b>		
The charitable company had no debt during the year.		

**TEIKYO UNIVERSITY OF JAPAN IN DURHAM**

England & Wales - Charity number 1000091

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# Accounts

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Charity registration number 1000091

Company registration number 02259457 (England and Wales)

**TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Dr Y Okinaga Dr H Okinaga Mr Y Yoshida Dr T Oda Mr Y Kono Mr A Nishikawa	(Appointed 1 September 2024)
<b>Principle</b>	Mr E Kosuge	
<b>Secretary</b>	Mr Y Kono	
<b>Charity number</b>	1000091	
<b>Company number</b>	02259457	
<b>Registered office</b>	Teikyo Foundation (UK) Fulmer Grange Framewood Road Slough Buckinghamshire United Kingdom SL2 4QS	
<b>Auditor</b>	Azets Audit Services Westpoint Lynch Wood Peterborough Cambridgeshire United Kingdom PE2 6FZ	

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# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## CONTENTS

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	<b>Page</b>
Trustees' report	1 - 5
Statement of trustees' responsibilities	6
Independent auditor's report	7 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 21

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# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2024

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The trustees, who are also directors of the charitable company for the purposes of the Companies Act 2006, present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Teikyo University of Japan in Durham Limited is a charitable company that was incorporated on the 18 May 1988 with the liability of its members limited by guarantee. The registered office and principal address of the charitable company is at Teikyo Foundation (UK), Framewood Road, Wexham, Buckinghamshire, SL2 4QS

#### **Objectives and activities**

The charitable company's aims and objectives are to advance the education and training of students and members of Teikyo University and Teikyo Heisei University of Japan in Tokyo, in the United Kingdom at Durham University and other persons in Durham and elsewhere.

In setting the charitable company's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit charitable purposes, and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The charitable company has arrangements with Teikyo University of Japan which has guaranteed payment of its expenses. Teikyo University of Japan has acquired, at its own expense, leases, buildings and services at Durham University and has agreed on a certain usage by the charitable company of the facilities at Wadham College, Oxford and at St Edmund's College, Cambridge.

The trustees main aims and objectives in the year under review continued to be to pursue the opportunities available to the students at Durham, Oxford and Cambridge Universities, so that each student can develop and fulfil his or her potential to the highest level and also contribute to the wider communities in Durham, Oxford and Cambridge.

#### **Significant activities**

##### ***(a) Teikyo University of Japan in Durham***

Teikyo University of Japan in Durham is located within the grounds of Durham University and has the potential to host up to approx. 200 undergraduate students for 3 to 7 months of their four-year course throughout year. The aim is to give the students a taste of the academia offered by universities in the United Kingdom. The students attend their own English and faculty lectures during the day. The programme also provides various opportunities to travel extensively throughout the United Kingdom.

##### ***(b) Teikyo University of Japan at Oxford***

The charitable company, together with Teikyo University of Japan and Teikyo Foundation (UK), has a 60-year agreement with Wadham College, University of Oxford. A division of the charity, known as Teikyo University of Japan at Oxford, is allowed to hold an induction course at Wadham College, at a time of mutual convenience outside the Oxford University academic full term, for up to 50 students and teachers from Teikyo University and Teikyo Heisei University. In addition, the agreement provides for Okinaga Junior Research Fellowship - postgraduate fellows selected from open competition at Wadham College - to study in the field of Japanese Studies at the University of Oxford.

##### ***(c) Structure Relationships***

The bedrock on which the success of the two divisions of the Company depends are the relationships with Durham University and its Officers, and the Colleges and their Heads, and similarly at Wadham College, with the Warden and the Fellows.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

#### Achievements and performance

##### *Teikyo University of Japan in Durham*

Due to the COVID-19 pandemic, in the academic year 2021/22 as well as in 2020/21, Teikyo University of Japan in Durham did not accept any students throughout the year. After the normal Spring and Autumn courses being cancelled for the two straight years, students returned and the programme resumed in April 2022, and the programmes have been successfully taking places in the academic year 2023/24, too.

During the closure of the campus due to the COVID-19 pandemic, Teikyo University of Japan in Durham introduced an online English Learning Programme for 2 to 4 weeks toward the undergraduate students at Teikyo University and Teikyo Heisei University in Japan in the academic year 2020/21, which has since grown in momentum (more than 300 students have participated to date). This programme has continued even after the campus resumed in 2022.

The below table shows the number of students participated in the programme provided by Teikyo University of Japan in Durham in the past five years.

	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
<b>Main Programme</b>					
Standard Course	58	0	0	29	27
Other Main Courses (*)	33	0	0	14	27
<b>Sub-Total</b>	<b>91</b>	<b>0</b>	<b>0</b>	<b>43</b>	<b>54</b>
<b>Short-term Programme</b>					
ECCP	0	0	0	8	11
Medical Students	27	0	0	0	0
Teikyo Study Abroad Prog.	25	0	0	28	37
Others	0	0	0	0	12
<b>Sub-Total</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>36</b>	<b>60</b>
<b>On-line Programme</b>	<b>0</b>	<b>47</b>	<b>133</b>	<b>66</b>	<b>72</b>
<b>Grand Total</b>	<b><u>143</u></b>	<b><u>47</u></b>	<b><u>133</u></b>	<b><u>145</u></b>	<b><u>186</u></b>

(\*) Other Main Courses include GJS (Global Japanese Studies' course) and GCP (Global Campus Programme).

A total of 22 staff (2023: 21 staff), which includes 11 part-time employees (2023: 9 part-time employees), were employed to teach and administer the programme as of 31 March 2024. Every opportunity to collaborate with Durham University to benefit their students was pursued. Moreover, a very close relationship between Teikyo University of Japan in Durham and the County and City Councils has been established; in particular, the Mayor of Durham City Council is particularly supportive and generous in helping Teikyo University of Japan in Durham.

Teikyo University of Japan in Durham holds an annual 'Japanese Festival' on campus which attracts many staff and students at Durham University together with a high percentage of local people from the city and wider community. Due to the COVID-19 pandemic, there were no festivals in 2020 and 2021. However, after the re-opening of the campus, the festival was held in October 2022 for the first time in these three years and it was held successfully in October 2023 with more than 500 visitors at the campus.

The Japanese Library is open on a part time basis to Durham University staff and students and again is open to members of the local community.

There has been a well-established local 'Schools Liaison Programme' which involves the Japanese undergraduates visiting local primary schools in Durham to hold 'mini-Japanese culture awareness days'. This programme was discontinued in 2020 because of the campus closure due to the COVID-19. As the campus has been re-opened in 2022, the programme has resumed and this programme has the full backing of the local Education Authority.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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### **Wadham College**

In the academic year 2021/2022 as well as in 2020/2021, due to the COVID-19 pandemic, there were no student admissions for the Oxford Induction at Wadham College as no programme took place at Teikyo University of Japan in Durham. After the re-opening of the campus, the induction course took place in April 2022 as well as in April 2023.

An Okinaga Junior Research Fellowship scholar who was nominated in 2019 in Japanese Studies continued her research until summer 2023 with one-year extended period. In Autumn 2023, a succeeding scholar was newly nominated for a three-year period (until summer 2026) in the fellowship programme.

### **Financial review**

The financial performance of the charitable company is shown in the Statement of Financial Activities. The charitable company's total income for the year ended 31 March 2024 was £1,242,258 (2023: £902,102). The charitable company's income was significantly increased due mainly to the increase of the donations from Okinaga Foundation in the US and steady increases of the tuitions/accommodation income from students and the rental income from flats and dormitories.

This resulted in the charitable company having Net Profit of £147,936 for the year ended 31 March 2024 (2023: £3,647). At the 31 March 2024, the charitable company had negative Unrestricted Funds of £1,303,497 (2023: £1,451,433).

### **Going concern**

Teikyo University of Japan has agreed to provide financial support to the charitable company to enable it to continue its operations as a going concern for the foreseeable future. In addition, Teikyo Foundation (UK) provides funding so that the charitable company can meet its day-to-day working capital requirements.

### **Reserves policy**

As a result of the Net Expenditure in the past years before the year ended 31 March 2023, the charitable company has negative Unrestricted Funds of £1,303,497 at 31 March 2024 (2023: £1,451,433). Despite this, the charitable company aims to hold sufficient liquid funds to meet its day-to-day expenditure requirements. The charitable company had 'Cash at Bank and In Hand' of £544,237 at 31 March 2024 (2023: £623,999).

The charitable company has ongoing financial support from Teikyo University of Japan and day-to-day working capital funding from a connected charity, Teikyo Foundation (UK). The charitable company's main liability is the intercompany balance owed to Teikyo Foundation (UK) of £1,196,771 at 31 March 2024 (2023: £1,389,978).

The trustees therefore consider that no significant reserves are required due to the status and financial standing of Teikyo University of Japan and Teikyo Foundation (UK).

### **Investment policy and objectives**

The charitable company has absolute powers of investment over its available funds. The Board of Trustees continue to keep under review the risks and rewards of the investments and the current state of the market.

The investment policy for the year ended 31 March 2024 was to place all available funds, other than those required for day-to-day operations of the charitable company, with National Westminster Bank Plc. In addition, professional advice is available from Mitsubishi UFJ Financial Group through the charitable company's connected charity, Teikyo Foundation (UK).

### **Statement of risk management**

The trustees have a duty to identify and review the risks to which the charitable company is exposed to. The trustees and management of the charitable company continue to keep its activities under review, particularly with regard to any major risks that may arise as well as the systems and procedures established to manage them. It is the responsibility of management to monitor the effectiveness of internal controls and other viable means by which risks identified can be mitigated.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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### Principal risks and uncertainties

The principal risks and uncertainties facing the charitable company is the maintenance of student numbers at a level to generate sufficient tuition and accommodation income in excess of the operating costs.

In mitigation of this risk, the charitable company works closely with Teikyo University and Teikyo Heisei University of Japan to promote its courses and maximise student numbers each academic year. The charitable company generates additional income through the letting of surplus student rooms at the halls to other students at Durham University, and the letting of the surplus flats at the staff flats to other people at Durham University.

As already mentioned, Teikyo University of Japan also provide financial support to the charitable company.

### COVID-19 pandemic

In the spring of 2020, it was becoming evident that COVID-19 was having a severe disruption on many countries and on 11 March 2020 the World Health Organization declared it was a pandemic.

The ongoing impact of the COVID-19 pandemic had continued to result in a material impact on the financial performance and position of the charitable company for the years ended 31 March 2021 and 2022, respectively. After the normal Spring and Autumn courses being cancelled for the two straight years of 2020/21 and 2021/22, students returned and the programme resumed in April 2022 and continued to date.

In order to continue operating as a going concern, the charitable company has and will continue to rely on the ongoing financial support from Teikyo University of Japan and Teikyo Foundation (UK).

### Plans for future periods

The charitable company's future plans remain the same as reported above. This is because the trustees are confident that the student numbers has recovered and will continue to increase in the near future as the COVID-19 pandemic has passed, and the lifting of travel restrictions and development of vaccines have been achieved.

### Structure, governance and management

The charitable company is a registered charity, governed by its Memorandum and Articles of Association, and is engaged in providing educational facilities to Japanese and other nationals. The charitable company's Memorandum and Articles of Association dated 4 April 1988, were last amended on 14 February 2002.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr Y Okinaga  
Dr H Okinaga  
Mr Y Yoshida  
Dr T Oda  
Mr A Ishihara (resigned 1 April 2024)  
Mr Y Kono  
Mr A Nishikawa (appointed 1 September 2024)

Teikyo University of Japan in Durham is a charitable company limited by guarantee.

The charitable company does receive financial support from Teikyo University of Japan. Dr Y Okinaga is considered to be a key individual continuing the vision of Dr S Okinaga, the founder of Teikyo University of Japan in Durham.

### Recruitment and appointment of new trustees

Teikyo University of Japan may, by written notice, appoint or remove a trustee, and the trustees are also able to appoint new trustees.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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### **Organisational management**

The Board of Trustees meet at least once a year to determine the 'general policy' of the charitable company and review its overall management and control, for which they are legally responsible. The work of implementing most of the Board of Trustees policies is delegated to the Principal and Bursar of Teikyo University of Japan in Durham.

### **Induction and training of new trustees**

New trustees who are also the directors are inducted into the workings of the company as a registered charity.

### **Connected charities**

Dr Y Okinaga is a guarantor of Teikyo Foundation (UK) whose main activity is also the provision of educational facilities to Japanese nationals and is located at Framewood Road, Wexham, Buckinghamshire, SL2 4QS.

### **Auditor**

Azets Audit Services were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

.....  
Dr Y Okinaga  
**Trustee**

Date: .....

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

*FOR THE YEAR ENDED 31 MARCH 2024*

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The trustees, who are also the directors of Teikyo University of Japan in Durham Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

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#### Opinion

We have audited the financial statements of Teikyo University of Japan in Durham Limited (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

We draw attention to note 1.2 in the financial statements in relation to going concern, which indicates that the charity is supported by Teikyo University.

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

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

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **Use of our report**

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

**Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)**  
for and on behalf of Azets Audit Services

.....

**Chartered Accountants**  
**Statutory Auditor**

Westpoint  
Lynch Wood  
Peterborough  
Cambridgeshire  
United Kingdom  
PE2 6FZ

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2024**

		Unrestricted funds 2024	Unrestricted funds 2023 as restated
	Notes	£	£
<b><u>Income from:</u></b>			
Donations and legacies	3	278,574	163,170
Charitable activities	4	953,203	735,788
Investments	5	10,481	3,144
<b>Total income</b>		<u>1,242,258</u>	<u>902,102</u>
<b><u>Expenditure on:</u></b>			
Charitable activities	6	<u>1,094,322</u>	<u>898,455</u>
<b>Net income for the year/ Net movement in funds</b>		147,936	3,647
Fund balances at 1 April 2023		(1,451,433)	(1,455,080)
<b>Fund balances at 31 March 2024</b>		<u>(1,303,497)</u>	<u>(1,451,433)</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2024

		2024		2023 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		4,094		12,052
<b>Current assets</b>					
Debtors	12	39,823		129,156	
Cash at bank and in hand		544,237		623,999	
		<u>584,060</u>		<u>753,155</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(1,429,651)</u>		<u>(1,754,640)</u>	
Net current liabilities			<u>(845,591)</u>		<u>(1,001,485)</u>
<b>Total assets less current liabilities</b>			<u>(841,497)</u>		<u>(989,433)</u>
<b>Creditors: amounts falling due after more than one year</b>	14		<u>(462,000)</u>		<u>(462,000)</u>
<b>Net liabilities</b>			<u><u>(1,303,497)</u></u>		<u><u>(1,451,433)</u></u>
<b>Income funds</b>					
Unrestricted funds			<u>(1,303,497)</u>		<u>(1,451,433)</u>
			<u><u>(1,303,497)</u></u>		<u><u>(1,451,433)</u></u>

The financial statements were approved by the Trustees on .....

.....  
Dr Y Okinaga  
Trustee

Company registration number 02259457

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

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	Notes	2024 £	£	2023 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	18		(90,243)		181,836
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(2,961)	
Investment income received		10,481		3,144	
		<u>10,481</u>		<u>3,144</u>	
<b>Net cash generated from investing activities</b>			10,481		183
<b>Net cash used in financing activities</b>			<u>-</u>		<u>-</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			(79,762)		182,019
Cash and cash equivalents at beginning of year			623,999		441,980
<b>Cash and cash equivalents at end of year</b>			<u>544,237</u>		<u>623,999</u>

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 1 Accounting policies

##### Charity information

Teikyo University of Japan in Durham Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Teikyo Foundation (UK), Fulmer Grange, Framewood Road, Slough, Buckinghamshire, SL2 4QS, United Kingdom.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements have been prepared under the going concern basis because Teikyo University has undertaken to support the charitable company and has agreed not to recall the amounts advanced until all other liabilities have been met. In addition, Teikyo Foundation (UK) provides day-to-day working capital funding and support. Having considered the information available to them, the directors and trustees have concluded that the going concern basis of preparation is appropriate.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

#### 1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

At the date an item is purchased, if the item is expected to have a useful economic life of less than two years and/or cost less than £500 it is not to be capitalised and instead written off in the year of purchase.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% straight line on historic cost
Motor vehicles	25% straight line on historic cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
<b>Donations and gifts</b>		
Teikyo University	95,879	125,162
Durham University	250	250
Okinaga Foundation	182,445	37,758
	<u>278,574</u>	<u>163,170</u>

### 4 Charitable activities

	2024	2023
	£	£
Student tuition and accomodation income	479,605	328,117
Student trip income	28,423	27,125
Other	5,109	4,160
Letting income from student flats and dormitories	440,066	376,386
	<u>953,203</u>	<u>735,788</u>

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Interest receivable	<u>10,481</u>	<u>3,144</u>

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

### 6 Charitable activities

	2024 £	2023 £
Staff costs	596,994	540,767
Depreciation and impairment	7,958	4,817
Teaching	98,867	50,879
Welfare	84,755	44,058
Premises and Estates	230,069	177,926
Administration	50,454	69,944
	<u>1,069,097</u>	<u>888,391</u>
Share of governance costs (see note 7)	25,225	10,064
	<u>1,094,322</u>	<u>898,455</u>

### 7 Support costs

	Support costs £	Governance costs £	2024 £	2023 £
Audit fees	-	23,225	23,225	9,000
Accountancy	-	2,000	2,000	1,064
	<u>-</u>	<u>25,225</u>	<u>25,225</u>	<u>10,064</u>
Analysed between				
Charitable activities	<u>-</u>	<u>25,225</u>	<u>25,225</u>	<u>10,064</u>

Governance costs includes payments to the auditors of £23,225 (2023- £9,000) for audit fees.

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 9 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Teaching & Support	22	20

#### Employment costs

	2024 £	2023 £
Wages and salaries	534,045	452,599
Social security costs	34,308	57,424
Other pension costs	28,641	30,744
	596,994	540,767

Key management personnel include the directors and the senior executives which are made up of the Principal and the Bursar. The total pay and benefits received by key management personnel were £110,486 (2023: £106,129).

There were no employees whose annual remuneration was more than £60,000.

### 10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 11 Tangible fixed assets

	Fixtures and Motor vehicles fittings £	£	Total £
<b>Cost</b>			
At 1 April 2023	575,208	73,109	648,317
At 31 March 2024	575,208	73,109	648,317
<b>Depreciation and impairment</b>			
At 1 April 2023	563,156	73,109	636,265
Depreciation charged in the year	7,958	-	7,958
At 31 March 2024	571,114	73,109	644,223
<b>Carrying amount</b>			
At 31 March 2024	4,094	-	4,094
At 31 March 2023	12,052	-	12,052

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

### 12 Debtors

	2024	2023
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	5,660	97,631
Prepayments and accrued income	34,163	31,525
	<u>39,823</u>	<u>129,156</u>

### 13 Creditors: amounts falling due within one year

	Notes	2024	2023
		£	£
Deferred income	15	44,788	207,886
Trade creditors		55,105	50,946
Amounts owed to connected charities		1,235,685	1,437,713
Other creditors		3,401	-
Accruals		90,672	58,095
		<u>1,429,651</u>	<u>1,754,640</u>

### 14 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Other creditors	462,000	462,000
	<u>462,000</u>	<u>462,000</u>

### 15 Deferred income

	2024	2023
	£	£
Other deferred income	44,788	207,886
	<u>44,788</u>	<u>207,886</u>

Deferred income is included in the financial statements as follows:

	2024	2023
	£	£
Deferred income is included within:		
Current liabilities	44,788	207,886
	<u>44,788</u>	<u>207,886</u>
Movements in the year:		
Deferred income at 1 April 2023	207,886	-
Released from previous periods	(207,886)	-
Resources deferred in the year	44,788	207,886
	<u>44,788</u>	<u>207,886</u>
Deferred income at 31 March 2024	44,788	207,886
	<u>44,788</u>	<u>207,886</u>

Deferred income relates to tuition and letting income received in advance for the following term.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2024

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#### 16 Related party transactions

##### Transactions with related parties

During the year ended 31 March 2024, Teikyo Foundation (UK), a charity under common control which provides a centralised accounting and payroll service for the charitable company, incurred payroll costs of £491,227 (2023: £428,067) and other expenses of £26,143 (2023: £26,347) on behalf of Teikyo University of Japan In Durham Limited. These amounts were recharged at cost. Further, Teikyo University of Japan in Durham made sales of £9,604 (2023: £3,250) to Teikyo Foundation (UK).

At 31 March 2024, Teikyo University of Japan In Durham Limited owed Teikyo Foundation (UK) an amount of £1,196,771 (2023: £1,389,978).

Teikyo University, the ultimate controlling entity based in Japan, provided donated services in respect of salary costs amounting to £95,879 (2023: £125,162). Further, tuition income of £92,483 was generated from Teikyo University in the year to 31 March 2024 (2023: £104,170). An amount of £38,915 (2023: £47,735) is owed to Teikyo University at the 31 March 2024. In addition, a loan of £462,000 (2023: £462,000) was due to Teikyo University at the 31 March 2024.

Teikyo University of Japan in Durham Limited uses four buildings owned by Teikyo University for its principal activities. These buildings are used rent free subject to the charity meeting the full cost of maintenance.

##### Connected charities

Mr Y Okinaga is a guarantor of Teikyo Foundation (UK), a registered charity whose main activity is also the provision of educational facilities to Japanese nationals. Teikyo Foundation (UK) is based in Wexham, Buckinghamshire.

#### 17 Prior period adjustment

An accrual amounting to £25,832 was omitted from last year's accounts in error. A prior period adjustment has been processed to correct this. As a result the net deficit on unrestricted funds brought forward has increased by £25,832.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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18	Cash generated from operations	2024 £	2023 £
	Surplus for the year	147,936	3,647
	Adjustments for:		
	Investment income recognised in statement of financial activities	(10,481)	(3,144)
	Depreciation and impairment of tangible fixed assets	7,958	4,817
	Movements in working capital:		
	Decrease/(increase) in debtors	89,333	(20,944)
	(Decrease)/increase in creditors	(161,891)	197,460
	(Decrease) in deferred income	(163,098)	-
	<b>Cash (absorbed by)/generated from operations</b>	<u>(90,243)</u>	<u>181,836</u>
19	<b>Analysis of changes in net funds</b>		
	The charitable company had no debt during the year.		

**TEIKYO UNIVERSITY OF JAPAN IN DURHAM**

England & Wales - Charity number 1000091

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# Accounts

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**Teikyo University of Japan in Durham Limited**  
(A Company Limited by Guarantee)

**Incorporated in England and Wales No. 02259457**  
**Registered Charity No. 1000091**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**For the year ended**

**31 March 2023**

# Teikyo University of Japan in Durham Limited

## LEGAL AND ADMINISTRATIVE INFORMATION

for the year ended 31 March 2023

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### Trustees

Atsushi Isihara  
Yuichi Kono  
Takuji Oda  
Hiroko Okinaga  
Yoshihito Okinaga  
Yuji Yoshida

Appointed 01/04/2022

### Principal

Mr Eishu Kosuge

### Secretary

Mr Yuichi Kono

### Company registered number:

02259457

### Charity registered number:

1000091

### Registered Office:

Teikyo Foundation (UK)  
Framewood Road,  
Wexham, Bucks  
SL2 4QS

### Bankers:

HSBC Bank Plc  
1 Saddler Street  
Durham

DH1 3NR

### Auditors:

Moore Kingston Smith LLP  
9 Appold Street  
London  
EC2A 2AP

# Teikyo University of Japan in Durham Limited

## CONTENTS

for the year ended 31 March 2023

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	<b>Page</b>
Trustees' Report	1 - 5
Statement of trustees' responsibilities	6
Auditors' Report	7 - 10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Financial Statements	14 - 24

# Teikyo University of Japan in Durham Limited

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

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The trustees, who are also directors of the charitable company for the purposes of the Companies Act 2006, present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Teikyo University of Japan in Durham Limited is a charitable company that was incorporated on the 18 May 1988 with the liability of its members limited by guarantee. The registered office and principal address of the charitable company is at Teikyo Foundation (UK), Framewood Road, Wexham, Buckinghamshire, SL2 4QS.

### Objectives and activities

The charitable company's aims and objectives are to advance the education and training of students and members of Teikyo University and Teikyo Heisei University of Japan in Tokyo, in the United Kingdom at Durham University and other persons in Durham and elsewhere.

In setting the charitable company's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit charitable purposes, and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The charitable company has arrangements with Teikyo University of Japan which has guaranteed payment of its expenses. Teikyo University of Japan has acquired, at its own expense, leases, buildings and services at Durham University and has agreed on a certain usage by the charitable company of the facilities at Wadham College, Oxford and at St Edmund's College, Cambridge.

The trustees main aims and objectives in the year under review continued to be to pursue the opportunities available to the students at Durham, Oxford and Cambridge Universities, so that each student can develop and fulfil his or her potential to the highest level and also contribute to the wider communities in Durham, Oxford and Cambridge.

### Significant activities

#### **(a) Teikyo University of Japan in Durham**

Teikyo University of Japan in Durham is located within the grounds of Durham University and has the potential to host up to approx. 200 undergraduate students for 3 to 7 months of their four-year course. The aim is to give the students a taste of the academia offered by universities in the United Kingdom. The students attend their own English and faculty lectures during the day. The programme also provides various opportunities to travel extensively throughout the United Kingdom.

#### **(b) Teikyo University of Japan at Oxford**

The charitable company, together with Teikyo University of Japan and Teikyo Foundation (UK), has a 60-year agreement with Wadham College, University of Oxford. A division of the charity, known as Teikyo University of Japan at Oxford, is allowed to hold an induction course at Wadham College, at a time of mutual convenience outside the Oxford University academic full term, for up to 50 students and teachers from Teikyo University and Teikyo Heisei University. In addition, the agreement provides for Okinaga Junior Research Fellowship - postgraduate fellows selected from open competition at Wadham College- to study in the field of Japanese studies at the University of Oxford.

#### **(c) Structure Relationships**

The bedrock on which the success of the two divisions of the Company depends are the relationships with Durham University and its Officers, and the Colleges and their Heads, and similarly at Wadham College, with the Warden and the Fellows.

# Teikyo University of Japan in Durham Limited

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### Achievements and performance

#### *Teikyo University of Japan in Durham*

Due to the COVID-19 pandemic, in the academic year 2021/22 as well as in 2020/21, Teikyo University of Japan in Durham did not accept any students throughout the year. After the normal Spring and Autumn courses being cancelled for the two straight years, students returned and the programme resumed in April 2022.

During the closure of the campus due to the COVID-19 pandemic, Teikyo University of Japan in Durham introduced an online English Learning Programme for 2 to 4 weeks toward the undergraduate students at Teikyo University and Teikyo Heisei University in Japan in the academic year 2020/21, which has since grown in momentum (more than 300 students have participated to date). This programme has continued even after the campus resumed in 2022.

The below table shows the number of students participated in the programme provided by Teikyo University of Japan in Durham in the past five years.

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Main Programme</b>					
Standard Course	29	58	0	0	29
Global Campus Programme	5	33	0	0	14
<b>Sub-Total</b>	<b>34</b>	<b>91</b>	<b>0</b>	<b>0</b>	<b>43</b>
<b>Short-term Programme</b>					
ECCP	10	0	0	0	8
Medical Students	19	27	0	0	0
Teikyo Study Abroad Prog.	52	25	0	0	28
Others	13	7	0	0	0
<b>Sub-Total</b>	<b>94</b>	<b>59</b>	<b>0</b>	<b>0</b>	<b>36</b>
<b>On-line Programme</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>133</b>	<b>66</b>
<b>Grand Total</b>	<b>128</b>	<b>150</b>	<b>47</b>	<b>133</b>	<b>145</b>

A total of 21 staff (2022: 19 staff), which includes 8 part-time employees (2022: 8 part-time employees), were employed to teach and administer the programme as of 31 March 2023. Every opportunity to collaborate with Durham University to benefit their students was pursued. Moreover, a very close relationship between Teikyo University of Japan in Durham and the County and City Councils has been established; in particular, the Mayor of Durham City Council is particularly supportive and generous in helping Teikyo University of Japan in Durham.

Teikyo University of Japan in Durham holds an annual 'Japanese Festival' on campus which attracts many staff and students at Durham University together with a high percentage of local people from the city and wider community. Due to the COVID-19 pandemic, there were no festivals in 2020 and 2021. However, after the re-opening of the campus, the festival was held in October 2022 for the first time in these three years.

The Japanese Library is open on a part time basis to Durham University staff and students and again is open to members of the local community.

There has been a well-established local 'Schools Liaison Programme' which involves the Japanese undergraduates visiting local primary schools in Durham to hold 'mini Japanese culture awareness days'. This programme was discontinued in 2020 because of the campus closure due to the COVID-19. As the campus has been re-opened in 2022, the programme has resumed and this programme has the full backing of the local Education Authority.

#### *Wadham College*

In the academic year 2021/2022 as well as in 2020/2021, due to the COVID-19 pandemic, there were no student admissions for the Oxford Induction at Wadham College as no programme took place at Teikyo University of Japan in Durham. After the re-opening of the campus, the induction course took place in April 2022 for the first time in these three years.

An Okinaga Junior Research Fellowship scholar who was nominated in 2019 for a three-year period (until summer 2022) in Japanese Studies continued her research in the 2021/22 academic year. In December 2021, upon a request from Wadham College, the scholarship period has been extended by one year until summer 2023.

# Teikyo University of Japan in Durham Limited

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### Statement of risk management

The trustees have a duty to identify and review the risks to which the charitable company is exposed to. The trustees and management of the charitable company continue to keep its activities under review, particularly with regard to any major risks that may arise as well as the systems and procedures established to manage them. It is the responsibility of management to monitor the effectiveness of internal controls and other viable means by which risks identified can be mitigated.

### Financial review

The financial performance of the charitable company is shown in the Statement of Financial Activities. The charitable company's total income for the year ended 31 March 2023 was £902,102 (2022: £361,546). The charitable company's income was significantly increased due mainly to the re-opening of the campus and increase of the rental income from flats and dormitories.

This resulted in the charitable company having Net Profit of £29,479 for the year ended 31 March 2023 (2022: Net Expenditure of £325,918). At the 31 March 2023, the charitable company had negative Unrestricted Funds of £1,425,601 (2022: £1,455,080).

### Reserves policy

As a result of the Net Expenditure in the past years before the year ended 31 March 2023, the charitable company has negative Unrestricted Funds of £1,425,601 at the 31 March 2023 (2022: £1,455,080). Despite this, the charitable company aims to hold sufficient liquid funds to meet its day-to-day expenditure requirements. The charitable company had 'Cash at Bank and In Hand' of £623,999 at the 31 March 2023 (2022: £441,980).

The charitable company has ongoing financial support from Teikyo University of Japan and day-to-day working capital funding from a connected charity, Teikyo Foundation (UK). The charitable company's main liability is the intercompany balance owed to Teikyo Foundation (UK) of £1,389,978 at the 31 March 2023 (2022: £1,430,320). The trustees therefore consider that no significant reserves are required due to the status and financial standing of Teikyo University of Japan and Teikyo Foundation (UK).

### Investment policy and objectives

The charitable company has absolute powers of investment over its available funds. The Board of Trustees continue to keep under review the risks and rewards of the investments and the current state of the market. The investment policy for the year ended 31 March 2023 was to place all available funds, other than those required for day-to-day operations of the charitable company, with National Westminster Bank Plc. In addition, professional advice is available from Mitsubishi UFJ Financial Group through the charitable company's connected charity, Teikyo Foundation (UK).

### Principal risks and uncertainties

The principal risks and uncertainties facing the charitable company is the maintenance of student numbers at a level to generate sufficient tuition and accommodation income in excess of the operating costs. In mitigation of this risk, the charitable company works closely with Teikyo University and Teikyo Heisei University of Japan to promote its courses and maximise student numbers each academic year. The charitable company generates additional income through the letting of surplus student rooms at the halls to other students at Durham University, and the letting of the surplus flats at the staff flats to other people at Durham University. As already mentioned, Teikyo University of Japan also provide financial support to the charitable company.

#### COVID-19 pandemic

In the spring of 2020, it was becoming evident that COVID-19 was having a severe disruption on many countries and on 11 March 2020 the World Health Organisation declared it was a pandemic.

The ongoing impact of the COVID-19 pandemic has continued to result in a material impact on the financial performance and position of the charitable company for the years ended 31 March 2021 and 2022, respectively. After the normal Spring and Autumn courses being cancelled for the two straight years of 2020/21 and 2021/22, students returned and the programme resumed in April 2022.

In order to continue operating as a going concern, the charitable company has and will continue to rely on the ongoing financial support from Teikyo University of Japan and Teikyo Foundation (UK).

# Teikyo University of Japan in Durham Limited

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### Going concern

Teikyo University of Japan has agreed to provide financial support to the charitable company to enable it to continue its operations as a going concern for the foreseeable future. In addition, Teikyo Foundation (UK) provides funding so that the charitable company can meet its day-to-day working capital requirements.

### Future plans

The charitable company's future plans remain the same as reported above. This is because the trustees are confident that the student numbers has recovered and will continue to increase in the near future as the COVID-19 pandemic has passed and the lifting of travel restrictions and development of vaccines have been achieved.

### Structure, governance and management

The charitable company is a registered charity, governed by its Memorandum and Articles of Association, and is engaged in providing educational facilities to Japanese and other nationals. The charitable company's Memorandum and Articles of Association dated 4 April 1988, were last amended on 14 February 2002.

### Recruitment and appointment of new trustees

Teikyo University of Japan may, by written notice, appoint or remove a trustee, and the trustees are also able to appoint new trustees.

### Organisational management

The Board of Trustees meet at least once a year to determine the 'general policy' of the charitable company and review its overall management and control, for which they are legally responsible. The work of implementing most of the Board of Trustees policies is delegated to the Principal and Bursar of Teikyo University of Japan in Durham.

### Induction and training of new trustees

New trustees who are also the directors are inducted into the workings of the company as a registered charity.

### Connected charities

Mr Y Okinaga is a guarantor of Teikyo Foundation (UK) whose main activity is also the provision of educational facilities to Japanese nationals and is located at Teikyo Foundation (UK) Framewood Road, Wexham, Buckinghamshire, SL2 4QS.

### Trustees and directors

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Y Okinaga

Dr H Okinaga

Mr Y Yoshida

Dr T Oda

Mr K Nakajima

(Resigned 1 April 2022)

Mr Y Kono

Mr A Ishihara

(Appointed 1 April 2022)

Teikyo University of Japan in Durham is a charitable company limited by guarantee.

The charitable company does receive financial support from Teikyo University of Japan. Mr Y Okinaga is considered to be a key individual continuing the vision of Dr S Okinaga, the founder of Teikyo University of Japan in Durham.

### Auditor

In accordance with the company's articles, a resolution proposing that Moore Kingston Smith LLP be appointed as auditor of the company has been put at a General Meeting.

# Teikyo University of Japan in Durham Limited

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### **Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

**Mr Y Okinaga**

Trustee

Dated: [            ] 2024

# Teikyo University of Japan in Durham Limited

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

*FOR THE YEAR ENDED 31 MARCH 2023*

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The trustees, who are also the directors of Teikyo University of Japan In Durham Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

**TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TEIKYO UNIVERSITY OF JAPAN IN**  
**DURHAM LIMITED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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## **Opinion**

We have audited the financial statements of Teikyo University of Japan In Durham Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

## **Other information**

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

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

We have nothing to report in this regard.

**TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TEIKYO UNIVERSITY OF JAPAN IN**  
**DURHAM LIMITED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' annual report and from preparing a strategic report.

**Responsibilities of trustees**

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

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

**Auditor's Responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TEIKYO UNIVERSITY OF JAPAN IN**  
**DURHAM LIMITED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

**TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF TEIKYO UNIVERSITY OF JAPAN IN**  
**DURHAM LIMITED**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**Use of our report**

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

Shivani Kothari (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street,  
London  
EC2A 2AP

# Teikyo University of Japan in Durham Limited

## STATEMENT OF FINANCIAL ACTIVITIES

(including the income and expenditure statement)

for the year ended 31 March 2023

	Notes	Unrestricted Funds 2023 £	Unrestricted Funds 2022 £
<b>INCOME FROM:</b>			
<b>Charitable Activities</b>			
Tuition fees	3	328,117	2,400
Other charitable income	4	31,285	772
<b>Other income</b>			
Other trading income	5	376,386	267,065
<b>Investments</b>			
Investment income	6	3,144	59
<b>Voluntary sources</b>			
Grants and donations	7	163,170	91,250
		<u>902,102</u>	<u>361,546</u>
<b>Total income and endowments</b>			
<b>EXPENDITURE ON:</b>			
<b>Charitable activities</b>			
School operating costs	8	872,623	687,464
		<u>872,623</u>	<u>687,464</u>
<b>Total expenditure</b>			
		<u>872,623</u>	<u>687,464</u>
<b>Net operating income/(expenditure)</b>			
		29,479	(325,918)
Net gains on investments		-	-
<b>Net income/(expenditure)</b>			
	11	29,479	(325,918)
Transfer between funds		-	-
<b>Net movement in funds</b>			
		29,479	(325,918)
Fund balances brought forward		<u>(1,455,080)</u>	<u>(1,129,162)</u>
Fund balances carried forward	17,18	<u>(1,425,601)</u>	<u>(1,455,080)</u>

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The accompanying notes form part of these financial statements.

# Teikyo University of Japan in Durham Limited

## BALANCE SHEET

as at 31 March 2023

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	12	<u>12,052</u>	<u>13,908</u>
		<b>12,052</b>	<b>13,908</b>
<b>CURRENT ASSETS</b>			
Debtors	13	<b>129,156</b>	108,212
Cash at bank and in hand		<u>623,999</u>	<u>441,980</u>
		<b>753,155</b>	<b>550,192</b>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u><b>(1,728,808)</b></u>	<u>(1,557,180)</u>
		<b>(975,653)</b>	<b>(1,006,988)</b>
<b>NET CURRENT LIABILITIES</b>			
		<b>(963,601)</b>	<b>(993,080)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CREDITORS: Amounts falling due after more than one year</b>	15	<u><b>(462,000)</b></u>	<u>(462,000)</u>
		<b>(1,425,601)</b>	<b>(1,455,080)</b>
<b>NET ASSETS</b>			
		<u><b>(1,425,601)</b></u>	<u><b>(1,455,080)</b></u>
<b>FUNDS</b>			
General reserves	16	<b>(1,425,601)</b>	(1,455,080)
Designated reserves	17	-	-
		<u><b>(1,425,601)</b></u>	<u><b>(1,455,080)</b></u>

Approved and authorised for issue by the Board of Directors on ..... and signed on their behalf by:

Mr Y Okinaga  
Chairman of the Board of Directors

The accompanying notes form part of these financial statements.  
Company Number: 02259457

# Teikyo University of Japan in Durham Limited

## CASHFLOW STATEMENT

for the year ended 31 March 2023

<b>CASH FLOW STATEMENT</b>	Notes	<b>2023</b> £	2022 £
Net cash inflow from operating activities	21	<b>181,836</b>	(357,763)
Cash flows from investing activities:			
Bank interest received		<b>3,144</b>	59
Payments to acquire fixed assets		<b>(2,961)</b>	
Net cash outflow from investing activities		<b>183</b>	<b>59</b>
Increase/(decrease) in cash		<b>182,019</b>	(357,704)
Cash and cash equivalents at the beginning of the reporting period		<b>441,980</b>	<b>799,684</b>
Cash and cash equivalents at the end of the reporting period		<b>623,999</b>	<b>441,980</b>

# Teikyo University of Japan in Durham Limited

## ACCOUNTING POLICIES

for the year ended 31 March 2023

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### 1 ACCOUNTING POLICIES

Teikyo University of Japan in Durham Limited is a company limited by guarantee with registered number 02259457, incorporated and domiciled in England and Wales. Its registered office is Framewood Road, Wexham, Bucks, SL2 4QS.

#### 1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in Sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

#### 1.2 GOING CONCERN

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

At the year ended 31 March 2023, the charitable company had Net Income of £29,479 (2022: -£325,918) and had Net Current Liabilities of £975,653 (2022: £1,006,988) and Net Liabilities of £1,425,601 (2022: £1,455,080) at the 31 March 2023. Whilst there is uncertainty over the ongoing impact of the COVID-19 pandemic, following the easing of restrictions, it is expected that income will be received from tuition and accommodation fees as students return for the 2023/2024 academic year. This is expected to have a material benefit on the financial position of the charitable company.

The financial statements have been prepared under the going concern basis because Teikyo University has undertaken to support the charitable company and has agreed not to recall the amounts advanced until all other liabilities have been met. In addition, Teikyo Foundation (UK) provides day-to-day working capital funding and support. Having considered the information available to them, the directors and trustees have concluded that the going concern basis of preparation is appropriate.

#### 1.3 INCOME

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

# Teikyo University of Japan in Durham Limited

## ACCOUNTING POLICIES

for the year ended 31 March 2023

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### 1.4 CHARITABLE FUNDS

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

### 1.5 EXPENDITURE

Expenditure is accounted for on an accruals basis and is allocated to expense headings, which aggregate all costs relating to the category either on a direct cost basis, or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the School's Governors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

### 1.6 FIXED ASSETS AND DEPRECIATION

All fixed assets are used in direct furtherance of the school's objectives. Fixed assets are included in these financial statements at their original cost less depreciation and accumulated impairment losses provided to date.

Assets that are expected to have a useful economic life of less than two years and/or cost less than £500 are not capitalised and are written off in the year of purchase.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the costs less estimated residual value of each asset, by equal annual instalments, over their expected useful lives which are considered to be:

Fixtures and fittings	- 25% on cost
Motor Vehicles	- 25% on cost

### 1.7 PENSIONS

The Charity also contributes to a defined contribution scheme for staff. The contributions to pension funds for its employees are charged to the Statement of Financial Activities on an accruals basis in the year in which they fall due.

# Teikyo University of Japan in Durham Limited

## ACCOUNTING POLICIES

for the year ended 31 March 2023

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### 1.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

### 1.9 FINANCIAL INSTRUMENTS

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 14, 15 and 16 for the debtor and

### 1.10 TAXATION

The company is a registered charity and is exempt from taxation as afforded by Section 505 ICTA 1988.

### 1.11 EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense.

## 2 KEY ESTIMATES & JUDGEMENTS

In the application of the company's accounting policies, the Board is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the opinion of the Board of Governors, the estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

### **Critical judgements**

#### *Useful economic lives*

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property, plant and equipment and note 1.5 for the useful economic lives for each class of asset.

#### *Recoverable value of fee debtors*

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors and associated impairment provision.

# Teikyo University of Japan in Durham Limited

## ACCOUNTING POLICIES

for the year ended 31 March 2023

### 3 TUTION INCOME

The University's activities are carried out within the UK.

The tuition income comprised:

	2023 £	2022 £
Main course	316,287	-
Other courses	11,830	2,400
	<u>328,117</u>	<u>2,400</u>

### 4 OTHER CHARITABLE INCOME

	2023 £	2022 £
Trips	27,125	-
Other income	4,160	772
	<u>31,285</u>	<u>772</u>

### 5 OTHER INCOME

	2023 £	2022 £
Letting income	376,386	267,065
	<u>376,386</u>	<u>267,065</u>

### 6 INVESTMENT INCOME

	2023 £	2022 £
Interest received	3,144	59
	<u>3,144</u>	<u>59</u>

### 7 DONATIONS AND GRANTS

	2023 £	2022 £
Donation support from Teikyo University	125,162	91,250
Donation from Durham University	250	-
Donation from Okinaga Foundation	37,758	-
	<u>163,170</u>	<u>91,250</u>

# Teikyo University of Japan in Durham Limited

## ACCOUNTING POLICIES

for the year ended 31 March 2023

### 8 EXPENDITURE

(a) Charitable expenditure	Staff costs (note 9) £	Other £	Depreciation £	Total 2023 £
Teaching	533,837	50,879	-	<b>584,716</b>
Welfare	-	44,058	-	<b>44,058</b>
Premises and Estates	-	177,926	4,817	<b>182,743</b>
Administration	6,930	44,112	-	<b>51,042</b>
Governance	-	10,064	-	<b>10,064</b>
<b>Total Charitable Expenditure</b>	<b>540,767</b>	<b>327,039</b>	<b>4,817</b>	<b>872,623</b>
<b>Total Expended</b>	<b>540,767</b>	<b>327,039</b>	<b>4,817</b>	<b>872,623</b>

Charitable expenditure	Staff costs (note 9) £	Other £	Depreciation £	Total 2022 £
Teaching	468,889	1,375	-	470,264
Welfare	-	205	-	205
Premises and Estates	-	174,803	1,495	176,298
Administration	-	29,457	-	29,457
Governance	-	11,240	-	11,240
<b>Total Charitable Expenditure</b>	<b>468,889</b>	<b>217,080</b>	<b>1,495</b>	<b>687,464</b>
<b>Total Expended</b>	<b>468,889</b>	<b>217,080</b>	<b>1,495</b>	<b>687,464</b>

(b) Other Governance Costs include:	2023 £	2022 £
Auditors' remuneration		
- Audit Fees	<b>9,000</b>	8,000
- Other Auditors remuneration	<b>1,064</b>	3,240
<b>Total</b>	<b>10,064</b>	11,240

# Teikyo University of Japan in Durham Limited

## ACCOUNTING POLICIES

for the year ended 31 March 2023

	2023	2022
	£	£
<b>(c) Administration Costs</b>		
Other staff costs	6,930	-
Office expenses	19,789	14,514
Telephones		
Marketing and advertising		
Website	-	-
Memberships	-	-
Inspection costs	-	-
Sundry expenses	4,486	6,141
Bad debts	-	-
Depreciation	-	-
Recruitment Costs		
Legal and Professional Fees	5,328	215
Other Administration Costs	14,066	8,403
Bank charges and interest	443	184
Loan Interest	-	-
Other Finance	-	-
	<b>51,042</b>	<b>29,457</b>

### 9 STAFF COSTS

	2023	2022
	£	£
Wages and salaries	452,599	396,564
Social security costs	57,424	43,468
Other pension costs	23,814	28,857
Other staff costs	6,930	-
	<b>540,767</b>	<b>468,889</b>

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

	2023	2022
	No.	No.
Teaching	4	3
Support	16	14
	<b>20</b>	<b>17</b>

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2023	2022
	No.	No.
£60,000 - £70,000	1	-
	<b>1</b>	<b>-</b>

Key management personnel include the Directors and the senior executives which are made up of the Principal and the Bursar. The total pay and benefits received by key management personnel were £106,129 (2022: £118,906).

# Teikyo University of Japan in Durham Limited

## ACCOUNTING POLICIES

for the year ended 31 March 2023

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### 10 DIRECTORS REMUNERATION AND BENEFITS

There were no Directors' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

### 11 NET INCOME FOR THE YEAR

	2023	2022
	£	£
Net income is stated after charging:		
Depreciation of tangible fixed assets	4,817	1,495
Auditor's remuneration		
Audit services for the school- current year	9,000	14,400
Non-audit services	1,064	2,580

### 12 TANGIBLE FIXED ASSETS

	Fixtures And Fittings £	Motor Vehicles £	Total £
Cost:			
At 1 April 2022	572,247	73,109	645,356
Additions	2,961	-	2,961
	<hr/>	<hr/>	<hr/>
At 31 March 2023	575,208	73,109	648,317
Depreciation:			
At 1 April 2022	558,339	73,109	631,448
Charge for year	4,817	-	4,817
	<hr/>	<hr/>	<hr/>
At 31 March 2023	563,156	73,109	636,265
Net book value:			
At 31 March 2023	<u>12,052</u>	<u>-</u>	<u>12,052</u>
At 1 April 2022	<u>13,908</u>	<u>-</u>	<u>13,908</u>

# Teikyo University of Japan in Durham Limited

## ACCOUNTING POLICIES

for the year ended 31 March 2023

<b>13 DEBTORS</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Fees and extras	<b>97,631</b>	91,217
Other debtors	<b>31,525</b>	16,995
	<b>129,156</b>	108,212

<b>14 CREDITORS</b>	<b>2023</b>	<b>2022</b>
Amounts falling due within one year:	<b>£</b>	<b>£</b>
Trade creditors	<b>50,946</b>	24,626
Fees in advance	<b>207,886</b>	-
Accruals	<b>32,263</b>	51,625
Amount due to group undertaking	<b>1,437,713</b>	1,480,929
	<b>1,728,808</b>	1,557,180

Deferred income:	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Received in year	<b>207,886</b>	-
Carried forwards	<b>207,886</b>	-

Deferred income relates to school fees and letting income received in advance for the following year.

<b>15 CREDITORS DUE AFTER ONE YEAR</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Amounts falling due after more than one year:		
Other creditors	<b>462,000</b>	462,000
	<b>462,000</b>	462,000

This creditor amount relates to a loan from Teikyo University originally made in November 2020 and originally due on 31st October 2023, but extended to 31st October 2026 post year end.

# Teikyo University of Japan in Durham Limited

## ACCOUNTING POLICIES

for the year ended 31 March 2023

### 16 STATEMENT OF FUNDS

	At 1 April 2022	Income	Expenditure	Gains/ (losses)	At 31 March 2023
	£	£	£	£	£
Unrestricted reserves:					
General reserve	(1,455,080)	902,102	(872,623)	-	(1,425,601)
<b>Total reserves</b>	<b>(1,455,080)</b>	<b>902,102</b>	<b>(872,623)</b>	<b>-</b>	<b>(1,425,601)</b>
	At 1 April 2021	Income	Expenditure	Gains/ (losses)	At 31 March 2022
	£	£	£	£	£
Unrestricted reserves:					
General reserve	(1,129,162)	361,546	(687,464)	-	(1,455,080)
<b>Total reserves</b>	<b>(1,129,162)</b>	<b>361,546</b>	<b>(687,464)</b>	<b>-</b>	<b>(1,455,080)</b>

### 17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	2023 Total £
Tangible fixed assets	12,052	<b>12,052</b>
Current assets	753,155	<b>753,155</b>
Current liabilities	(1,728,808)	<b>(1,728,808)</b>
Long term liabilities	(462,000)	<b>(462,000)</b>
<b>Total net assets</b>	<b>(1,425,601)</b>	<b>(1,425,601)</b>
	Unrestricted funds £	2022 Total £
Tangible fixed assets	13,908	<b>13,908</b>
Current assets	550,192	<b>550,192</b>
Current liabilities	(1,557,180)	<b>(1,557,180)</b>
Long term liabilities	(462,000)	<b>(462,000)</b>
<b>Total net assets</b>	<b>(1,455,080)</b>	<b>(1,455,080)</b>

# Teikyo University of Japan in Durham Limited

## ACCOUNTING POLICIES

for the year ended 31 March 2023

### 18 RELATED PARTIES

During the year ended 31 March 2023, Teikyo Foundation (UK), a charity under common control which provides a centralised accounting and payroll service for the charitable company, incurred payroll costs of £428,067 (2022: £357,601) and other expenses of £26,347 (2022: £27,330) on behalf of Teikyo University of Japan in Durham Limited. These amounts were recharged at cost and repayments totalling £505,794 (2022: £377,797) were made by Teikyo University of Japan in Durham Limited during the year.

At the 31 March 2023 Teikyo University of Japan in Durham Limited owed Teikyo Foundation (UK) an amount of £1,389,978 (2022:£1,430,320)

Teikyo University provided donated services in respect of salary costs amounting to £122,398 (2022: £91,250) An amount of £47,735 (2022: £50,609) is owed to Teikyo University at the 31 March 2023. In addition, a loan of £462,000 (2022:462,000) was due to Teikyo University at the 31 March 2023

### 19 Connected charities

Mr Y Okinaga is a guarantor of Teikyo Foundation (UK), a registered charity whose main activity is also the provision of educational facilities to Japanese nationals. Teikyo Foundation (UK) is based in Wexham, Buckinghamshire.

### 20 Property held in trust

The charitable company uses four buildings owned by Teikyo University for its principal activities. These buildings are used rent free subject to the charity meeting the full cost of maintenance.

### 21 NOTES TO THE CASHFLOW STATEMENT

	2023	2022
	£	£
Reconciliation of operating result to net cash inflow from operating activities		
Net movement in funds	<b>29,479</b>	(325,918)
Depreciation	<b>4,817</b>	1,495
Bank interest received	<b>(3,144)</b>	(59)
Increase/(Decrease) in creditors	<b>171,628</b>	59,900
(Increase)/Decrease in debtors	<b>(20,944)</b>	(93,181)
	<b>181,836</b>	<b>(357,763)</b>

Analysis of changes in net debt	At 1 April 2022	Cash Flows	At 31 March 2023
	£	£	£
Cash at bank and in hands	441,980	182,019	623,999
Loans falling due after more than one year	(462,000)	-	(462,000)
	<b>(20,020)</b>	<b>182,019</b>	<b>161,999</b>

# Teikyo University of Japan in Durham Limited

## ACCOUNTING POLICIES

for the year ended 31 March 2023

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### **22 Pension contributions**

The charitable company operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities in the period in which they relate. During the year ended 31 March 2023, the company made contributions of £23,814 (2022: £28,857). No contributions were outstanding at the 31 March 2023 (2022: £Nil)

### **23 Members' Liability**

The charitable company is a company limited by guarantee with no share capital. The liability of each member under guarantee does not exceed £2. The number of members at 31 March 2023 was 2(31 March 2022: 2)

### **24 Teikyo University**

Teikyo University has undertaken to support the charitable company and to provide such facilities as the company may require to meet any operational deficits and to continue trading.

**TEIKYO UNIVERSITY OF JAPAN IN DURHAM**

England & Wales - Charity number 1000091

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# Accounts

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**Charity Registration No. 1000091 (England and Wales)**

**Company Registration No. 02259457 (England and Wales)**

**TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr Y Okinaga Dr H Okinaga Mr Y Yoshida Dr T Oda Mr Y Kono Mr A Ishihara	(Appointed 1 April 2022)
<b>Secretary</b>	Y Kono	
<b>Charity number</b>	1000091	
<b>Company number</b>	02259457	
<b>Registered office</b>	Teikyo Foundation (UK) Framewood Road Wexham Slough Buckinghamshire United Kingdom SL2 4QS	
<b>Auditor</b>	Azets Audit Services Suites B & D Burnham Yard Beaconsfield Bucks HP9 2JH	

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# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## CONTENTS

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	<b>Page</b>
Trustees' report	1 - 5
Statement of trustees' responsibilities	6
Independent auditor's report	7 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 22

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# **TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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The trustees, who are also directors of the charitable company for the purposes of the Companies Act 2006, present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Teikyo University of Japan in Durham Limited is a charitable company that was incorporated on the 18 May 1988 with the liability of its members limited by guarantee. The registered office and principal address of the charitable company is at Teikyo Foundation (UK), Framewood Road, Wexham, Buckinghamshire, SL2 4QS.

#### **Objectives and activities**

The charitable company's aims and objectives are to advance the education and training of students and members of Teikyo University and Teikyo Heisei University of Japan in Tokyo, in the United Kingdom at Durham University and other persons in Durham and elsewhere.

In setting the charitable company's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit charitable purposes, and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The charitable company has arrangements with Teikyo University of Japan which has guaranteed payment of its expenses. Teikyo University of Japan has acquired, at its own expense, leases, buildings and services at Durham University and has agreed on a certain usage by the charitable company of the facilities at Wadham College, Oxford.

The trustees main aims and objectives in the year under review continued to be to pursue the opportunities available to the students at both Durham and Oxford Universities, so that each student can develop and fulfil his or her potential to the highest level and also contribute to the wider communities in Durham and Oxford.

#### **Significant activities**

##### ***(a) Teikyo University of Japan in Durham***

Teikyo University of Japan in Durham is located within the grounds of Durham University and has the potential to host up to 200 undergraduate students for 3 to 7 months of their four-year course. The aim is to give the students a taste of the academia offered by universities in the United Kingdom. The students attend their own English and faculty lectures during the day. The programme also provides various opportunities to travel extensively throughout the United Kingdom and Europe.

##### ***(b) Teikyo University of Japan at Oxford***

The charitable company, together with Teikyo University of Japan and Teikyo Foundation (UK), has a 60-year agreement with Wadham College, University of Oxford. A division of the charity, known as Teikyo University of Japan at Oxford, is allowed to hold an induction course at Wadham College, at a time of mutual convenience outside the Oxford University academic full term, for up to 50 students and teachers from Teikyo University and Teikyo Heisei University. In addition, the agreement provides for Okinaga Junior Research Fellowship - postgraduate fellows selected from open competition at Wadham College- to study in the field of Japanese studies at the University of Oxford.

##### ***(c) Structure Relationships***

The bedrock on which the success of the two divisions of the Company depends are the relationships with Durham University and its Officers, and the Colleges and their Heads, and similarly at Wadham College, with the Warden and the Fellows.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### **Achievements and performance**

##### ***Teikyo University of Japan in Durham***

Due to the COVID-19 pandemic, in the academic year 2021/22 as well as in 2020/21, Teikyo University of Japan in Durham did not accept any students throughout the year. After the normal Spring and Autumn courses being cancelled for the two straight years, students returned and the programme resumed in April 2022.

During the closure of the campus due to the COVID-19 pandemic, Teikyo University of Japan in Durham introduced an online English Learning Programme for 2 to 4 weeks toward the undergraduate students at Teikyo University and Teikyo Heisei University in Japan in the academic year 2020/21, which has since grown in momentum (over 200 students have participated to date). This programme has continued even after the campus resumed in 2022.

A total of 19 staff (2021: 19 staff), which includes 9 part-time employees (2020: 9 part-time employees), were employed to teach and administer the programme as of 31 March 2022. Every opportunity to collaborate with Durham University to benefit their students was pursued. Moreover, a very close relationship between Teikyo University of Japan in Durham and the County and City Councils has been established; in particular, the Mayor of Durham City Council is particularly supportive and generous in helping Teikyo University of Japan in Durham.

Teikyo University of Japan in Durham holds an annual 'Japanese Festival' on campus which attracts many staff and students at Durham University together with a high percentage of local people from the city and wider community. Normally the money generated from the festival is donated to local charities, but due to the COVID-19 pandemic, there were no festivals in 2020 and 2021. However, after the re-opening of the campus in 2022, the festival was held in October for the first time in these three years.

The Japanese Library is open on a part time basis to Durham University staff and students and again is open to members of the local community.

There has been a well-established local 'Schools Liaison Programme' which involves the Japanese undergraduates visiting local primary schools in Durham to hold 'mini Japanese culture awareness days'. This programme was discontinued in 2020 because of the campus closure due to the COVID-19. As the campus has been re-opened in 2022, the programme is expected to resume in the near future. This programme has the full backing of the local Education Authority.

##### ***Wadham College***

In the academic year 2021/2022 as well as in 2020/2021, due to the COVID-19 pandemic, there were no student admissions for the Oxford Induction at Wadham College as no programme took place at Teikyo University of Japan in Durham. After the re-opening of the campus in 2022, the induction course took place in April for the first time in these three years.

An Okinaga Junior Research Fellowship scholar who was nominated in 2019 for a three-year period (until summer 2022) in Japanese Studies continued her research in the 2021/22 academic year. In December 2021, upon a request from Wadham College, the scholarship period has been extended by one year until summer 2023.

#### **Statement of risk management**

The trustees have a duty to identify and review the risks to which the charitable company is exposed to. The trustees and management of the charitable company continue to keep its activities under review, particularly with regard to any major risks that may arise as well as the systems and procedures established to manage them. It is the responsibility of management to monitor the effectiveness of internal controls and other viable means by which risks identified can be mitigated.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### Financial review

The financial performance of the charitable company is shown in the Statement of Financial Activities. The charitable company's total income for the year ended 31 March 2022 was £361,546 (2021: £259,434). The charitable company's income was increased due mainly to the increase of the rental income from flats and dormitories, although the amount was significantly lower than those in the previous years before the COVID-19 pandemic as the restrictions meant no students could attend the programmes run by the charitable company.

This resulted in the charitable company having Net Expenditure of £325,918 for the year ended 31 March 2022 (2021: Net Expenditure of £330,182). At the 31 March 2022, the charitable company had negative Unrestricted Funds of £1,455,080 (2021: £1,129,162).

#### Reserves policy

As a result of the Net Expenditure in 2021 and 2022, the charitable company has negative Unrestricted Funds of £1,455,080 at the 31 March 2022 (2021: £1,129,162). Despite this, the charitable company aims to hold sufficient liquid funds to meet its day-to-day expenditure requirements. The charitable company had 'Cash at Bank and In Hand' of £441,980 at the 31 March 2022 (2021: £799,684).

The charitable company has ongoing financial support from Teikyo University of Japan and day-to-day working capital funding from a connected charity, Teikyo Foundation (UK). The charitable company's main liability is the intercompany balance owed to Teikyo Foundation (UK) of £1,430,320 at the 31 March 2022 (2021: £1,423,186).

The trustees therefore consider that no significant reserves are required due to the status and financial standing of Teikyo University of Japan and Teikyo Foundation (UK).

#### Investment policy and objectives

The charitable company has absolute powers of investment over its available funds. The Board of Trustees continue to keep under review the risks and rewards of the investments and the current state of the market.

The investment policy for the year ended 31 March 2022 was to place all available funds, other than those required for day-to-day operations of the charitable company, with National Westminster Bank Plc. In addition, professional advice is available from Mitsubishi UFJ Financial Group through the charitable company's connected charity, Teikyo Foundation (UK).

#### Principal risks and uncertainties

The principal risks and uncertainties facing the charitable company is the maintenance of student numbers at a level to generate sufficient tuition and accommodation income in excess of the operating costs.

In mitigation of this risk, the charitable company works closely with Teikyo University and Teikyo Heisei University of Japan to promote its courses and maximise student numbers each academic year. The charitable company generates additional income through the letting of surplus student rooms at the halls to other students at Durham University, and the letting of the surplus flats at the staff flats to other people at Durham University.

As already mentioned, Teikyo University of Japan also provide financial support to the charitable company.

#### COVID-19 pandemic

In the spring of 2020, it was becoming evident that COVID-19 was having a severe disruption on many countries and on 11 March 2020 the World Health Organisation declared it was a pandemic.

The ongoing impact of the COVID-19 pandemic has continued to result in a material impact on the financial performance and position of the charitable company for the year ended 31 March 2022. After the normal Spring and Autumn courses being cancelled for the two straight years of 2020/21 and 2021/22, students returned and the programme resumed in April 2022.

In order to continue operating as a going concern, the charitable company has and will continue to rely on the ongoing financial support from Teikyo University of Japan and Teikyo Foundation (UK).

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# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### Going concern

Teikyo University of Japan has agreed to provide financial support to the charitable company to enable it to continue its operations as a going concern for the foreseeable future. In addition, Teikyo Foundation (UK) provides funding so that the charitable company can meet its day-to-day working capital requirements.

### Future plans

The charitable company's future plans remain the same as reported above. This is because the trustees are confident that the student numbers will recover in the near future when the COVID-19 pandemic has passed and the lifting of travel restrictions and development of vaccines have been achieved.

### Structure, governance and management

The charitable company is a registered charity, governed by its Memorandum and Articles of Association, and is engaged in providing educational facilities to Japanese and other nationals. The charitable company's Memorandum and Articles of Association dated 4 April 1988, were last amended on 14 February 2002.

### Recruitment and appointment of new trustees

Teikyo University of Japan may, by written notice, appoint or remove a trustee, and the trustees are also able to appoint new Trustees.

### Organisational management

The Board of Trustees meet at least once a year to determine the 'general policy' of the charitable company and review its overall management and control, for which they are legally responsible. The work of implementing most of the Board of Trustees policies is delegated to the Principal and Bursar of Teikyo University of Japan in Durham.

### Induction and training of new trustees

New trustees who are also the directors are inducted into the workings of the company as a registered charity.

### Connected charities

Mr Y Okinaga is a guarantor of Teikyo Foundation (UK) whose main activity is also the provision of educational facilities to Japanese nationals and is located at Teikyo Foundation (UK) Framewood Road, Wexham, Buckinghamshire, SL2 4QS.

### Trustees and directors

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Y Okinaga

Dr H Okinaga

Mr Y Yoshida

Dr T Oda

Mr K Nakajima

(Resigned 1 April 2022)

Mr Y Kono

Mr A Ishihara

(Appointed 1 April 2022)

Teikyo University of Japan in Durham is a charitable company limited by guarantee.

The charitable company does receive financial support from Teikyo University of Japan. Mr Y Okinaga is considered to be a key individual continuing the vision of Dr S Okinaga, the founder of Teikyo University of Japan in Durham.

### Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company has been put at a General Meeting.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

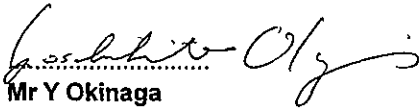
## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Mr Y Okinaga  
Trustee

Dated: 23rd Dec 2022

# **TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2022***

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The trustees, who are also the directors of Teikyo University of Japan In Durham Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

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#### Opinion

We have audited the financial statements of Teikyo University of Japan In Durham Limited (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **Use of our report**

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



**David Cary LLB FCA (Senior Statutory Auditor)**  
for and on behalf of Azets Audit Services

3 January 2023

**Chartered Accountants**  
**Statutory Auditor**

Suites B & D  
Burnham Yard  
Beaconsfield  
Bucks  
HP9 2JH

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

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	Notes	Unrestricted funds 2022 £	Total 2021 £
<b><u>Income and endowments from:</u></b>			
Donations and legacies	3	91,250	66,800
Charitable activities	4	270,237	178,959
Investments	5	59	221
Other income	6	-	13,454
<b>Total income</b>		<u>361,546</u>	<u>259,434</u>
<b><u>Expenditure on:</u></b>			
Charitable activities	7	<u>687,464</u>	<u>589,616</u>
<b>Net expenditure for the year/ Net movement in funds</b>		(325,918)	(330,182)
Fund balances at 1 April 2021		(1,129,162)	(798,980)
<b>Fund balances at 31 March 2022</b>		<u>(1,455,080)</u>	<u>(1,129,162)</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

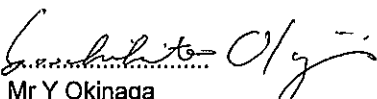
# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	10		13,909		15,404
<b>Current assets</b>					
Debtors	11	108,212		15,031	
Cash at bank and in hand		441,980		799,684	
		<u>550,192</u>		<u>814,715</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(1,557,181)</u>		<u>(1,497,281)</u>	
Net current liabilities			<u>(1,006,989)</u>		<u>(682,566)</u>
<b>Total assets less current liabilities</b>			<u>(993,080)</u>		<u>(667,162)</u>
<b>Creditors: amounts falling due after more than one year</b>	14		<u>(462,000)</u>		<u>(462,000)</u>
<b>Net liabilities</b>			<u><u>(1,455,080)</u></u>		<u><u>(1,129,162)</u></u>
<b>Income funds</b>					
Unrestricted funds			<u>(1,455,080)</u>		<u>(1,129,162)</u>
			<u><u>(1,455,080)</u></u>		<u><u>(1,129,162)</u></u>

The financial statements were approved by the Trustees on 23 December 2022

  
Mr Y OKINAGA  
Trustee

Company registration number 02259457

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	22		(357,763)		(247,037)
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(12,451)	
Interest received		59		221	
		<u>59</u>		<u>221</u>	
<b>Net cash generated from/(used in) investing activities</b>			59		(12,230)
<b>Financing activities</b>					
Increase of borrowings		-		462,000	
		<u>-</u>		<u>462,000</u>	
<b>Net cash (used in)/generated from financing activities</b>			-		462,000
			<u>-</u>		<u>462,000</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			(357,704)		202,733
			<u>(357,704)</u>		<u>202,733</u>
Cash and cash equivalents at beginning of year			799,684		596,952
			<u>799,684</u>		<u>596,952</u>
<b>Cash and cash equivalents at end of year</b>			441,980		799,684
			<u>441,980</u>		<u>799,684</u>

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

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

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### 1 Accounting policies

#### Charity information

Teikyo University of Japan In Durham Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Teikyo Foundation (UK), Framewood Road, Wexham, Slough, Buckinghamshire, SL2 4QS, United Kingdom.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

At the year ended 31 March 2022, the charitable company had Net Expenditure of £325,918 (2021: £330,182) and had Net Current Liabilities of £1,006,989 (2021:£682,566) and Net Liabilities of £1,455,080 (2021:£1,129,162) at the 31 March 2022. Whilst there is uncertainty over the ongoing impact of the COVID-19 pandemic, following the easing of restrictions, it is expected that income will be received from tuition and accommodation fees as students return for the 2022/2023 academic year. This is expected to have a material benefit on the financial position of the charitable company.

The financial statements have been prepared under the going concern basis because Teikyo University has undertaken to support the charitable company and has agreed not to recall the amounts advanced until all other liabilities have been met. In addition, Teikyo Foundation (UK) provides day-to-day working capital funding and support. Having considered the information available to them, the directors and trustees have concluded that the going concern basis of preparation is appropriate.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

#### 1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

---

### 1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% on cost
Motor vehicles	25% on cost

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income/(expenditure), except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

---

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	91,250	66,800

### 4 Charitable activities

	2022	2021
	£	£
Student tuition and accommodation fees	2,400	1,849
Rental income from flats and dormitories	267,065	174,796
Other income	772	2,314
	<u>270,237</u>	<u>178,959</u>

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Investment income	59	221

### 6 Other income

	Total	Unrestricted funds
	2022	2021
	£	£
Other income	-	13,454

Other income represents the money received from the UK Government under the Coronavirus Job Retention Scheme.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 7 Charitable activities

	Charitable Expenditure 2022 £	Charitable Expenditure 2021 £
Staff costs	468,889	441,841
Depreciation and impairment	1,495	2,174
Insurance	27,330	27,609
Light and heat	102,547	79,315
Equipment	6,293	8,705
Stationery	1,348	558
Staff subsistence and student	3,354	2,005
Induction and field trip	849	(730)
Student activities	16,554	7,377
College service charge	205	(13,595)
Maintenance costs	39,081	24,500
Transport and air travel	7,881	3,672
Other teaching and lecture cos	215	(182)
Bank charges	183	367
Audit and non audit services	11,240	6,000
	<u>687,464</u>	<u>589,616</u>
	<u>687,464</u>	<u>589,616</u>

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year ended 31 March 2022 (2021: £nil).

### 9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Support	8	8
Domestic	6	6
Teaching	4	4
Total	<u>18</u>	<u>18</u>

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 9 Employees (Continued)

Employment costs	2022	2021
	£	£
Wages and salaries	413,997	392,455
Social security costs	26,035	25,241
Other pension costs	28,857	24,145
	<u>468,889</u>	<u>441,841</u>

There were no employees whose annual remuneration was £60,000 or more.

### 10 Tangible fixed assets

	Fixtures and Motor vehicles fittings		Total
	£	£	£
<b>Cost</b>			
At 1 April 2021	<u>572,247</u>	<u>73,109</u>	<u>645,356</u>
At 31 March 2022	<u>572,247</u>	<u>73,109</u>	<u>645,356</u>
<b>Depreciation and impairment</b>			
At 1 April 2021	556,843	73,109	629,952
Depreciation charged in the year	1,495	-	1,495
At 31 March 2022	<u>558,338</u>	<u>73,109</u>	<u>631,447</u>
<b>Carrying amount</b>			
At 31 March 2022	<u>13,909</u>	-	<u>13,909</u>
At 31 March 2021	<u>15,404</u>	-	<u>15,404</u>

### 11 Debtors

Amounts falling due within one year:	2022	2021
	£	£
Trade debtors	91,217	1,236
Prepayments and accrued income	16,995	13,795
	<u>108,212</u>	<u>15,031</u>

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 12 Loans and overdrafts

	2022 £	2021 £
Loan from Teikyo University	462,000	462,000
Payable within one year	-	-
Payable after one year	462,000	462,000

### 13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	24,627	17,486
Amount due to Teikyo University	50,609	50,609
Other creditors	1,430,320	1,423,186
Accruals and deferred income	51,625	6,000
	1,557,181	1,497,281

### 14 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Borrowings	462,000	462,000

### 15 Pension contributions

The charitable company operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities in the period in which they relate. During the year ended 31 March 2022, the company made contributions of £28,857 (2021: £24,145). No contributions were outstanding at the 31 March 2022 (2021: £nil).

### 16 Members' Liability

The charitable company is a company limited by guarantee with no share capital. The liability of each member under guarantee does not exceed £2. The number of members at 31 March 2022 was 2 (31 March 2021: 2).

### 17 Teikyo University

Teikyo University has undertaken to support the charitable company and to provide such facilities as the company may require to meet any operational deficits and to continue trading.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 18 Related party transactions

During the year ended 31 March 2022, Teikyo Foundation (UK), a charity under common control which provides a centralised accounting and payroll service for the charitable company, incurred payroll costs of £357,601 (2021: £381,442) and other expenses of £27,330 (2021: £27,609) on behalf of Teikyo University of Japan In Durham Limited. These amounts were recharged at cost and repayments totalling £377,797 (2021: £171,932) were made by Teikyo University of Japan In Durham Limited during the year.

At the 31 March 2022, Teikyo University of Japan In Durham Limited owed Teikyo Foundation (UK) an amount of £1,430,320 (2021: £1,423,186).

Teikyo University provided donated services in respect of salary costs amounting to £91,250 (2021: £66,800). An amount of £50,609 (2021: £50,609) is owed to Teikyo University at the 31 March 2022. In addition, a loan of £462,000 (2021: £462,000) was due to Teikyo University at the 31 March 2022.

Key management compensation was £118,906 for the year ended 31 March 2022 (2021: £64,723).

#### 19 Connected charities

Mr Y Okinaga is a guarantor of Teikyo Foundation (UK), a registered charity whose main activity is also the provision of educational facilities to Japanese nationals. Teikyo Foundation (UK) is based in Wexham, Buckinghamshire.

#### 20 Property held in trust

The charitable company uses four buildings owned by Teikyo University for its principal activities. These buildings are used rent free subject to the charity meeting the full cost of maintenance.

#### 21 Analysis of changes in net debt

	At 1 April 2021	Cash flowsAt 31 March 2022	
	£	£	£
Cash at bank and in hand	799,684	(357,704)	441,980
Loans falling due after more than one year	(462,000)	-	(462,000)
	<u>337,684</u>	<u>(357,704)</u>	<u>(20,020)</u>

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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22 Cash generated from operations	2022 £	2021 £
Deficit for the year	(325,918)	(330,182)
Adjustments for:		
Investment income recognised in statement of financial activities	(59)	(221)
Depreciation and impairment of tangible fixed assets	1,495	2,174
Movements in working capital:		
(Increase)/decrease in debtors	(93,181)	3,205
Increase in creditors	59,900	77,987
<b>Cash absorbed by operations</b>	<u>(357,763)</u>	<u>(247,037)</u>

**TEIKYO UNIVERSITY OF JAPAN IN DURHAM**

England & Wales - Charity number 1000091

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# Accounts

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**Charity Registration No. 1000091 (England and Wales)**

**Company Registration No. 02259457 (England and Wales)**

**TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr Y Okinaga Dr H Okinaga Mr Y Yoshida Dr T Oda Mr K Nakajima Mr Y Kono	(Appointed 18 September 2020)
<b>Secretary</b>	Y Kono	
<b>Charity number</b>	1000091	
<b>Company number</b>	02259457	
<b>Registered office</b>	Telkyo Foundation (UK) Framewood Road Wexham Slough Buckinghamshire United Kingdom SL2 4QS	
<b>Auditor</b>	Azets Audit Services Suites B & D Burnham Yard Beaconsfield Bucks HP9 2JH	

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# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## CONTENTS

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	<b>Page</b>
Trustees' report	1 - 5
Statement of trustees' responsibilities	6
Independent auditor's report	7 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 22

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# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2021

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The trustees, who are also directors of the charitable company for the purposes of the Companies Act 2006, present their annual report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Teikyo University of Japan In Durham Limited is a charitable company that was incorporated on the 18 May 1988 with the liability of its members limited by guarantee. The registered office and principal address of the charitable company is at Teikyo Foundation (UK), Framewood Road, Wexham, Buckinghamshire, SL2 4QS.

#### **Objectives and activities**

The charitable company's aims and objectives are to advance the education and training of students and members of Teikyo University of Japan in Tokyo, in the United Kingdom at Durham University and other persons in Durham and elsewhere.

In setting the charitable company's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit charitable purposes, and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The charitable company has arrangements with Teikyo University of Japan which has guaranteed payment of its expenses. Teikyo University of Japan has acquired, at its own expense, leases, buildings and services at Durham University and educational facilities at Wadham College, Oxford which it makes available to the charitable company.

The trustees main aims and objectives in the year under review continued to be to pursue the opportunities available to the students at both Durham and Oxford Universities, so that each student can develop and fulfil his or her potential to the highest level and also contribute to the wider communities in Durham and Oxford.

#### **Significant activities**

##### ***(a) Teikyo University of Japan in Durham***

Teikyo University of Japan In Durham is located within the grounds of Durham University and has the potential to host up to 120 undergraduate students for 10 months of their four year course. The aim is to give the students a taste of the academia offered by universities in the United Kingdom. The students attend their own English and faculty lectures during the day. The programme also provides various opportunities to travel extensively throughout the United Kingdom and Europe.

##### ***(b) Teikyo University of Japan at Oxford***

A division of the charity, known as Teikyo University of Japan at Oxford, provides for up to six Okinaga Scholars - postgraduate Japanese scholars personally selected from open competition - to study for DPhil degrees at the University of Oxford. The students are members of Wadham College with whom Teikyo has a 60 year agreement. The agreement also allows the Teikyo Foundation (UK) to use up to 50 Wadham College rooms and teaching facilities during the Easter and Summer vacations for short vacation courses.

##### ***(c) Structure Relationships***

The bedrock on which the success of the two divisions of the Company depends are the relationships with Durham University and its Officers, and the Colleges and their Heads, and similarly at Wadham College, with the Warden and the Fellows.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### **Achievements and performance**

#### ***Teikyo University of Japan in Durham***

The academic year 2020/2021 comprised of 0 students (2020: 54 students) attending the two six month courses provided of which 0 students (2020: 25 students) attended the first course commencing April 2020 and 0 students (2020: 29 students) attended the second course commencing September 2020. In addition 0 students attended other courses in the year (2020: 62 students).

A total of 19 staff (2020: 18 staff), which includes 9 part-time employees (2020: 9 part-time employees), were employed to teach and administer the programme. Every opportunity to collaborate with Durham University to benefit their students was pursued. Moreover, a very close relationship between the Teikyo University of Japan In Durham Limited and the County and City Councils has been established; in particular, the Mayor of Durham City Council is particularly supportive and generous in helping Teikyo University of Japan in Durham Limited become more involved in and with the local community, especially with the primary schools and the cathedral.

Teikyo University of Japan in Durham Limited holds an annual 'Japanese Festival' on campus which attracts up to eight hundred university staff and students together with a high percentage of local people from the city and wider community. Normally the money generated from the festival is donated to local charities, but due to the COVID-19 pandemic there have been no festivals since October 2019.

The Japanese Library is open on a part time basis to Durham University staff and students and again is open to members of the local community (current average local community membership is fifty).

There is now a well established local 'Schools Liaison Programme' which involves the Japanese undergraduates visiting local primary schools in Durham to hold 'mini Japanese culture awareness days'. This programme is on-going at ten selected primary schools. This programme has the full backing of the local Education Authority.

#### ***Wadham College***

In 2020-21, there was 0 (2020: 1) Okinaga Junior Research Fellowship appointment at Wadham College, University of Oxford for a three year period in Japanese Studies.

### **Statement of risk management**

The trustees have a duty to identify and review the risks to which the charitable company is exposed to. The trustees and management of the charitable company continue to keep its activities under review, particularly with regard to any major risks that may arise as well as the systems and procedures established to manage them. It is the responsibility of management to monitor the effectiveness of internal controls and other viable means by which risks identified can be mitigated.

### **Financial review**

The financial performance of the charitable company is shown in the Statement of Financial Activities. The charitable company's total income for the year ended 31 March 2021 was £259,434 (2020: £1,303,457). The charitable company's income was significantly lower than the previous year due to the COVID-19 pandemic as the restrictions meant no students could attend the programmes run by the charitable company.

This resulted in the charitable company having Net Expenditure of £330,182 for the year ended 31 March 2021 (2020: Net Expenditure of £103,564). At the 31 March 2021, the charitable company had negative Unrestricted Funds of £1,129,162 (2020: £798,980).

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### **Reserves policy**

As a result of the Net Expenditure in 2020 and 2021, the charitable company has negative Unrestricted Funds of £1,129,162 at the 31 March 2021 (2020: £798,980). Despite this, the charitable company aims to hold sufficient liquid funds to meet its day-to-day expenditure requirements. The charitable company had 'Cash at Bank and In Hand' of £799,684 at the 31 March 2021 (2020: £596,952).

The charitable company has ongoing financial support from Teikyo University and day-to-day working capital funding from a connected charity, Teikyo Foundation (UK). The charitable company's main liability is the intercompany balance owed to Teikyo Foundation (UK) of £1,423,186 at the 31 March 2021 (2020: £1,186,066).

The trustees therefore consider that no significant reserves are required due to the status and financial standing of Teikyo University and Teikyo Foundation (UK).

#### **Investment policy and objectives**

The charitable company has absolute powers of investment over its available funds. The Board of Trustees continue to keep under review the risks and rewards of the investments and the current state of the market.

The investment policy for the year ended 31 March 2021 was to place all available funds, other than those required for day-to-day operations of the charitable company, with National Westminster Bank Plc. In addition, professional advice is available from Mitsubishi UFJ Financial Group through the charitable company's connected charity Teikyo Foundation (UK).

#### **Principal risks and uncertainties**

The principal risks and uncertainties facing the charitable company is the maintenance of student numbers at a level to generate sufficient tuition and accommodation income in excess of the operating costs.

In mitigation of this risk, the charitable company works closely with Teikyo University to promote its courses and maximise student numbers each academic year. The charitable company generates additional income through the letting of surplus student rooms to other students at Durham University.

As already mentioned Teikyo University also provide financial support to Teikyo University of Japan In Durham Limited.

#### **COVID-19 pandemic**

In the spring of 2020 it was becoming evident that COVID-19 was having a severe disruption on many countries and on the 19 March 2020 the World Health Organisation declared it was a pandemic.

As a result of the COVID-19 pandemic, it was necessary for some medical students to finish their courses early and return to Japan. To compensate these students, fees of approximately £8,000 were refunded to each student.

The ongoing impact of the COVID-19 pandemic has resulted in a material impact on the financial performance and position of the charitable company for the year ended 31 March 2021. With the normal Spring and Autumn courses being cancelled, students aren't expected to return until March or April 2022. These courses generate income of approximately £850,000 through tuition fees and accommodation.

In order to continue operating as a going concern, the charitable company has and will continue to rely on the ongoing financial support from Teikyo University and Teikyo Foundation (UK).

#### **Going concern**

Teikyo University has agreed to provide financial support to the charitable company to enable it to continue its operations as a going concern for the foreseeable future. In addition, Teikyo Foundation (UK) provides funding so that the charitable company can meet its day-to-day working capital requirements.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### Future plans

The charitable company's future plans remain the same as reported above. This is because the trustees are confident that the students numbers will recover in the near future when the COVID-19 pandemic has passed and the lifting of travel restrictions and development of vaccines.

Due to the COVID-19 pandemic, the charitable company introduced an online English Learning Programme and has since grown in momentum (over 120 students have participated to date from Japan). This programme will continue, even when students can return to the United Kingdom to study at Durham University and University of Oxford..

### Structure, governance and management

The charitable company is a registered charity, governed by its Memorandum and Articles of Association, and is engaged in providing educational facilities to Japanese and other nationals. The charitable company's Memorandum and Articles of Association dated 18 May 1988, were last amended on the 14 February 2002.

### Recruitment and appointment of new trustees

Teikyo University may, by written notice, appoint or remove a trustee, and the trustees are also able to appoint new Trustees.

### Organisational management

The Board of Trustees meet at least once a year to determine the 'general policy' of the charitable company and review its overall management and control, for which they are legally responsible. The work of implementing most of the Board of Trustees policies is delegated to the General Manager.

### Induction and training of new trustees

New trustees who are also the directors are inducted into the workings of the company as a registered charity, including Board Policy and Procedures.

### Connected charities

Mr Y Okinaga is a guarantor of Teikyo Foundation (UK) whose main activity is also the provision of educational facilities to Japanese nationals and is located at Teikyo Foundation (UK) Framewood Road, Wexham, Buckinghamshire, SL2 4QS.

### Trustees and directors

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr Y Okinaga

Dr H Okinaga

Mr Y Yoshida

Dr T Oda

Mr K Horikawa

(Resigned 18 September 2020)

Mr K Nakajima

Mr Y Kono

(Appointed 18 September 2020)

### Guarantors

Amounts guaranteed as at the 31 March 2021 and 31 March 2020:

Mr Y Okinaga £1

Teikyo University Foundation £2

The charitable company does receive financial support from Teikyo University. Mr Y Okinaga is considered to be a key individual continuing the vision of Dr S Okinaga.

### Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### Disclosure of Information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Mr Y Okinaga  
Trustee

Dated: 05/04/2022

# **TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2021***

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The trustees, who are also the directors of Teikyo University of Japan In Durham Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

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#### Opinion

We have audited the financial statements of Teikyo University of Japan In Durham Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

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#### **Extent to which the audit was considered capable of detecting Irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **Use of our report**

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

**David Cary LLB FCA (Senior Statutory Auditor)**  
for and on behalf of Azets Audit Services

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**Chartered Accountants**  
**Statutory Auditor**

Suites B & D  
Burnham Yard  
Beaconsfield  
Bucks  
HP9 2JH

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

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	Notes	Unrestricted funds 2021 £	Total 2020 £
<b><u>Income and endowments from:</u></b>			
Donations and legacies	3	66,800	353,969
Charitable activities	4	178,959	948,554
Investments	5	221	934
Other income	6	13,454	-
<b>Total income</b>		<u>259,434</u>	<u>1,303,457</u>
<b><u>Expenditure on:</u></b>			
Charitable activities	7	<u>589,616</u>	<u>1,407,021</u>
<b>Net expenditure for the year/ Net movement in funds</b>		(330,182)	(103,564)
Fund balances at 1 April 2020		<u>(798,980)</u>	<u>(695,416)</u>
<b>Fund balances at 31 March 2021</b>		<u><u>(1,129,162)</u></u>	<u><u>(798,980)</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		15,404		5,127
<b>Current assets</b>					
Debtors	11	15,031		18,235	
Cash at bank and in hand		799,684		596,952	
		<u>814,715</u>		<u>615,187</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(1,959,281)</u>		<u>(1,419,294)</u>	
Net current liabilities			<u>(1,144,566)</u>		<u>(804,107)</u>
<b>Total assets less current liabilities</b>			<u>(1,129,162)</u>		<u>(798,980)</u>
<b>Income funds</b>					
Unrestricted funds			<u>(1,129,162)</u>		<u>(798,980)</u>
			<u>(1,129,162)</u>		<u>(798,980)</u>

The financial statements were approved by the Trustees on 05/04/2022

  
Mr Y Okinaga  
Trustee

Company Registration No. 02259457

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	21		(247,038)		(22,533)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(12,451)		(5,446)	
Interest received		221		934	
<b>Net cash used in investing activities</b>			(12,230)		(4,512)
<b>Financing activities</b>					
Increase of borrowings		462,000		-	
<b>Net cash generated from/(used in) financing activities</b>			462,000		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			202,732		(27,045)
Cash and cash equivalents at beginning of year			596,952		623,998
<b>Cash and cash equivalents at end of year</b>			<u>799,684</u>		<u>596,952</u>

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# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### Charity information

Teikyo University of Japan In Durham Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Teikyo Foundation (UK), Framewood Road, Wexham, Slough, Buckinghamshire, SL2 4QS, United Kingdom.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The charitable company had Net Expenditure of £330,182 for the year ended 31 March 2021 and had Net Current Liabilities of £1,144,566 and Net Liabilities of £1,129,162 at the 31 March 2021. Whilst there is uncertainty over the ongoing impact of the COVID-19 pandemic, following the easing of restrictions, it is expected that income will be received from tuition and accommodation fees as students return for the 2022/2023 academic year. This is expected to have a material benefit on the financial position of the charitable company.

The financial statements have been prepared under the going concern basis because Teikyo University has undertaken to support the charitable company and has agreed not to recall the amounts advanced until all other liabilities have been met. In addition, Teikyo Foundation (UK) provides day-to-day working capital funding and support. Having considered the information available to them, the directors and trustees have concluded that the going concern basis of preparation is appropriate.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

#### 1.4 Income

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

#### 1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% on cost
Motor vehicles	25% on cost

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income/(expenditure), except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

#### *Other financial liabilities*

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	66,800	353,969

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 4 Charitable activities

	2021	2020
	£	£
Student tuition and accommodation fees	1,849	793,436
Induction and field trip income	-	62,512
Rental income from flats and dormitories	174,796	85,380
Other income	2,314	7,226
	<u>178,959</u>	<u>948,554</u>

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Investment income	<u>221</u>	<u>934</u>

### 6 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Other income	<u>13,454</u>	<u>-</u>

Other income represents the money received from the UK Government under the Coronavirus Job Retention Scheme.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 7 Charitable activities

	Charitable Expenditure 2021 £	Charitable Expenditure 2020 £
Staff costs	441,841	750,010
Depreciation and impairment	2,174	3,097
Insurance	27,609	26,037
Light and heat	79,315	87,173
Equipment	8,705	34,076
Stationery	558	6,349
Staff subsistence and student	2,005	22,985
Induction and field trip	(730)	198,921
Student activities	7,377	62,612
College service charge	(13,595)	154,811
Maintenance costs	24,500	42,938
Transport and air travel	3,672	9,585
Other teaching and lecture cos	(182)	1,609
Bank charges	367	818
Audit and non audit services	6,000	6,000
	<u>589,616</u>	<u>1,407,021</u>
	<u>589,616</u>	<u>1,407,021</u>

### 8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year ended 31 March 2021 (2020: £nil).

### 9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Support	8	8
Domestic	6	6
Teaching	4	4
Total	<u>18</u>	<u>18</u>

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Employees	(Continued)	
Employment costs	2021	2020
	£	£
Wages and salaries	392,455	696,283
Social security costs	25,241	29,691
Other pension costs	24,145	24,036
	<u>441,841</u>	<u>750,010</u>

There were no employees whose annual remuneration was £60,000 or more.

10 Tangible fixed assets	Fixtures and Motor vehicles fittings		Total
	£	£	£
<b>Cost</b>			
At 1 April 2020	559,796	78,516	638,312
Additions	12,451	-	12,451
Disposals	-	(5,407)	(5,407)
At 31 March 2021	<u>572,247</u>	<u>73,109</u>	<u>645,356</u>
<b>Depreciation and impairment</b>			
At 1 April 2020	554,669	78,516	633,185
Depreciation charged in the year	2,174	-	2,174
Eliminated in respect of disposals	-	(5,407)	(5,407)
At 31 March 2021	<u>556,843</u>	<u>73,109</u>	<u>629,952</u>
<b>Carrying amount</b>			
At 31 March 2021	<u>15,404</u>	<u>-</u>	<u>15,404</u>
At 31 March 2020	<u>5,127</u>	<u>-</u>	<u>5,127</u>

11 Debtors	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	1,236	2,095
Prepayments and accrued income	13,795	16,140
	<u>15,031</u>	<u>18,235</u>

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 12 Loans and overdrafts

	2021	2020
	£	£
Loan from Teikyo University	462,000	-
Payable within one year	462,000	-
Payable after one year	-	-

### 13 Creditors: amounts falling due within one year

	2021	2020
	£	£
Loan from Teikyo University	462,000	-
Trade creditors	17,486	28,729
Amount due to Teikyo University	50,609	50,609
Other creditors	1,423,186	1,193,816
Accruals and deferred income	6,000	146,140
	1,959,281	1,419,294

### 14 Pension contributions

The charitable company operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities in the period in which they relate. During the year ended 31 March 2021, the company made contributions of £23,237 (2020: £24,036). No contributions were outstanding at the 31 March 2021 (2020: £nil).

### 15 Members' Liability

The charitable company is a company limited by guarantee with no share capital. The liability of each member under guarantee does not exceed £2. The number of members at 31 March 2021 was 2 (31 March 2020: 2).

### 16 Teikyo University

Teikyo University has undertaken to support the charitable company and to provide such facilities as the company may require to meet any operational deficits and to continue trading.

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 17 Related party transactions

During the year ended 31 March 2021, Teikyo Foundation (UK), a charity under common control which provides a centralised accounting and payroll service for the charitable company, incurred payroll costs of £381,442 (2020: £374,429) and other expenses of £27,609 (2020: £nil) on behalf of Teikyo University of Japan In Durham Limited. These amounts were recharged at cost and repayments totalling £171,932 were made by Teikyo University of Japan In Durham Limited during the year.

At the 31 March 2021, Teikyo University of Japan In Durham Limited owed Teikyo Foundation (UK) an amount of £1,423,186 (2020: £1,186,066).

Teikyo University provided donated services in respect of salary costs amounting to £66,800 (2020: £353,969). An amount of £50,906 (2020: £50,609) is owed to Teikyo University at the 31 March 2021. In addition, a loan of £462,000 (2020: £nil) was due to Teikyo University at the 31 March 2021.

Key management compensation was £302,158 for the year ended 31 March 2021 (2020: £604,278).

#### 18 Connected charities

Mr Y Okinaga is a guarantor of Teikyo Foundation (UK), a registered charity whose main activity is also the provision of educational facilities to Japanese nationals. Teikyo Foundation (UK) is based in Wexham, Buckinghamshire.

#### 19 Property held in trust

The charitable company uses four buildings and certain motor vehicles owned by Teikyo University for its principal activities. These buildings and vehicles are used rent free subject to the charity meeting the full cost of maintenance.

#### 20 Analysis of changes in net funds

	At 1 April 2020	Cash flows	At 31 March 2021
	£	£	£
Cash at bank and in hand	596,952	202,732	799,684
Loans falling due within one year	-	(462,000)	(462,000)
	<u>596,952</u>	<u>(259,268)</u>	<u>337,684</u>
	<u><u>596,952</u></u>	<u><u>(259,268)</u></u>	<u><u>337,684</u></u>

# TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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21 Cash generated from operations	2021 £	2020 £
Deficit for the year	(330,182)	(103,564)
Adjustments for:		
Investment income recognised in statement of financial activities	(221)	(934)
Depreciation and impairment of tangible fixed assets	2,174	3,097
Movements in working capital:		
Decrease in debtors	3,204	116,664
Increase/(decrease) in creditors	77,987	(37,796)
<b>Cash absorbed by operations</b>	<u>(247,038)</u>	<u>(22,533)</u>