

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

Trustees

Atsushi Isihara	Appointed	01/04/2022
Yuichi Kono		
Takuji Oda		
Hiroko Okinaga		
Yoshihito Okinaga		
Yuji Yoshida		

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

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for the year ended 31 March 2023

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Teikyo University of Japan in Durham Limited

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

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
Main Programme					
Standard Course	29	58	0	0	29
Global Campus Programme	5	33	0	0	14
Sub-Total	34	91	0	0	43
Short-term Programme					
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
Sub-Total	94	59	0	0	36
On-line Programme	0	0	47	133	66
Grand Total	128	150	47	133	145

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

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

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

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

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

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

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

- 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

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

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

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

Teikyo University of Japan in Durham Limited

ACCOUNTING POLICIES

for the year ended 31 March 2023

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

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

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 tution 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	-	584,716
Welfare	-	44,058	-	44,058
Premises and Estates	-	177,926	4,817	182,743
Administration	6,930	44,112	-	51,042
Governance	-	10,064	-	10,064
Total Charitable Expenditure	540,767	327,039	4,817	872,623
Total Expended	540,767	327,039	4,817	872,623
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
Total Charitable Expenditure	468,889	217,080	1,495	687,464
Total Expended	468,889	217,080	1,495	687,464
(b) Other Governance Costs include:			2023	2022
			£	£
Auditors' remuneration				
- Audit Fees			9,000	8,000
- Other Auditors remuneration			1,064	3,240
Total			10,064	11,240

Teikyo University of Japan in Durham Limited

ACCOUNTING POLICIES

for the year ended 31 March 2023

	2023 £	2022 £
(c) Administration Costs		
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	-	-
	51,042	29,457

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	-
	540,767	468,889

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

	2023 No.	2022 No.
Teaching	4	3
Support	16	14
	20	17

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

	2023 No.	2022 No.
£60,000 - £70,000	1	-
	1	-

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

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	<hr/> 12,052 <hr/>	<hr/> - <hr/>	<hr/> 12,052 <hr/>
At 1 April 2022	<hr/> 13,908 <hr/>	<hr/> - <hr/>	<hr/> 13,908 <hr/>

Teikyo University of Japan in Durham Limited

ACCOUNTING POLICIES

for the year ended 31 March 2023

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

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

	2023	2022
	£	£
Deferred income:		
Received in year	207,886	-
Carried forwards	207,886	-

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

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

for the year ended 31 March 2023

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	29,479	(325,918)
Depreciation	4,817	1,495
Bank interest received	(3,144)	(59)
Increase/(Decrease) in creditors	171,628	59,900
(Increase)/Decrease in debtors	(20,944)	(93,181)
	<u>181,836</u>	<u>(357,763)</u>

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)
	<u>(20,020)</u>	<u>182,019</u>	<u>161,999</u>

Teikyo University of Japan in Durham Limited

ACCOUNTING POLICIES

for the year ended 31 March 2023

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.