

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

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

TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

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TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

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>
Main Programme					
Standard Course	58	0	0	29	27
Other Main Courses (*)	33	0	0	14	27
Sub-Total	91	0	0	43	54
Short-term Programme					
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
Sub-Total	52	0	0	36	60
On-line Programme	0	47	133	66	72
Grand Total	<u>143</u>	<u>47</u>	<u>133</u>	<u>145</u>	<u>186</u>

(*) 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

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

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

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.

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Dr Y Okinaga
Trustee

Date:

TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

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

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

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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

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

TEIKYO UNIVERSITY OF JAPAN IN DURHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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

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

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
	£	£
Donations and gifts		
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	-	25,225	25,225	10,064
	<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
	£	£	£
Cost			
At 1 April 2023	575,208	73,109	648,317
At 31 March 2024	575,208	73,109	648,317
Depreciation and impairment			
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
Carrying amount			
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 £
Amounts falling due within one year:		
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	<u>462,000</u>	<u>462,000</u>

15 Deferred income

	2024 £	2023 £
Other deferred income	<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	<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	<u>44,788</u>	<u>207,886</u>
Deferred income at 31 March 2024	<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

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

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)	-
	Cash (absorbed by)/generated from operations	(90,243)	181,836
19	Analysis of changes in net funds		
	The charitable company had no debt during the year.		