
THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Company, its Trustees and Advisers	1
Trustees' Report	2 - 5
Independent Auditor's Report on the Financial Statements	6 - 9
Statement of Financial Activities	10
Balance Sheet	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 - 29

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2022

Trustees	Mr H Sunada (resigned 25 March 2022) Mr N Nishida (resigned 1 March 2023) Mr T Yamana (resigned 1 April 2022) Mr T Aoki (resigned 19 April 2022) Mr K Yokomaku (resigned 1 April 2022) Mr K Nakamura (resigned 8 December 2022) Mr K Nakamura Mr F Serizawa Mr H Mishima Mr Y Katayama (resigned 1 April 2022) Mr H Uehara (resigned 20 April 2022) Mr H Ishiyama (resigned 1 April 2022) Mr I Nakamura (appointed 1 April 2022, resigned 8 December 2022) Mr A Takada (appointed 1 April 2022, resigned 8 December 2022) Ms S Ueda (appointed 25 March 2022, resigned 8 December 2022) Mr S Kuwata (appointed 8 December 2022) Mr T Morita (appointed 8 December 2022, resigned 10 April 2023) Mr D Mototani (appointed 19 April 2022) Mr K Ozeki (appointed 8 December 2022) Mr M Sato (appointed 1 April 2022) Mr T Sazaki (appointed 1 April 2022) Mr S Toda (appointed 8 December 2022, resigned 1 April 2023) Ms Y Tsujimura-Higaki (appointed 1 June 2023) Mr S Kato (appointed 10 April 2023) Mr F Suzuki (appointed 1 April 2023) Mr R Takaki (appointed 1 March 2023, resigned 1 June 2023) Mr J Otake (appointed 20 April 2023)
Company registered number	01263742
Charity registered number	271665
Registered office	87 Creffield Road London W3 9PU
Company secretary	Mr K Okamoto
Independent auditor	Haslers Chartered Accountants Old Station Road Loughton Essex IG10 4PL

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 January 2022 to 31 December 2022. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

The purpose of the company is to provide facilities for the education of the children of the Japanese community in the United Kingdom.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Strategies for achieving objectives

The company operates the Japanese School in London (Day school) and the Japanese Saturday School in London (Saturday supplementary school) to provide benefit to the public through its educational activities.

In providing above educational services, the trustees of the company have had regard to the guidance issued by the Charity Commission on public benefit.

Strategic report

Achievements and performance

a. Main achievements of the Company

The day school in Acton has ca 300 pupils aged 6 – 15. The school has provided elementary and secondary pupils with a full range of curriculum in accordance with the Japanese educational ministry standard and the fundamental British values education.

The Saturday supplementary school has ca 1,100 pupils in three campuses, Acton, Brent and Croydon. The main subject being taught is Japanese language, with some Japanese cultural events with opportunities to experience something important for their childhood of the pupils residing in the UK.

Both schools have opportunities to act as a member of local community by delivering cards at seasonal occasions and performing Japanese songs at churches.

The exchange programmes with other schools have been realised. Visits from the West Acton School, the Spanish School and the SOAS were made in 2022. Pupils paid visits to the West Acton School, St. Vincent school, and the Teikyo School etc.

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Strategic report (continued)

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

Current reserves excluding revaluation reserve covers 1.75 times of annual expenditure. The Company plans school facility renovation projects over 5 years from 2023, the reserve level will be reduced by 10% in the coming 5 years, with a half of the renovation costs funded by annual result.

The reserve levels have increased significantly during 2021 due to the revaluation of the land and buildings owned by the School. The level of reserves represented by the revaluation is shown separately in note 16 and is included within unrestricted funds.

Reserves will be monitored regularly by the Trustees to ensure appropriate levels of reserves are held moving forward to ensure the long term stability of the charity.

c. Investments powers

The chairman of the committee is empowered to invest the funds of the school as the committee sees fit.

d. Principal risks and uncertainties

The charity's financial position is sound, although the number of pupils are still 17% below the level in 2018, before COVID-19.

The Trustees review the risks posed to the charity regularly and have developed a system to mitigate any impact of the risk on the school. The main risks identified include meeting the demand for pupil places, retaining sufficient levels of skilled staff and the ensuring the safeguarding of pupils at the school.

e. Principal funding

The charity's principal sources of funds are tuition fee of the schools. The charity also receives income from the Japanese Government in the form of grants. The Japanese Government funds the salary costs of seconded Japanese teachers to the school as well as funding for specific purposes such as security, facilities management and rent.

Structure, governance and management

a. Constitution

The Japanese School Limited is registered as a charitable company limited by guarantee and was set up by a Trust deed.

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The trustees are elected from the members of the company at the Annual General Meeting in accordance with the Article 27 of the Memorandum and Articles of Association of the Japanese School Limited.

c. Financial risk management

The Trustees have assessed the major risks to which the Company is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Auditor

The auditor, Haslers, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 26 September 2023 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'T Sazaki', written in a cursive style.

Mr T Sazaki

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JAPANESE SCHOOL LIMITED

Opinion

We have audited the financial statements of The Japanese School Limited (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of 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 December 2022 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 Charities Act 2011.

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 United Kingdom, including the Financial Reporting Council'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.

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JAPANESE SCHOOL LIMITED
(CONTINUED)

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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.

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JAPANESE SCHOOL LIMITED
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

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:

Based on our understanding of the company and industry, we identified that the principle risks of non-compliance with laws and regulations related to the UK Companies Act and employment regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of results through manual journals or management bias in judgemental areas. Audit procedures performed by the engagement team included:

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JAPANESE SCHOOL LIMITED
(CONTINUED)



Haslers
Chartered Accountants
Statutory Auditor
Old Station Road
Loughton
Essex
IG10 4PL

26 September 2023

Haslers are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2022

		Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	As restated Total funds 2021 £
	Note				
Income from:					
Donations and legacies	3	1,194,586	414	1,195,000	1,166,808
Charitable activities	4	103,860	2,261,125	2,364,985	2,153,444
Investments	5	-	10,051	10,051	182
Total income		1,298,446	2,271,590	3,570,036	3,320,434
Expenditure on:					
Charitable activities		1,288,721	1,976,165	3,264,886	3,321,610
Total expenditure		1,288,721	1,976,165	3,264,886	3,321,610
Net movement in funds before other recognised gains		9,725	295,425	305,150	(1,176)
Other recognised gains:					
Gains on revaluation of fixed assets		-	-	-	8,038,667
Net movement in funds		9,725	295,425	305,150	8,037,491
Reconciliation of funds:					
Total funds brought forward		-	13,455,331	13,455,331	5,417,840
Net movement in funds		9,725	295,425	305,150	8,037,491
Total funds carried forward		9,725	13,750,756	13,760,481	13,455,331

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 13 to 29 form part of these financial statements.

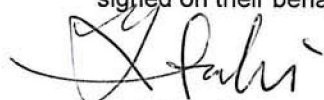
THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 01263742

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	As restated 2021 £
Fixed assets			
Tangible assets	10	8,606,297	8,377,264
Investment property	11	3,250,000	3,250,000
		<u>11,856,297</u>	<u>11,627,264</u>
Current assets			
Debtors	12	264,902	248,830
Cash at bank and in hand		2,164,425	2,086,022
		<u>2,429,327</u>	<u>2,334,852</u>
Creditors: amounts falling due within one year	13	(445,648)	(438,745)
Net current assets		<u>1,983,679</u>	<u>1,896,107</u>
Total assets less current liabilities		<u>13,839,976</u>	<u>13,523,371</u>
Provisions for liabilities	14	(79,495)	(68,040)
Total net assets		<u><u>13,760,481</u></u>	<u><u>13,455,331</u></u>
Charity funds			
Restricted funds	16	9,725	-
Unrestricted funds	16	13,750,756	13,455,331
Total funds		<u><u>13,760,481</u></u>	<u><u>13,455,331</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 26 September 2023 and signed on their behalf by:


Mr T Sazaki

The notes on pages 13 to 29 form part of these financial statements.

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	379,079	582,827
Cash flows from investing activities		
Dividends, interests and rents from investments	10,051	182
Proceeds from the sale of intangible assets	-	(2,407)
Purchase of tangible fixed assets	(310,727)	-
Net cash used in investing activities	(300,676)	(2,225)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	78,403	580,602
Cash and cash equivalents at the beginning of the year	2,086,022	1,505,420
Cash and cash equivalents at the end of the year	2,164,425	2,086,022

The notes on pages 13 to 29 form part of these financial statements

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

The Japanese School Limited is a charitable company, limited by guarantee, in England and Wales. The registered charity number is 271665 and the registered company number is 01263742. The registered address is 87 Creffield Road, Acton, London, W3 9PU. The principal activity of the charity is providing education.

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Japanese School Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are presented in Pound Sterling, the functional currency of the charity, rounded to the nearest £.

2.2 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

2.3 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 allocated on the portion of the asset's use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

2.4 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the revaluation model, tangible fixed assets whose fair value can be measured reliably shall be carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers. If there is no market-based evidence of fair value because of the specialised nature of the tangible fixed asset and it is rarely sold, except as part of a contributing business, a Company may need to estimate fair value using an income or depreciated replacement cost approach.

Gains and losses on revaluation are recognised in the Statement of Financial Activities, with a separate revaluation reserve being shown in the Statement of funds note.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 50 years straight line
Furniture and equipment	- 5 years straight line

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.10 Operating leases

Rentals payable under operating leases are accounted for on a straight-line basis over the periods of the lease.

2.11 Pensions

The Company operates a defined contribution pension scheme. The cost of providing these benefits is charged to the profit and loss account on a regular basis.

2.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	As restated Total funds 2021 £
Donations	-	414	414	3,107
Government grants	1,194,586	-	1,194,586	1,163,701
	<u>1,194,586</u>	<u>414</u>	<u>1,195,000</u>	<u>1,166,808</u>
<i>Total 2021 as restated</i>	<u>1,163,701</u>	<u>3,107</u>	<u>1,166,808</u>	

4. Income from charitable activities

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Fee income	-	2,157,222	2,157,222	2,006,848
Other income	-	15,835	15,835	1,341
Rental income	-	59,171	59,171	64,650
Bus income	-	103,860	103,860	58,910
School Trip income	-	28,897	28,897	21,695
	<u>103,860</u>	<u>2,261,125</u>	<u>2,364,985</u>	<u>2,153,444</u>
<i>Total 2021</i>	<u>335,792</u>	<u>1,817,652</u>	<u>2,153,444</u>	

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	10,051	10,051	182
<i>Total 2021</i>	182	182	

6. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	As restated Total funds 2021 £
Educational operations	2,164,297	1,100,590	3,264,887	3,321,610
<i>Total 2021 as restated</i>	2,112,340	1,209,270	3,321,610	

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2022 £	<i>As restated</i> <i>Total</i> <i>funds</i> <i>2021</i> <i>£</i>
Staff costs	1,862,309	1,846,173
Educational supplies & stationary	99,721	101,751
Healthcare	34,147	30,724
School events	8,856	5,061
Travel	22,038	15,165
Carriage	14,193	22,016
School Trips	28,898	21,695
Bus fees	94,135	69,755
	<u>2,164,297</u>	<u>2,112,340</u>

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	<i>As restated</i> Total funds 2021 £
Staff costs	319,735	317,664
Depreciation	81,695	187,928
Equipment leasing and rent	110,712	92,626
Maintenance	147,524	193,639
Sundry Expenses	47,722	19,975
Professional Fees	68,299	68,215
Security	52,560	43,676
Audit Fee	16,230	14,382
Light, heat and water	65,001	72,367
Cleaning	34,649	35,666
Insurance	48,800	30,800
Rates	21,136	31,119
Postage & Telephone	85,674	100,162
Entertainment	212	77
Food	641	974
	<u>1,100,590</u>	<u>1,209,270</u>

7. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>19,000</u>	<u>18,552</u>

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Staff costs

	2022	<i>As restated</i> 2021
	£	£
Wages and salaries	1,885,172	1,861,679
Social security costs	208,521	213,175
Contribution to defined contribution pension schemes	88,351	88,984
	2,182,044	2,163,838

Included in wages and salaries is secondment staff costs totalling £910,527 (2021: £893,477) which is paid by the Japanese Government directly to the individuals. These staff members are therefore excluded from the average number of employees.

The average number of persons employed by the Company during the year was as follows:

	2022	2021
	No.	No.
Leadership	1	1
Teachers	86	86
Admin staff	7	8
	94	95

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022	2021
	No.	No.
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1

The total cost of the key management personnel including employers national insurance contributions amounted to £72,237 (2021: £82,501).

9. Trustees' remuneration and expenses

During the year ended 31 December 2022, no Trustee expenses have been incurred (2021 - £NIL).

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Tangible fixed assets

	Freehold property £	Office equipment £	Freehold improvements £	Total £
Cost or valuation				
At 1 January 2022	8,250,000	1,730,762	-	9,980,762
Additions	-	5,728	304,999	310,727
Disposals	-	(1,514,955)	-	(1,514,955)
At 31 December 2022	<u>8,250,000</u>	<u>221,535</u>	<u>304,999</u>	<u>8,776,534</u>
Depreciation				
At 1 January 2022	-	1,603,498	-	1,603,498
Charge for the year	37,000	42,153	2,542	81,695
On disposals	-	(1,514,955)	-	(1,514,955)
At 31 December 2022	<u>37,000</u>	<u>130,696</u>	<u>2,542</u>	<u>170,238</u>
Net book value				
At 31 December 2022	<u>8,213,000</u>	<u>90,839</u>	<u>302,457</u>	<u>8,606,296</u>
At 31 December 2021	<u>8,250,000</u>	<u>127,264</u>	<u>-</u>	<u>8,377,264</u>

The brought forward balances have been amended as a result of the prior year adjustment, as disclosed in note 15.

The valuation of land and buildings was completed by an independent external valuer on a market value basis.

The Company has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	2022 £	2021 £
Freehold property	<u>3,312,689</u>	<u>3,461,333</u>

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Investment property

	Freehold investment property £
Valuation	
At 1 January 2022	3,250,000
At 31 December 2022	<u>3,250,000</u>

The brought forward balances have been amended as a result of the prior year adjustment, as disclosed in note 15.

The valuation was completed by an independent external valuer on a market value basis.

12. Debtors

	2022 £	2021 £
Due within one year		
Other debtors	2,987	811
Prepayments and accrued income	39,961	65,342
Grants receivable	221,954	182,677
	<u>264,902</u>	<u>248,830</u>

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Creditors: Amounts falling due within one year

	2022 £	<i>As restated</i> 2021 £
Trade creditors	85,342	76,389
Other taxation and social security	25,755	27,325
Other creditors	1,501	1,500
Accruals and deferred income	333,050	333,531
	<u>445,648</u>	<u>438,745</u>

14. Provisions

	Retirement benefit obligation £
At 1 January 2022	68,040
Additions	11,455
	<u>79,495</u>

The retirement benefit obligation has arisen as a result of an obligation to pay staff when they leave employment with the Japanese School.

15. Prior year adjustments

A prior year adjustment has been posted to recognise a provision in relation to retirement benefits that are accruing to certain members of staff. This has increased the creditors in the prior year by £68,040. Of this increase in creditors, £11,455 relates to the movement during the year and has therefore also been recognised in the Statement of Financial Activities.

A further prior year adjustment has been recorded to incorporate the donation in kind, where salaries of a number of teachers are paid by the Japanese Government directly. This has meant that both income and expenditure have increased by £893,477. Overall, the impact to the Statement of Financial Activities is £nil.

A prior year adjustment has been recorded to uplift the valuation of the property and reclassify between freehold property and investment property. The impact of this on the Statement of Financial Activities is a gain of £8,038,667 in the prior year.

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Unrestricted funds						
General Funds	5,416,664	2,271,590	(1,976,165)	-	-	5,712,089
Revaluation reserve	8,038,667	-	-	-	-	8,038,667
	<u>13,455,331</u>	<u>2,271,590</u>	<u>(1,976,165)</u>	<u>-</u>	<u>-</u>	<u>13,750,756</u>
Restricted funds						
Seconded staff	-	910,527	(910,527)	-	-	-
Aging Facility	-	18,439	(18,439)	-	-	-
Safety/Security Facilities	-	19,784	(19,784)	-	-	-
Security Staff Costs - Japanese School	-	23,089	(23,089)	-	-	-
Security Staff Costs - Saturday School	-	12,114	(12,114)	-	-	-
Teachers costs - Japanese School	-	36,140	(36,140)	-	-	-
Lecturers costs - Saturday School	-	102,076	(102,076)	-	-	-
School to be chosen project	-	30,737	(30,737)	-	-	-
Zaidan	-	9,906	(9,906)	-	-	-
Rent for Saturday School campus	-	31,774	(31,774)	-	-	-
Bus Fees	-	103,860	(94,135)	-	-	9,725
	<u>-</u>	<u>1,298,446</u>	<u>(1,288,721)</u>	<u>-</u>	<u>-</u>	<u>9,725</u>
Total of funds	<u>13,455,331</u>	<u>3,570,036</u>	<u>(3,264,886)</u>	<u>-</u>	<u>-</u>	<u>13,760,481</u>

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. Statement of funds (continued)

Seconded staff: A number of the key management personnel and other staff are paid directly by the Japanese Government.

Aging facility: This fund is to contribute to the cost of repairing the old building facilities at The Japanese School

Safety/Security facilities: This fund is to contribute to the maintenance cost of security and safety equipment at The Japanese School.

Security Staff Costs - Japanese School: This fund is to contribute to the security staff costs at The Japanese School

Security staff costs - Saturday school: This fund is to contribute to the security staff costs at the Saturday school.

Teachers cost - Japanese School: This fund is to contribute to the salary of teachers at The Japanese School.

Lecturers cost - Saturday School: This fund is to contribute to the salary of the lecturers at the Saturday school.

School to be chosen project: This fund is a contribution to fund a project to make the school more attractive. The Japanese School has used the grant to promote the British Value Education in various subjects, particularly in English conversation classes.

Zaidan: This fund is to contribute to School supplies.

Rent for Saturday school campuses: This fund is a contribution to fund the rent of the school premises used by the Saturday school in Brent and Croydon.

Bus fees: A bus service is provided by The Japanese School to transport students to and from school each day.

Revaluation reserve: This fund relates to the revaluation of the School building and related properties owned by the Charity.

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2021 £	As restated Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
Unrestricted funds						
General Funds	5,417,840	2,091,165	(2,081,496)	(10,845)	-	5,416,664
Revaluation reserve	-	-	-	-	8,038,667	8,038,667
	<u>5,417,840</u>	<u>2,091,165</u>	<u>(2,081,496)</u>	<u>(10,845)</u>	<u>8,038,667</u>	<u>13,455,331</u>
Restricted funds						
Seconded staff	-	893,477	(893,477)	-	-	-
Aging Facility	-	-	-	-	-	-
Safety/Security Facilities	-	22,258	(22,258)	-	-	-
Security Staff Costs - Japanese School	-	17,556	(17,556)	-	-	-
Security Staff Costs - Saturday School	-	8,536	(8,536)	-	-	-
Teachers costs - Japanese School	-	63,182	(63,182)	-	-	-
Lecturers costs - Saturday School	-	135,605	(135,605)	-	-	-
School to be chosen project	-	-	-	-	-	-
Zaidan	-	6,136	(6,136)	-	-	-
Rent for Saturday School campus	-	23,609	(23,609)	-	-	-
Bus Fees	-	58,910	(69,755)	10,845	-	-
	<u>-</u>	<u>1,229,269</u>	<u>(1,240,114)</u>	<u>10,845</u>	<u>-</u>	<u>-</u>
Total of funds	<u>5,417,840</u>	<u>3,320,434</u>	<u>(3,321,610)</u>	<u>-</u>	<u>8,038,667</u>	<u>13,455,331</u>

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Summary of funds

Summary of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
General funds	13,455,331	2,271,590	(1,976,165)	13,750,756
Restricted funds	-	1,298,446	(1,288,721)	9,725
	<u>13,455,331</u>	<u>3,570,036</u>	<u>(3,264,886)</u>	<u>13,760,481</u>

Summary of funds - prior year

	Balance at 1 January 2021 £	As restated Income £	As restated Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2021 £
General funds	5,417,840	2,091,165	(2,081,496)	(10,845)	8,038,667	13,455,331
Restricted funds	-	1,229,269	(1,240,114)	10,845	-	-
	<u>5,417,840</u>	<u>3,320,434</u>	<u>(3,321,610)</u>	<u>-</u>	<u>8,038,667</u>	<u>13,455,331</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	8,606,297	8,606,297
Investment property	-	3,250,000	3,250,000
Current assets	9,725	2,419,603	2,429,328
Creditors due within one year	-	(445,648)	(445,648)
Provisions for liabilities and charges	-	(79,495)	(79,495)
Total	<u>9,725</u>	<u>13,750,757</u>	<u>13,760,482</u>

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Endowment funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	4,788,667	3,588,597	8,377,264
Investment property	3,250,000	-	3,250,000
Current assets	-	2,334,852	2,334,852
Creditors due within one year	-	(438,745)	(438,745)
Provisions for liabilities and charges	-	(68,040)	(68,040)
Total	<u>8,038,667</u>	<u>5,416,664</u>	<u>13,455,331</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>305,150</u>	<u>(1,176)</u>
Adjustments for:		
Depreciation charges	81,695	187,928
Dividends, interests and rents from investments	(10,051)	-
Decrease/(increase) in debtors	(16,072)	133,435
Increase in creditors	18,357	249,117
Net cash provided by operating activities	<u>379,079</u>	<u>569,304</u>

20. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	2,164,425	2,086,022
Total cash and cash equivalents	<u>2,164,425</u>	<u>2,086,022</u>

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Analysis of changes in net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	2,086,022	78,403	2,164,425
	<u>2,086,022</u>	<u>78,403</u>	<u>2,164,425</u>

22. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independent administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £32,132 (2021: £31,598). Contributions totalling £1,715 (2021: £1,859) were payable to the fund at the balance sheet date and are included in creditors.

23. Operating lease commitments

At 31 December 2022 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Operating leases which expire:		
Within 1 year	13,366	38,320
Within 2-5 years	2,253	18,803
	<u>15,619</u>	<u>57,123</u>

24. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £NIL for the debts and liabilities contracted before he/she ceases to be a member.

25. Related party transactions

The Company has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Company at 31 December 2022.