

Charity number: 306987

RIKKYO SCHOOL IN ENGLAND TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

RIKKYO SCHOOL IN ENGLAND TRUST

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers Trustees' report	1 - 9
Audit report	10 - 13
Statement of financial activities	14
Statement of financial position	15
Statement of cash flows	16 - 17
Notes to the financial statements	18 - 33

RIKKYO SCHOOL IN ENGLAND TRUST

Trustees

T.	Aoki	K.	Kubota - resigned 31.3.20	T.	Sazaki - resigned 25.05.21
H.	Bunday	Y.	Kwak - resigned 31.3.21	F.	Serizawa - appointed 1.4.20
K.	Fujimoto - resigned 18.5.21	T.	Morita - appointed 8.4.21	Y.	Shiraishi - decd 26.08.20
F.	Hashiba	R.	Munechika	J.	Sugiyama
K.	Hirota	K.	Nakada	H.	Suzuki
M.	Ishida - resigned 31.03.20	I.	Nakamura - appointed 01.04.20	T.	Suzuki
M.	Ishizuki -resigned 31.3.20	R.	Nishihara - appointed 1.4.21	S.	Takahama
J.	Itoigawa - resigned 31.3.21	T.	Okano	K.	Toida
S.	Iwanaga - appointed 19.5.21	T.	Okuno	Y.	Toyoda
Y.	Kimura	M.	Osawa - appointed 1.4.21	H.	Uehara
N.	Kobayashi	H.	Saito	N.	Yabe - appointed 1.4.20
K.	Kojima	H.	Sato - resigned 7.4.21	K.	Yokomaku - appointed 26.5.21

RIKKYO SCHOOL IN ENGLAND TRUST

Charity registered number	306987
Headmaster	Dr T Okano
Business Manager	M Kurashina
Registered Address	Guildford Road Rudgwick West Sussex RH12 3BE
Accountants	Smith & Williamson LLP Onslow House Onslow Street Guildford Surrey GU1 4TL
Registered Auditor	Nexia Smith & Williamson Onslow House Onslow Street Guildford Surrey GU1 4TL
Solicitors	Cumberland Ellis LLP Atrium Court 15 Jockeys Field WC1R 4QR
Principal Bankers	National Westminster Bank 77 High Street Godalming Surrey GU7 1AR

RIKKYO SCHOOL IN ENGLAND TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees of Rikkyo School in England Trust present their annual report and audited accounts for the year ended 31 March 2021. The Trustees confirm that the accounts comply with the requirements of the Charities Act 2011, the trust deed and the Charities SORP (FRS 102) (effective 1 January 2019).

AIMS

Rikkyo School in England Trust ("Rikkyo") was founded by and operates under a Trust Deed dated 20 October 1971 which has been amended twice (the latest being 25 November 2019).

Rikkyo is registered with the Charity Commission under number 306987.

Rikkyo operates one boarding school at Pallinghurst, Rudgwick, West Sussex ("the School"). The School offers the full Japanese curriculum for boys and girls aged 10 to 18, plus English and other foreign language courses from a basic to an advanced level. In addition to completing satisfactorily the full Japanese curriculum, the students also study IGCSE Biology.

The School is registered as a Christian School under section 69(3) of the School Standards and Framework Act 1998. This enables the School, should it wish to do so, to be selective in its employment policies without breaching legal rules.

OBJECTIVES AND ACTIVITIES

Within the terms of the Trust's objects, the Trustees aim to provide students with the best education in a healthy, happy environment. Although the School is some distance from the nearest villages, because it is a Christian establishment, strong bonds have been built with the local communities, especially Rudgwick and Cranleigh, through the parish churches. Staff and students regularly attend services at both local churches. The School also has its own Chaplain.

The Trustees consider that the Trust meets with public benefit requirements for a charity as set out by the Charity Commission. The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Commission in exercising their powers or duties. Although the basic comprehensive aim of the School's management is to develop the students' minds and interests beyond the basic Japanese curriculum so that they can appreciate and understand the world around them and the western way of life, the Trustees are mindful that the School is a significant establishment in a small community. Staff and students are accordingly encouraged to engage meaningfully with the local community and this has been achieved with various activities throughout the year.

The School's main income is generated through student fees. Voluntary income is received through donations on an ad hoc basis which is not through fundraising activities. The school does not have any persons fund raising on its behalf or a commercial participator carrying out these activities. There were no complaints received by the charity or a person acting on behalf of the charity for the purpose of fundraising.

RIKKYO SCHOOL IN ENGLAND TRUST

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

OBJECTIVES AND ACTIVITIES (CONTINUED)

Due to the Covid-19 pandemic, the School was closed for pupils from April 2020 and classes moved online until July 2020. The School reopened to students in September 2020 but due to the rising Covid cases over the winter period, another lockdown was announced by the UK government in January 2021, and the School once again had to close its doors to students from January to March 2021, with lessons continuing online.

The continued pandemic meant that the School was unable to welcome guests for Japanese Evening, Open Day or concerts. Other activities such as homestay, sports fixtures and school outings were also unable to take place during the year under review.

During the lockdown periods, the students took the initiative to engage in various activities from their homes, such as online concerts, presentations about their contribution to the communities and self-introductions for new students.

The students union also organised a web Open Day in October with each class choosing various topics under the heading "Future for our Society".

The UK economy continues to benefit from the presence of the School in West Sussex. The fee income generated by the School is sourced from Japanese nationals and businesses, most of the School's income being brought into the UK converted from Japanese Yen. However, virtually all expenditure - the major exception being Japanese textbooks - is in sterling in the UK, mainly for employee related costs. Locally-resident citizens fill the catering, maintenance, cleaning and some of the managerial positions. English and other subject teachers are employed as well as English science and music teachers. The Japanese teachers, being resident in the UK, also contribute to the UK economy.

The Trustees have considered the School's achievements in the year and are satisfied that these are in line with the School's objectives.

RIKKYO SCHOOL IN ENGLAND TRUST

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

The latest advice from the Charity Commission recommends that certain information on a charity's structure, governance and management be included in the charity's Trustees' Report. As this Trust does not seek funding from the general public, does not make grants to other organisations and is not affiliated under an umbrella organisation, some of the recommendations do not directly apply. However, as a boarding School, it has important statutory obligations as an employer and as a provider of education and accommodation for students.

Rikkyo is different from the majority of boarding schools in the United Kingdom in a number of ways: The curriculum is based on that set by the Education Ministry in Japan for Japanese children.

All the senior full-time teaching staff, including all the senior management of the School, are Japanese speakers and all are Japanese citizens.

Student records are kept in the Japanese language, as are many of the School's other records, although those required by the UK authorities, such as those under Health & Safety Regulations and Child Protection (including medical records), are also available in English.

Over two thirds of the students and their parents live abroad and require visas to enter the UK to attend the School.

All the Trustees are Japanese and thirteen of the twenty-seven in office at the end of the year live outside the UK. At least one of the thirteen UK non-residents normally attends Trustee meetings, together with the other Trustees.

The UK resident Trustees are normally appointed for a period not exceeding three years which is the maximum period they are generally allowed to reside in the UK under Immigration Rules.

These unusual differences mean that it is sometimes very challenging to apply normal rules to the supervision of this educational establishment by the Board of Trustees. The Trustees, however, accept that they operate in the UK and must comply with the guidance applying to Registered Charities and Boarding Schools.

The Trust was originally sponsored by the Rikkyo Foundation in Japan, although it is legally independent of it. The Japanese Foundation operates in Japan, a University and four schools, one for girls and three for boys. None of these are a boarding school. Three of the schools have a High School element. At least one of the Rikkyo School Trustees holds a high position in the Foundation and is therefore able to give advice to the UK School management on Japanese educational matters. This is particularly important as virtually all the students graduating from the Trust's school progress to attend a Japanese University. Other Japanese resident Trustees provide useful contacts with Japanese businesses and institutions, the children of whose staff provide one third of the School's students.

RIKKYO SCHOOL IN ENGLAND TRUST

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

One third of the students have their fees paid or subsidised by the parents' employer, and local contact in Japan with those employers can be important on occasion. As the Japanese resident Trustees have little involvement with the running of the School in the UK, it is not considered appropriate to have a UK training scheme for them - their business experience and contacts in Japan are their contribution to the School.

The UK resident Trustees are, as noted above, appointed for a maximum of three years. They are chosen by virtue of their position, usually the senior executive in the London/UK branch of a Japanese multi-national business. They bring to the Trustee Board a powerful mix of financial and business experience which is put to the aid of the senior Japanese staff running the School.

The operation of the School is the responsibility of the Headmaster who is also a Trustee and his management team. There is at all times direct access between the Headmaster and the Trustee Chairman. On matters of Charity law the School is advised by a specialist firm of London Solicitors. Because of the short term nature of the appointments training is run on an ad hoc basis as and when required. Any Trustee wishing further information would be provided with what he sought on request.

As indicated, decisions affecting the running of the School - other than major investment decisions - are taken by the School's management team, led by the Headmaster. Major investment decisions are always taken by the Board of Trustees either as a whole or through a steering committee.

There is no formal remuneration setting policy in respect of keyman personnel. There are, however, adhoc meetings held to pass resolutions following a review of the remuneration.

The Japanese staff are at all times fully aware of issues arising concerning the efficient running of the School and any problems being encountered by any of the students. This is covered at daily staff meetings, attended by the Japanese Matron (who has living accommodation at the School) and/or English Assistant Matrons.

RISK MANAGEMENT

The major risks to which the School is exposed have been reviewed and systems established to mitigate these risks.

The main identified risks remain broadly unchanged from previous years. In the opinion of the Trustees, these are:

1. Financial

Student numbers have increased by 7 this year. The increase in student numbers along with the increase of average student fees have resulted in a surplus for the period. This was coupled with a reduction in expenditure caused by multiple school closures as a result of the COVID-19 pandemic. The number of students attending the school is also expected to slightly drop in 2021-22.

RIKKYO SCHOOL IN ENGLAND TRUST

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

RISK MANAGEMENT (CONTINUED)

The Trust has built up substantial bank balances over the years and has a portfolio of six local private dwellings used to house Japanese teaching staff. The majority of these have been refurbished to modern standards. These properties could be a source of short-term funding for the School, if necessary, as all the original mortgages on the properties were paid off some years ago.

2. Child Protection

The School undertakes all the regulatory and recommended guidance on issues relevant to staff working with young people. This applies to all new employees recruited in the UK where full checks are made with the Disclosures & Barring Service (DBS). All new Japanese teaching staff are required to have a Police Check in Japan, followed by checks with the DBS soon after starting employment.

There is a Japanese independent listener available for all students to discuss matters in confidence.

3. Health and Safety

The Trustees are aware of their responsibilities towards the staff, students, visitors and contract workers to provide a safe and secure environment at the School for their various activities.

The Trustees are aware of their responsibilities towards the staff, students, visitors and contract workers to provide a safe and secure environment at the School for their various activities.

Appropriate supervision at senior level with regular staff training and fire practices continue and records are kept of all training. To support the School's surgery staff, all Japanese boarding staff receive first aid training and all senior students are trained in basic first aid procedures.

Environmental Health inspectors have awarded the School a 5 star rating for food hygiene.

REVIEW AND ACHIEVEMENTS

The School opened in 1972 with 19 students. During the year under review, the maximum number of students was 190 (2020: 183), of whom 89 (2020: 84) were boys and 101 (2020: 99) were girls.

Considering the students are taking the examinations in a foreign language, they continue to gain good grades in the IGCSE subject they study, as well as securing good results in the English language public examinations taken at various levels. There continues to be a high level of musical activity, with many students studying more than one instrument. The school continues to enjoy a high academic reputation.

RIKKYO SCHOOL IN ENGLAND TRUST

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

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Total incoming resources for the year of £5,119,507 (2020: £4,983,609) were 3% up on last year.

Total resources expended for the year at £4,542,402 (2020: £4,821,280) were 6% down on last year.

2021 was a strong year for the trust despite the challenges it faced. Fee income was up by 2% owing to increased student numbers and increased fees.

The trust also benefited from a 7% reduction in expenditure before depreciation. This was as a result of the school closing for several months throughout the year due to the UK government guidance in response to the COVID-19 pandemic.

INVESTMENT POLICY AND PERFORMANCE

In accordance with the Trust Deed, the Trustees have the power to invest in such stocks, shares, investments and property in the UK as they see fit. At present the Trustees consider such investment inappropriate and funds not required in the immediate future are held in short term Treasury and Business Reserve accounts and Investment Bonds.

FREEHOLD LAND AND BUILDINGS

The estimated market value of the freehold land and buildings is £10,500,000. The net book value of the freehold land and buildings are reflected in these accounts at £7,574,612 (2020: £7,910,814).

EXPANSION AND IMPROVEMENT FUND

This fund was established to provide a source of cash for major capital expenditure and repairs. The balance on the fund at year end is £381,666 (2020: £355,462). The carried forward balance at the end of the year represents monies held in the Expansion Fund bank account.

CAPITAL EXPENDITURE

Capital expenditure in the year amounted to £265,135 (2020: £70,048). Additions in the year included a refurbishment of the boys dormitory, WIFI networking equipment, new smart interactive display boards and various small items of furniture and equipment.

RESERVES POLICY

The School's funds are invested in its land and buildings and therefore there are no free reserves. This is considered acceptable although the Trustees wish to build up free reserves equivalent to three months' running expenses.

RIKKYO SCHOOL IN ENGLAND TRUST

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

FUTURE PLANS

The School's three year business plan is reviewed annually and approved by the Trustees at the January meeting each year.

The COVID-19 pandemic since the year end has continued in existence and as result has had some although not a significant impact on the operations of the school. With reduced restrictions in place nationally, the school continued to stay open through the current period. The impact of potential school closure has been assessed through the forecasts prepared for the period to March 2022. As the school had been providing online classes through period of closure to its students, the delivery of its curriculum and the school's finances were not affected significantly. At the current time, the school has resumed normal operations without anticipating further interrupted activity. However, given the financial reserves available, the Trustees are satisfied that the school will be able to navigate these challenges for the foreseeable future.

Pupil numbers for the forthcoming financial year 2022/23 are expected to be 190 (2021/22: 187) and the Trustees are considering various capital projects to improve the school's infrastructure.

TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and regulations.

The Charities Act 2011 requires the Trustees of the Charity to prepare accounts for each financial year which give a true and fair view of Its financial activities during the year and of its financial position at the end of the year. In preparing the financial statements the Trustees should follow best practice, and:

- Select suitable accounting policies and then apply them consistently; Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- Follow applicable accounting standards, disclosing and explaining any departures in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records which are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Report) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Our auditor, Nexia Smith & Williamson has indicated a willingness to continue in office. A resolution to re-appoint the auditor, Nexia Smith & Williamson, will be proposed at the next Trustees' Meeting.

Chairman of the Board of Trustees

Name: Mr J Sugiyama

Date:

28.1.2022





Independent auditor's report to the Trustees of Rikkyo School in England Trust

Opinion

We have audited the financial statements of Rikkyo School in England Trust (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Statement of Financial Position, Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of 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 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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.

RIKKYO SCHOOL IN ENGLAND TRUST



Independent auditor's report to the Trustees of Rikkyo School in England Trust (continued)

Other information

The other information comprises the information included in the Trustees' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report and Financial Statements.

Our opinion on the financial statements does not cover the other information and 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the information given in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- the financial statements are not in agreement with the accounting records; 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 set out on page 9, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.



Independent auditor's report to the Trustees of Rikkyo School in England Trust (continued)

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:

We obtained a general understanding of the charity's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the charity's industry and regulation.

We understand that the charity complies with the framework through:

- Outsourcing financial statement preparation and tax compliance to external experts
- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change; and
- Management's oversight through regular meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the charity's ability to conduct its business, and where there is a risk that failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the charity's activities:

- The Charities SORP and FRS 102 in respect of the preparation and presentation of the financial statements
- The Charities Act 2011

Based on our understanding we performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- We identified the laws and regulations applicable to the charity through discussions with management, and from our commercial knowledge and experience of the sector;
- Making enquiries of management and those charged with governance to understand their awareness of any non-compliance of laws and regulations;
- Reviewing minutes of meetings of those charged with governance to identify any instances of non-compliance.

RIKKYO SCHOOL IN ENGLAND TRUST



Independent auditor's report to the Trustees of Rikkyo School in England Trust (continued)

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements via fraudulent journal entries, and
- Revenue recognition.

The procedures we carried out to gain evidence in the above areas included:

- Substantive work on material areas affecting the results, in particular significant items of expenditure and revenue;
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those with unusual or no descriptions;
- Reviewing and challenging estimates made by management

A further description of our responsibilities is available 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 charity's trustees 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 charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads 'Nexia Smith & Williamson'.

Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Onslow House
Onslow Street
Guildford
Surrey
GU1 4TL

Date: 28 January 2022

Nexia Smith & Williamson is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

RIKKYO SCHOOL IN ENGLAND TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Note	General fund 2021 £	Unrestricted funds Expansion & Improvement fund 2021 £	Restricted fund 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	3	111,037	-	-	111,037	41,644
Charitable activities	4	4,780,130	-	-	4,780,130	4,899,692
Other trading activities	5	224,812	-	-	224,812	27,916
Investment income	6	3,387	141	-	3,528	14,357
TOTAL INCOME AND ENDOWMENTS		5,119,366	141	-	5,119,507	4,983,609
EXPENDITURE ON:						
Charitable activities	8	4,542,402	-	-	4,542,402	4,821,280
TOTAL EXPENDITURE		4,542,402	-	-	4,542,402	4,821,280
NET INCOME		576,964	141	-	577,105	162,329
Transfers between Funds	23	(26,063)	26,063	-	-	-
Fair value change on provision	21	(182,368)	-	-	(182,368)	84,806
NET MOVEMENT IN FUNDS FOR THE YEAR		368,533	26,204	-	394,737	247,135
Reconciliation of funds:						
Total funds at 1 April 2020		7,778,995	355,462	-	8,134,457	7,887,332
TOTAL FUNDS AT 31 MARCH 2021		8,147,528	381,666	-	8,529,194	8,134,457

All activities relate to continuing operations.

The notes on pages 17 - 32 form part of these financial statements.

RIKKYO SCHOOL IN ENGLAND TRUST

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	£	2021 £	£	2020 £
NON CURRENT ASSETS					
Property, plant and equipment	16		7,954,085		8,149,530
			<u>7,954,085</u>		<u>8,149,530</u>
CURRENT ASSETS					
Trade and other receivables	17	157,778		119,962	
Cash and cash equivalents	18	7,138,024		6,647,368	
		<u>7,295,802</u>		<u>6,767,330</u>	
CURRENT LIABILITIES					
Trade and other payables	19	(4,718,434)		(4,727,157)	
NET CURRENT ASSETS					
			2,577,368		2,040,173
CREDITORS: Amounts fall due after more than one year	20		(503,846)		(671,795)
Provisions	21		(1,498,413)		(1,383,451)
TOTAL ASSETS LESS LIABILITIES					
			<u>8,529,194</u>		<u>8,134,457</u>
CHARITY FUNDS					
General fund	24		8,147,528		7,778,995
Expansion and improvement fund	24		381,666		355,462
TOTAL UNRESTRICTED FUNDS					
			<u>8,529,194</u>		<u>8,134,457</u>

The financial statements were approved by the Trustees on 28/01/22 and signed on their behalf, by:

Mr J Sugiyama
Trustee

J. Sugiyama

The notes on pages 17 - 33 form part of these financial statements.

RIKKYO SCHOOL IN ENGLAND TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash generated from operating activities	A	937,866	1,129,830
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(265,135)	(70,048)
Proceeds from disposal of PPE		-	100
Interest received		3,528	14,357
Net cash used in investing activities		(261,607)	(55,591)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital repayments		(167,949)	(167,949)
Interest paid		(17,653)	(27,041)
Net cash used in financing activities		(185,602)	(194,990)
Change in cash and cash equivalents in the reporting period		490,657	879,249
Cash and cash equivalents at the beginning of the reporting period		6,647,367	5,768,118
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD		7,138,024	6,647,367

RIKKYO SCHOOL IN ENGLAND TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

NOTE TO THE STATEMENT OF CASH FLOWS:

A. RECONCILIATION OF NET INCOME TO NET CASH GENERATED FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income	394,737	247,135
Interest received	(3,528)	(14,357)
Interest paid	17,653	27,041
Depreciation of property, plant and equipment	359,361	336,466
Loss on disposal of fixed assets	101,215	3,037
Increase in trade and other receivables	(37,816)	(29,315)
Increase in trade and other payables	(8,719)	765,331
(Decrease)/increase in provisions	114,962	(205,508)
NET CASH GENERATED FROM OPERATING ACTIVITIES	937,866	1,129,830

B. ANALYSIS OF CHANGES IN NET FUNDS

	1 April 2020	Cashflow	Other non cash changes	At 31 March 2021
	£	£	£	£
Bank loan due within one year	(167,949)	167,949	(167,949)	(167,949)
Bank loan due in more than one year	(671,795)	-	167,949	(503,846)
Cash	6,647,368	490,657	-	7,138,024
	5,807,624	658,605	-	6,466,229

The notes on pages 17 - 33 form part of these financial statements.

RIKKYO SCHOOL IN ENGLAND TRUST

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

1. ACCOUNTING POLICIES

1.1 General Information

Rikkyo School in England Trust (the Charity) is a charitable trust registered with the Charity Commission in England and Wales under registered number 306987. Its registered address is Guildford Road, Rudgwick, West Sussex. RH12 3BE. The charity runs a Japanese school in West Sussex.

1.2 Basis of preparation of financial statements

The accounts are prepared under the historical cost convention, in accordance with applicable United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS 102 (effective 1 January 2019) - (Charities SORP (FRS 102)).

Rikkyo School in England Trust is a school offering education to boys and girls aged 10 to 18, which 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 note(s). There are no material uncertainties about the school's ability to continue as a going concern.

1.3 Going concern

The financial statements have been prepared on a going concern basis.

The trustees have carefully reviewed the future prospects of the school and its future cash flows, including an assessment of the impact of the COVID-19 pandemic. Having assessed this, the Trustees have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future being at least the next 12 months from signing of these financial statements.

For this reason, the Trustees continue to adopt the going concern basis for the preparation of the financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the school was unable to continue as a going concern.

1.4 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 charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

RIKKYO SCHOOL IN ENGLAND TRUST

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

1.5 Income

All incoming resources are included in the Statement of financial activities when the charity has entitlement to the funds, it is probable that monies will be received and the amount can be measured with sufficient reliability.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Fee income represents fees, extras and disbursements, received for the education of the pupils attending the school, less discounts. Income received from the rendering of tuition services is recognised over the period the service is provided.

Government grant income comprises monies received under the Government's Job Retention Scheme and is recognised when it becomes receivable.

1.6 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All resources expended are inclusive of irrecoverable VAT.

RIKKYO SCHOOL IN ENGLAND TRUST

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

1.7 Property, plant and equipment

All assets costing more than £250 are capitalised.

Property, plant and equipment are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	10 to 50 years straight line
Furniture and fittings	10 years straight line
Plant and machinery	4 to 15 years straight line
Motor vehicles	4 years straight line

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Taxation

As a charity, the charity is exempt from tax on income and gains under current tax legislation to the extent that these are applied to charitable objects. No tax charges have arisen in the Charity.

The charity is unable to recover the input VAT associated with the supply of goods and services as the provision of education is exempt from VAT. The irrecoverable VAT is included in the total cost applicable to each expense heading.

RIKKYO SCHOOL IN ENGLAND TRUST

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

1.10 Financial instruments

The charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial liabilities are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability.

Basic financial liabilities, including trade and other payables, bank loans and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

1.11 Pensions

The charity operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the charity in independently administered funds.

RIKKYO SCHOOL IN ENGLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2021

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Key accounting estimates and assumptions

- (i) Fixed assets:
The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. These are re-assessed annually and amended when necessary to reflect current estimates. See note 1.7.
- (ii) Provisions:
The gratuity provision contains assumptions and estimates related to length of staff service, wage inflation and discount rates. The basis for these assumptions is explained in note 21.

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds		Restricted fund	Total funds	Total funds
	General fund	Expansion & Improvement fund	2021	2021	2020
	2021	2021	2021	2021	2020
	£	£	£	£	£
Donations	111,037	-	-	111,037	41,644

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted fund	Total funds	Total funds
	General fund	Expansion & Improvement fund	2021	2021	2020
	2021	2021	2021	2021	2020
	£	£	£	£	£
Education fees	4,317,807	-	-	4,317,807	4,151,008
Entrance fees	211,955	-	-	211,955	251,900
Facility fees	208,260	-	-	208,260	232,100
Examination fees	23,570	-	-	23,570	40,925
Academic Programme	-	-	-	-	141,003
Private lessons	18,538	-	-	18,538	82,756
	4,780,130	-	-	4,780,130	4,899,692

All income from charitable activities in 2020 related to the General fund.

RIKKYO SCHOOL IN ENGLAND TRUST

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

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds				
	General fund	Expansion & Improvement fund	Restricted fund	Total funds	Total funds
	2021	2021	2021	2021	2020
	£	£	£	£	£
Government grant income	169,782	-	-	169,782	-
Other income	55,030	-	-	55,030	27,916
	224,812	-	-	224,812	27,916

All income from other trading activities in 2020 related to the General fund.

6. INCOME FROM INVESTMENTS

	Unrestricted funds				
	General fund	Expansion & Improvement fund	Restricted fund	Total funds	Total funds
	2021	2021	2021	2021	2020
	£	£	£	£	£
Investment income	3,387	141	-	3,528	14,357

All income from investments in 2020 related to the General fund.

7. GOVERNANCE COSTS

	Unrestricted funds				
	General fund	Expansion & Improvement fund	Restricted fund	Total funds	Total funds
	2021	2021	2021	2021	2020
	£	£	£	£	£
Auditor remuneration (note 12)	14,400	-	-	14,400	10,000
Accounts preparation	8,100	-	-	8,100	8,000
	22,500	-	-	22,500	18,000

All expenditure in 2020 related to General fund.

RIKKYO SCHOOL IN ENGLAND TRUST

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

8. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds				
	General fund	Expansion & Improvement fund	Restricted fund	Total funds	Total funds
	2021	2021	2021	2021	2020
	£	£	£	£	£
Teaching (note 9)	2,091,485	-	-	2,091,485	2,225,510
Welfare (note 10)	649,218	-	-	649,218	879,879
Establishment (note 11)	645,696	-	-	645,696	624,896
Support costs (note 12)	758,620	-	-	758,620	740,342
Finance (note 13)	38,022	-	-	38,022	14,188
Depreciation (note 16)	359,361	-	-	359,361	336,466
	4,542,402	-	-	4,542,402	4,821,281

All expenditure in 2020 related to General fund.

9. TEACHING EXPENSES

	Unrestricted funds				
	General fund	Expansion & Improvement fund	Restricted fund	Total funds	Total funds
	2021	2021	2021	2021	2020
	£	£	£	£	£
Salaries and wages	1,803,072	-	-	1,803,072	1,786,037
Japanese pension	39,802	-	-	39,802	39,057
UK Pensions	132,762	-	-	132,762	147,707
Teachers' passages	29,469	-	-	29,469	15,775
Agency teacher	-	-	-	-	9,738
Education expenses	75,913	-	-	75,913	214,007
Photocopying expenses	10,467	-	-	10,467	13,189
	2,091,485	-	-	2,091,485	2,225,510

All expenditure in 2020 related to General fund.

RIKKYO SCHOOL IN ENGLAND TRUST

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

10. WELFARE EXPENSES

	Unrestricted funds				
	General fund	Expansion & Improvement fund	Restricted fund	Total funds	Total funds
	2021	2021	2021	2021	2020
	£	£	£	£	£
Salaries and wages					
- Household	399,632	-	-	399,632	388,258
Pensions					
- Household	9,023	-	-	9,023	9,247
Catering services	182,228	-	-	182,228	416,768
Surgery	8,693	-	-	8,693	15,528
Miscellaneous	25,542	-	-	25,542	24,374
Laundry and cleaning	24,100	-	-	24,100	25,704
	<u>649,218</u>	<u>-</u>	<u>-</u>	<u>649,218</u>	<u>879,879</u>

All expenditure in 2020 related to General fund.

11. ESTABLISHMENT EXPENSES

	Unrestricted funds				
	General fund	Expansion & Improvement fund	Restricted fund	Total funds	Total funds
	2021	2021	2021	2021	2020
	£	£	£	£	£
Rent, rates and insurance	333,976	-	-	333,976	301,656
Light and heat	133,420	-	-	133,420	172,550
Repairs and renewals	140,838	-	-	140,838	84,586
Upkeep of grounds and gardens	32,930	-	-	32,930	53,948
Sewage disposal	4,532	-	-	4,532	12,156
	<u>645,696</u>	<u>-</u>	<u>-</u>	<u>645,696</u>	<u>624,896</u>

All expenditure in 2020 related to General fund.

RIKKYO SCHOOL IN ENGLAND TRUST

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

12. SUPPORT COSTS

	Unrestricted funds				
	General fund	Expansion & Improvement fund	Restricted fund	Total funds	Total funds
	2021	2021	2021	2021	2020
	£	£	£	£	£
Salaries and wages	79,030	-	-	79,030	77,535
Tokyo Salaries	118,940	-	-	118,940	88,723
Pension	1,997	-	-	1,997	1,756
B.U.P.A.	18,379	-	-	18,379	19,671
Postage and stationery	11,670	-	-	11,670	25,018
Telephone	38,578	-	-	38,578	22,949
Motor and travel expenses	18,010	-	-	18,010	60,847
Advertising	112,687	-	-	112,687	79,412
Miscellaneous	33,491	-	-	33,491	82,723
Tokyo office expenses	72,987	-	-	72,987	130,355
Legal and professional	38,016	-	-	38,016	53,406
Auditor remuneration:					
- Accounting services	97,920	-	-	97,920	84,910
- Tax advisory	1,300	-	-	1,300	
- Statutory audit	14,400	-	-	14,400	10,000
Loss on disposal of assets	101,215	-	-	101,215	3,037
	758,620	-	-	758,620	740,342

All expenditure in 2020 related to General fund.

13. FINANCE EXPENSES

	Unrestricted funds				
	General fund	Expansion & Improvement fund	Restricted fund	Total funds	Total funds
	2021	2021	2021	2021	2020
	£	£	£	£	£
Bank charges	4,177	-	-	4,177	3,874
Loan interest	17,653	-	-	17,653	27,041
Exchange loss/(gain)	16,192	-	-	16,192	(16,727)
	38,022	-	-	38,022	14,188

All expenditure in 2020 related to General fund.

RIKKYO SCHOOL IN ENGLAND TRUST

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

14. NET INCOME

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets:		
- owned by the charity	353,779	336,263
Auditor's remuneration	14,400	10,000
Operating lease payment expense	199,013	125,150
	<u> </u>	<u> </u>

15. STAFF COSTS

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	2,252,714	1,977,739
Social security costs	211,388	189,286
Pension costs	183,584	197,767
Other costs	47,848	35,446
	<u>2,695,534</u>	<u>2,400,238</u>

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

	2021 No.	2020 No.
Teaching - Full time	26	28
Teaching - Part time	37	37
Domestic - Full time	4	3
Domestic - Part time	17	16
Administration - Full time	5	3
Administration - Part time	1	1
	<u>90</u>	<u>88</u>

The number of higher paid employees was:

	2021 No.	2020 No.
In the band £60,000 - £69,999	7	10
In the band £70,000 - £79,999	1	-
In the band £190,000 - £199,999	1	-
	<u> </u>	<u> </u>

One employee was paid over £190,000 in the year as this included a gratuity payment of £133,749 made to them on retirement.

RIKKYO SCHOOL IN ENGLAND TRUST

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

15. STAFF COSTS - continued

Dr Okano was appointed as a Trustee on 10 March 2019 and also Headmaster. During the year as trustee he received remuneration of £80,332 (2020: £66,733), pension of £11,592 (2020: £11,284) and benefits amounting to £1,666 (2020: £1,796). All remuneration was paid to him as Headmaster and not as a Trustee.

Mr Okuno was appointed as a Trustee on 10 March 2019 and also Deputy Headmaster. During his time as trustee he received remuneration of £74,780 (2020: £64,999), pension of £10,128 (2020: £9,849) and benefits amounting to £969 (2020: £941). All remuneration was paid to him as Deputy Headmaster and not as a Trustee.

This remuneration is permitted under clause 9 of the Declaration of Trust of the charity dated 20 October 1971.

Three trustees received reimbursed expenses, totaling £2,362 in the year for travelling, telephone and health check costs (2020: £6,449 paid to three trustees)

Key management personnel comprised the Headmaster and Deputy Head and the total remuneration paid was £179,466 (2020: 155,603).

Mr Munechika, a Trustee during the year, received remuneration of £20,249 (2020: £16,495) for his role in relation to recruitment and public relations in Japan. All remuneration was paid to him for this role and not as trustee.

In addition, a payment of £28,560 (2020: £42,000) was made to Mr Munechika in respect of unpaid remuneration relating to his role as headmaster of the School, from which he retired as at 31 March 2017. This remuneration was disclosed in the accounts in the years it was earned while Mr Munechika was headmaster. A balance of £nil (2020: £28,560) remains outstanding at 31 March 2021 and is included in accrued and other expenses.

Two employees received ex gratia payments on retirement amounting to £22,932 in recognition of their long service to the School.

RIKKYO SCHOOL IN ENGLAND TRUST

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

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land & Buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2020	14,170,319	862,242	128,678	15,161,239
Additions	45,000	220,135	-	265,135
Disposals	(210,866)	-	-	(210,866)
At 31 March 2021	14,004,453	1,082,234	128,678	15,215,508
Depreciation				
At 1 April 2020	6,259,505	630,100	122,107	7,011,712
Charge for the year	279,986	77,452	1,923	359,361
Disposals	(109,650)	-	-	(109,650)
At 31 March 2021	6,429,841	707,552	124,030	7,261,423
Net book value				
At 31 March 2021	7,574,612	374,828	4,648	7,954,085
At 31 March 2020	7,910,814	232,145	6,571	8,149,530

Included in land and buildings is freehold land at cost of £119,908 (2020 - £119,908) which is not depreciated.

All assets are held for the benefit of the charity.

RIKKYO SCHOOL IN ENGLAND TRUST

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

17. TRADE AND OTHER RECEIVABLES

	2021 £	2020 £
Trade receivables	-	3,473
Prepayments	149,424	102,576
Other debtors	8,354	13,913
	<u>157,778</u>	<u>119,962</u>

18. CASH AND CASH EQUIVALENTS

	2021 £	2020 £
School Current Account	531	(20,111)
School Business Reserve Account	1,364,824	1,212,782
Trustees Business Reserve Account	4,072,257	3,741,821
Expansion & Improvements Business Reserve Account	381,666	355,462
Retirement Business Reserve Account	1,181,702	1,246,742
Staff Loan Business Reserve Account	71,085	71,182
Tokyo Office Bank Account	8,216	1,300
Salary bank account	23,207	79
Academic Programme Account	34,536	38,111
	<u>7,138,024</u>	<u>6,647,368</u>

**19. TRADE AND OTHER PAYABLES:
Amounts falling due within one year**

	2021 £	2020 £
Deferred income (note 22)	4,142,748	4,101,486
Trade creditors	82,931	77,461
Social security costs payable	-	3,189
Accrued and other expenses	314,206	363,972
Sundry creditors	10,600	13,100
Bank loans payable	167,949	167,949
	<u>4,718,434</u>	<u>4,727,157</u>

20. CREDITORS

	2021 £	2020 £
Amounts falling due after more than one year		
Bank loan	<u>503,846</u>	<u>671,795</u>

RIKKYO SCHOOL IN ENGLAND TRUST

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

21. PROVISIONS

	2021 £	2020 £
Balance brought forward	1,383,451	1,588,957
Gratuities paid	(149,086)	(206,104)
Additional year of service	81,680	85,404
Change in discount rate charged to SOFA	109,059	(85,170)
Change in salary inflation charged to SOFA	73,309	364
As at 31 March	<u>1,498,413</u>	<u>1,383,451</u>

The above provision represents the present value of the expected future payments to leaving staff earned for services completed up to 31 March 2021. The provision will increase each year by an amount equal to the additional gratuity earned by the staff in that year at present value. In measuring the gratuity provision at each balance sheet date, the trustees have made some assumptions. Firstly, it is assumed that staff who have been in service for a period longer than five years at the balance sheet date will have a total tenure of 40 years. For staff who have been in service for less than five years it is assumed that they will have a total service period of five years as this is the School's current experience of recent joiners. From this the expected final salary on retirement is calculated based on an assumed future salary increase rate. This rate is calculated with reference to historical salary increase rates. The calculated value of the provision is discounted to present value using an appropriate discount rate, which is based on the interest rate of a high quality corporate bond with a similar maturity profile. Gratuities paid to leavers are off-set against the provision.

The following assumptions have been used in calculating the provision:

	2021	2020
Discount rate	1.01%	2.40%
Expected future salary increases pa	3.77%	3.59%
Weighted average remaining service period	6 years	7 years

RIKKYO SCHOOL IN ENGLAND TRUST

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

22. DEFERRED INCOME

Deferred income relates to school fees received in advance

	2021 £	2020 £
As at 1 April	4,101,486	3,428,705
Amounts released to SOFA	(4,101,486)	(3,428,705)
Amounts deferred in the year as at 31 March	4,142,748	4,101,486
	<u>4,142,748</u>	<u>4,101,486</u>

23. STATEMENT OF FUNDS

	At 1 April 2020 £	Incoming resources £	Resources Expended £	Transfers in/(out) £	Gains/ (Losses) £	At 31 March 2021 £
Unrestricted funds						
General fund	7,778,995	5,119,366	(4,542,402)	(26,063)	(182,368)	8,147,528
Expansion & Improvement fund	355,462	141	-	26,063	-	381,666
Total unrestricted funds	<u>8,134,457</u>	<u>5,119,507</u>	<u>(4,542,402)</u>	<u>-</u>	<u>(182,368)</u>	<u>8,529,194</u>

The Expansion and Improvement Fund is made up of accumulated amounts designated by the trustees from unrestricted donations, fee income and investment income, to be used for improvement of the School's facilities. The fund is represented by cash.

All restricted funds have been spent to date.

RIKKYO SCHOOL IN ENGLAND TRUST

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

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds		Restricted Funds		
	General fund	Expansion & Improvement fund	Restricted funds	Total funds	Total funds
	2021	2021	2021	2021	2020
	£	£	£	£	£
Tangible fixed assets	7,954,085	-	-	7,954,085	8,149,530
Net current assets	2,195,702	381,666	-	2,577,368	2,040,173
Creditors falling due in more than one year	(503,846)	-	-	(503,846)	(671,795)
Provisions	(1,498,413)	-	-	(1,498,413)	(1,383,451)
	<u>8,147,528</u>	<u>381,666</u>	<u>-</u>	<u>8,529,194</u>	<u>8,134,457</u>

The tangible fixed asset figure of £8,149,530 as at 31 March 2020 relates only to the Unrestricted General fund.

Included within the net current assets of £2,040,173 as at 31 March 2020 is £355,462 which relates to the Expansion and Improvement fund and £1,684,711 which relates to the General fund.

All creditors and provisions as at 31 March 2020 relate to General Funds.

25. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2021 the trust had future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	<u>113,864</u>	<u>106,251</u>

26. RELATED PARTY TRANSACTIONS

See note 15 for disclosure of trustees' remuneration and expenses, and key management personnel remuneration.