

RIKKYO SCHOOL IN ENGLAND TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

RIKKYO SCHOOL IN ENGLAND TRUST

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RIKKYO SCHOOL IN ENGLAND TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2022

Trustees

T. Aoki (resigned 23 April 2022)
H. Bunday
K. Fujimoto (resigned 18 May 2021)
F. Hashiba
K. Hirota
S. Iwanaga (appointed 19 May 2021)
N. Kobayashi
Y. Kimura (Resigned 22 January 2022)
K. Kojima
S. Kuwata (appointed 1 April 2022)
T. Morita (appointed 8 April 2021)
R. Munechika
K. Nakada
I. Nakamura
I Nishihara (appointed 1 April 2021)
T. Okano
T. Okuno
M. Osawa (appointed 1 April 2021)
H. Saito
H. Sato (resigned 7 April 2021)
T. Sazaki (resigned 25 May 2021)
F. Serizawa
J. Sugiyama
H. Suzuki (resigned 22 January 2022)
T. Suzuki
K. Toida
Y. Toyoda
S. Takahama (Resigned 31 March 2022)
H. Uehara
N. Yabe (resigned 31 March 2022)
K. Yokomaku (appointed 26 May 2021, resigned 30 March 2022)

RIKKYO SCHOOL IN ENGLAND TRUST

Charity registered number	306987
Principal office	Rikkyo School in England Guilford Road, Rudgwick Horsham RH12 3BE
Independent auditors	Wise and Co Chartered Accountants Wey Court West Union Road Farnham GU9 7PT
Bankers	National Westminster Bank 77 High Street Godalming Surrey GU7 1AR
Solicitors	Cumberland Ellis LLP Atrium Court 15 Jockeys Field WC1R 4QR
Headmaster	Dr T Okano
Business Manager	M Kurashina

RIKKYO SCHOOL IN ENGLAND TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Trustees of Rikkyo School in England Trust present their annual report and audited accounts for the year ended 31 March 2022. 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 satisfactorily completing 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 of 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 (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Objectives and Activities (Continued)

With the Covid situation easing, the School was able to welcome students back from April 2021 and school life gradually started to return to normal. However, the Japanese Evening in May was held as an online event.

From the autumn term the School was able to resume Friday sports activities and arrange various sports fixtures with other schools. The School loaned its football pitches for use by Loxwood Junior Football Club, giving Rikkyo students the opportunity to train alongside their players at weekends.

Students enjoyed outings in October 2021 to Arundel Castle and Littlehampton, Cambridge, Oxford and Hampton Court; and in January 2022 trips to Brighton, Leeds Castle and Winchester. These trips give the students the opportunity to experience and understand further about British culture and history.

The School further developed its relationship with British schools. The School's Robotics Club started a collaborative project with the DT class at Royal Grammar School and High School students have been doing research projects with Collyer's College.

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. Local 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 (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Structure, Governance and Management

Rikkyo is an independent school Trust under the Charity Commission founded in 1972.

The School commemorated its 50th Anniversary on 9th July this year, inviting parents, alumni, district authorities, a Chaplin, former teachers and staff, in addition to the 196 students.

This Trust does not seek funding from the general public, does not make grants to other organizations and is not affiliated under an umbrella organization. However, the School has kept a close relationship with the Rikkyo Foundation in Japan, having about 10 Trustees who are ranked in the Foundation and are able to give advice to the UK school management on Japanese educational matters. This is important for students graduating from the School to progress to attend Japanese universities.

The School welcomed an Ofsted inspection in October 2022, mainly in the areas of Curriculum, Safeguard, and Health & Safety, after the previous inspection focused on boarding in 2019, and is receiving valued recommendations to be followed up.

170 of the 196 students are Japanese and their parents live abroad and require visas to enter the UK to attend the school.

All the Trustees are Japanese and 10 of 23 Trustees at the end of the year live in Japan. UK non-resident Trustees are able to attend annual Trustee Meeting by Zoom, to approve activities of the school, financial positions, and other important policy matters in a year.

Based on the discussion with Ofsted on the School governance point of view, the School is promoting Japanese resident Trustees to have UK training schemes for them, integrating their advice to the School on business matters into the UK school frame.

The UK resident Trustees are appointed for a few years. They are chosen by virtue of their position, usually the senior executives in the London/UK branch of Japanese multinational business. They bring to the Trustee Board a powerful mix of financial and business experience which is put to the aid of the Board.

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, the Trustee Chairman and the Board. On matters of Charity Law, the school is advised by a UK Trustee who is a partner of a prominent London Solicitors. On matters of Safeguarding & Health & Safety, the School is advised by a UK Trustee who is well experienced in the area.

The 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 key management personnel.

Four Trustees who are school employees, namely the Headmaster, Deputy Headmaster, Head Director and Executive Director of the Tokyo Office, receive remunerations as the Charity Commission agreed. Now the School is considering a remuneration for the active Chairman of the Trustees in addition to the existing employees.

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.

RIKKYO SCHOOL IN ENGLAND TRUST

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

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 -

The financial results of the School for the year was successful with good net income. There is no point of financial risk to be mentioned, with enough net surplus & increased cash position carried forward to the next year. But the world's political and economic unstable situation, such as the Ukrainian issue, will be impacting the cost of living of the School in the foreseeable future.

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 activities. Appropriate supervision at senior level with regular staff training and fire practices continue and records are kept of all training. A fire safety audit was carried out in July 2021. 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.

RIKKYO SCHOOL IN ENGLAND TRUST

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

Review and Achievements

The School opened in 1972 with 19 students. During the year under review, the maximum number of students was 191 (2021:190) of whom 89 (2021:52) were Primary & Middle up to 15 years old, and 128 were High School up to 18 years old.

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 examinations taken at various levels. There continues to be a high level of musical activities, with many students studying more than one instrument. The School continues to enjoy a high academic reputation.

Financial Review and Results for the year

Student numbers increased by 1 from 190 to 191 in 2022. The School fee was increased by 5.5% compared to the previous year, but the reduction of the other income resulted in a good increase of the total income up to 5,137,000. On the other hand the total expenditure was 5,126,811 - 13% increase from the previous year of 4,542,403, due to the School activity returning to the normal pace from the previous restricted COVID situation. The net income was 755,603 including Depreciation pushed up the Schools' cash position to be carried forward to the next year.

The Trustees approved the plan of building a new boys dormitory to increase capacity of number of students, and also selling the six school-owned private dwellings for teachers as generating a substantial part of the building cost. The School is planning to sell those in an appropriate order for the coming years.

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 historical cost of the freehold land and buildings as at 31 March 2022 was £14,004,454. After depreciation, it has a net book value of £7,298,620 at the end of the year.

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 £85,865 (2021: £381,666). The School will consider if the balance is to be kept in a separate bank account, as such expenditure is anyway booked under the establishment category.

Capital Expenditure

Capital expenditure for Establishment in the year amounted £724,770 (2021: 645,695) Additions in the year included a new school sewage plant set up in the campus.

Reserves Policy

The School's funds are mainly invested in its land and buildings. The trust has £1,237,781 (2021: £193,444) 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 (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Future Plans

The School's medium to long term investment plan is reviewed annually and approved by the Trustees at the January meeting each year.

The COVID19 pandemic since the previous year gradually stabilized toward the end of the year, but the School needed to establish & keep the newly built 6 cabins to isolate students who contracted the virus, throughout the year. But a new sewage plant was built, as cited above, being a kick start of returning a series of capital investment plan the School originally had before COVID19.

In the year 2022-23 onward, the School shall begin to promote to building a new boy's dormitory, Chapel roof repair, Dining Hall floor replace, Tennis Court re-paint, Fencing repair, whole school LED project, and Heating & hot water boiler replacing under a new energy & carbon emission concept, including Solar Panel project.

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 decided not to continue in office. Wise and Co Chartered Accountants have been appointed as the current year auditors. A resolution to reappoint the auditor, Wise and Co, will be proposed at the next Trustees' Meeting.

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

.....
Chairman of the Board of Trustees

Mr J Sugiyama

Date:

26.03.22 *J. Sugiyama*

RIKKYO SCHOOL IN ENGLAND TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors' 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 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 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 AUDITORS' REPORT TO THE MEMBERS OF RIKKYO SCHOOL IN ENGLAND TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 are responsible for the preparation of the financial statements which 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.

RIKKYO SCHOOL IN ENGLAND TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIKKYO SCHOOL IN ENGLAND TRUST (CONTINUED)

Auditors' 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.

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 Auditors' 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 gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011 and UK tax legislation.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

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 Auditors' Report.

RIKKYO SCHOOL IN ENGLAND TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RIKKYO SCHOOL IN ENGLAND TRUST
(CONTINUED)

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Wise & Co

Wise and Co Chartered Accountants
Wey Court West
Union Road
Farnham
GU9 7PT

Date: 27/01/2023

Wise and Co Chartered Accountants are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

RIKKYO SCHOOL IN ENGLAND TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	4	178,929	178,929	111,037
Charitable activities	5	5,506,829	5,506,829	4,780,130
Other trading activities	6	98,876	98,876	224,812
Investments	7	617	617	3,528
Total income		5,785,251	5,785,251	5,119,507
Expenditure on:				
Charitable activities	9	5,126,811	5,126,811	4,542,402
Total expenditure		5,126,811	5,126,811	4,542,402
Net movement in funds before other recognised gains/(losses)		658,440	658,440	577,105
Other recognised gains/(losses):				
Other losses		(144,309)	(144,309)	(182,368)
Net movement in funds		514,131	514,131	394,737
Reconciliation of funds:				
Total funds brought forward		8,529,194	8,529,194	8,134,457
Net movement in funds		514,131	514,131	394,737
Total funds carried forward		9,043,325	9,043,325	8,529,194

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

The notes on pages 17 to 40 form part of these financial statements.

RIKKYO SCHOOL IN ENGLAND TRUST

BALANCE SHEET AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	18	7,719,679	7,954,085
		<u>7,719,679</u>	<u>7,954,085</u>
Current assets			
Debtors	19	95,340	157,778
Cash at bank and in hand		7,863,442	7,138,024
		<u>7,958,782</u>	<u>7,295,802</u>
Creditors: amounts falling due within one year	21	(4,917,160)	(4,718,434)
Net current assets		<u>3,041,622</u>	<u>2,577,368</u>
Total assets less current liabilities		<u>10,761,301</u>	<u>10,531,453</u>
Creditors: amounts falling due after more than one year	22	-	(503,846)
Provisions for liabilities		(1,717,976)	(1,498,413)
Net assets excluding pension asset		<u>9,043,325</u>	<u>8,529,194</u>
Total net assets		<u><u>9,043,325</u></u>	<u><u>8,529,194</u></u>
Charity funds			
Restricted funds	25	-	-
Unrestricted funds			
Designated funds	25	85,865	381,665
General funds	25	8,957,460	8,147,529
Total unrestricted funds	25	<u>9,043,325</u>	<u>8,529,194</u>
Total funds		<u><u>9,043,325</u></u>	<u><u>8,529,194</u></u>

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

J. Sugiyama

Date:

2023 1. 26

Junichi Sugiyama

The notes on pages 17 to 40 form part of these financial statements.

RIKKYO SCHOOL IN ENGLAND TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	1,572,843	937,866
Cash flows from investing activities		
Purchase of tangible fixed assets	(163,369)	(265,135)
Interest received	617	3,528
Net cash used in investing activities	(162,752)	(261,607)
Cash flows from financing activities		
Repayments of borrowing	(671,795)	(167,949)
Interest paid	(12,878)	(17,653)
Net cash used in financing activities	(684,673)	(185,602)
Change in cash and cash equivalents in the year	725,418	490,657
Cash and cash equivalents at the beginning of the year	7,138,024	6,647,367
Cash and cash equivalents at the end of the year	7,863,442	7,138,024

The notes on pages 17 to 40 form part of these financial statements

NOTE TO THE STATEMENT OF CASH FLOWS:

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

	2022 £	2021 £
Net income	704,463	394,737
Interest received	(617)	(3,528)
Interest paid	12,878	17,653
Depreciation of property, plant and equipment	388,156	359,361
Loss on disposal of fixed assets	9,619	101,215
Increase in trade and other receivables	62,438	(37,816)
Increase in trade and other payables	269,512	(8,718)
(Decrease) / increase in provisions	126,394	114,962
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,572,843	937,866

RIKKYO SCHOOL IN ENGLAND TRUST

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

B. ANALYSIS OF CHANGES IN NET FUNDS

	1 April 2021	Cashflow	Other non cash changes	At 31 March 2022
	£	£	£	£
Bank loan due within one year	(167,949)	167,949	-	-
Bank loan due in more than one year	(503,846)	503,846	-	-
Cash	7,138,024	725,418	-	7,863,442
	<u>6,466,229</u>	<u>1,397,213</u>	<u>-</u>	<u>7,863,442</u>

RIKKYO SCHOOL IN ENGLAND TRUST

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

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.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Rikkyo School in England Trust 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.

2.2 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.

RIKKYO SCHOOL IN ENGLAND TRUST

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

2. Accounting policies (continued)

2.3 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.

2.4 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 expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 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 2022

2. Accounting policies (continued)

2.7 Property, plant and equipment

Tangible fixed assets costing £250 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 cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

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	- 10 to 50 years straight line
Plant and machinery	- 4 to 15 years straight line
Motor vehicles	- 4 years straight line
Fixtures and fittings	- 10 years straight line

2.8 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.

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.

RIKKYO SCHOOL IN ENGLAND TRUST

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

2. Accounting policies (continued)

2.9 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.

2.10 Operating leases

Rentals paid 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.

RIKKYO SCHOOL IN ENGLAND TRUST

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

2. Accounting policies (continued)

2.11 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.

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 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.

3. 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 2.7.
- (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 23.

RIKKYO SCHOOL IN ENGLAND TRUST

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

4. Income from donations and legacies

	General fund 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations	178,929	178,929	111,037
	<u>178,929</u>	<u>178,929</u>	<u>111,037</u>
<i>Total 2021</i>	<u>111,037</u>	<u>111,037</u>	

5. Income from charitable activities

	General fund 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Education fees	5,131,316	5,131,316	4,317,807
Entrance fees	182,919	182,919	211,955
Facility fees	104,220	104,220	208,260
Examination fees	17,756	17,756	23,570
Private lessons	70,618	70,618	18,538
	<u>5,506,829</u>	<u>5,506,829</u>	<u>4,780,130</u>
Total 2022	<u>5,506,829</u>	<u>5,506,829</u>	<u>4,780,130</u>
<i>Total 2021</i>	<u>4,780,130</u>	<u>4,780,130</u>	

RIKKYO SCHOOL IN ENGLAND TRUST

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

6. Income from other trading activities

Income from non charitable trading activities

	General fund 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Government grant income	-	-	169,782
Other income	98,876	98,876	55,030
Total 2022	<u>98,876</u>	<u>98,876</u>	<u>224,812</u>
<i>Total 2021</i>	<u>224,812</u>	<u>224,812</u>	

RIKKYO SCHOOL IN ENGLAND TRUST

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

7. Investment income

	General fund 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Investment income - local cash	617	617	3,528
	<u>617</u>	<u>617</u>	
<i>Total 2021</i>	<u>3,528</u>	<u>3,528</u>	

8. Governance costs

	General fund 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Auditor remuneration (note 13)	15,000	15,000	14,400
Accounts preparation	8,274	8,274	8,100
Total 2022	<u>23,274</u>	<u>23,274</u>	<u>22,500</u>
<i>Total 2021</i>	<u>22,500</u>	<u>22,500</u>	

RIKKYO SCHOOL IN ENGLAND TRUST

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

9. Analysis of expenditure on charitable activities

Summary by fund type

	General fund 2022 £	Total 2022 £	<i>Total 2021 £</i>
Teaching (note 10)	2,213,630	2,213,630	2,091,485
Welfare (note 11)	1,074,568	1,074,568	649,218
Establishment (note 12)	724,770	724,770	645,696
Support Costs (note 13)	706,027	706,027	758,623
Finance (note 14)	19,660	19,660	38,022
Depreciation (note 18)	388,156	388,156	359,358
Total 2022	<u>5,126,811</u>	<u>5,126,811</u>	<u>4,542,402</u>
<i>Total 2021</i>	<u>4,542,402</u>	<u>4,542,402</u>	

RIKKYO SCHOOL IN ENGLAND TRUST

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

10. Teaching Expenses

	General fund 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Salaries and wages	1,847,697	1,847,697	1,803,072
Japanese pension	33,802	33,802	39,802
UK pensions	135,387	135,387	132,762
Teachers' passages	25,187	25,187	29,469
Agency teacher	3,486	3,486	-
Education expenses	161,177	161,177	75,913
Photocopying expenses	6,894	6,894	10,467
Total 2022	<u>2,213,630</u>	<u>2,213,630</u>	<u>2,091,485</u>
<i>Total 2021</i>	<u>2,091,485</u>	<u>2,091,485</u>	

11. Welfare Expenses

	General fund 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Salaries and wages - Household	489,688	489,688	399,632
Employer's pensions - Household	9,558	9,558	9,023
Catering services	466,536	466,536	182,228
Surgery	6,800	6,800	8,693
Miscellaneous	57,818	57,818	25,542
Laundry and cleaning	44,168	44,168	24,100
Total 2022	<u>1,074,568</u>	<u>1,074,568</u>	<u>649,218</u>
<i>Total 2021</i>	<u>649,218</u>	<u>649,218</u>	

RIKKYO SCHOOL IN ENGLAND TRUST

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

12. Establishment expenses

	General fund 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Rent, rates and insurance	312,670	312,670	333,976
Light and heat	177,283	177,283	133,420
Repairs and renewals	168,484	168,484	140,838
Upkeep of grounds and gardens	50,980	50,980	32,930
Sewage disposal	15,353	15,353	4,532
Total 2022	<u>724,770</u>	<u>724,770</u>	<u>645,696</u>
<i>Total 2021</i>	<u>645,696</u>	<u>645,696</u>	

RIKKYO SCHOOL IN ENGLAND TRUST

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

13. Support costs

	General fund 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Salaries and wages	83,563	83,563	79,030
Tokyo salaries	103,415	103,415	118,940
Employers pensions	2,292	2,292	1,997
Staff health insurance	15,523	15,523	18,379
Postage and stationery	49,306	49,306	11,670
Telephone	38,290	38,290	38,578
Motor and travel expenses	18,772	18,772	18,010
Advertising	102,987	102,987	112,687
Miscellaneous support expenses	36,259	36,259	33,491
Tokyo office expenses	123,979	123,979	72,987
Legal and professional	50,306	50,306	38,016
Auditors remuneration	-	-	-
Accounting services	56,717	56,717	97,920
Tax advisory	-	-	1,300
Statutory audit	15,000	15,000	14,400
Loss on disposal of assets	9,618	9,618	101,215
Total 2022	<u>706,027</u>	<u>706,027</u>	<u>758,620</u>
<i>Total 2021</i>	<u>758,620</u>	<u>758,620</u>	

RIKKYO SCHOOL IN ENGLAND TRUST

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

14. Finance costs

	General fund 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Bank charges	4,717	4,717	4,177
Loan interest	12,878	12,878	17,653
Exchange loss	2,062	2,062	16,192
Total 2022	<u>19,657</u>	<u>19,657</u>	<u>38,022</u>
<i>Total 2021</i>	<u>38,022</u>	<u>38,022</u>	

15. Net Income

This is stated after charging:

	2022 £	<i>2021 £</i>
Depreciation of tangible fixed assets:	-	-
- owned by the charity	388,159	353,779
Auditor's remuneration	15,000	14,400
Operating lease payment expense	<u>199,395</u>	<u>199,013</u>

RIKKYO SCHOOL IN ENGLAND TRUST

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

16. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Total funds 2022 £	Total funds 2021 £
Teaching	2,213,630	2,213,630	2,091,485
Welfare	1,074,568	1,074,568	649,218
Establishment	724,770	724,770	645,696
Support Costs	706,027	706,027	758,623
Finance	19,660	19,660	38,022
Depreciation	388,156	388,156	359,358
	<u>5,126,811</u>	<u>5,126,811</u>	<u>4,542,402</u>

17. Staff costs

	2022 £	2021 £
Wages and salaries	2,105,806	2,252,714
Social security costs	282,445	211,388
Pension costs	213,736	183,584
Other costs	19,009	47,848
	<u>2,620,996</u>	<u>2,695,534</u>

Two employees received ex gratia payments on retirement of £12,864 and £11,396 respectively.

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

	2022 No.	2021 No.
Teaching - Full time	26	26
Teaching - Part time	37	37
Domestic - Full time	4	4
Domestic - Part time	17	17
Administration - Full time	4	5
Administration - Part time	1	1
	<u>89</u>	<u>90</u>

RIKKYO SCHOOL IN ENGLAND TRUST

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

17. Staff costs (continued)

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	6	7
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	-	1

This year no employee was paid over £80,000. In the prior year there was one employee who was paid over £190,000 in the year as this included a gratuity payment of £133,743 made to them on retirement.

Dr Okano was appointed as a Trustee on 10 March 2019 and also Headmaster. During the year as trustee he received remuneration of £77,944.00 (2021: £80,332), pension of £8,576 (2021: £11,592) and benefits amounting to £1,820 (2021: £1,666). 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 £76,169 (2021: £74,780), pension of £8,109 (2021: £10,128) and benefits amounting to £1,392 (2021: £969). 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.

One UK trustee received reimbursed expenses, totalling £5,308.90 in the year for travelling, telephone and health check costs (2021: £2,362 paid to three trustees)

Key management personnel comprised the Headmaster and Deputy Head and the total remuneration paid was £154,113 (2021: 179,466).

Mr Munechika, a Trustee during the year, received remuneration of £17,942.55 (2021: £20,249) 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 £8,094 (2021: £28,560) was made to Mr Munechika in respect of travel expenses during the year.

Mr Hashiba received remuneration of £42,917.73 during the year and as a Japanese Trustee also received £8,094.38 in transportation expenses. Whilst Mr Sugiyama another Japanese Trustee received £17,537.83 in transportation expenses due to his executive advisory role.

RIKKYO SCHOOL IN ENGLAND TRUST

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

18. Property, Plant and Equipment

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2021	14,004,454	-	1,082,375	128,678	15,215,507
Additions	-	-	163,368	-	163,368
Disposals	-	-	(44,953)	-	(44,953)
Transfers between classes	(74,858)	74,858	-	-	-
At 31 March 2022	<u>13,929,596</u>	<u>74,858</u>	<u>1,200,790</u>	<u>128,678</u>	<u>15,333,922</u>
Depreciation					
At 1 April 2021	6,429,840	-	707,552	124,030	7,261,422
Charge for the year	274,497	1,497	110,239	1,923	388,156
On disposals	-	-	(35,335)	-	(35,335)
Transfers between classes	(31,814)	31,814	-	-	-
At 31 March 2022	<u>6,672,523</u>	<u>33,311</u>	<u>782,456</u>	<u>125,953</u>	<u>7,614,243</u>
Net book value					
At 31 March 2022	<u>7,257,073</u>	<u>41,547</u>	<u>418,334</u>	<u>2,725</u>	<u>7,719,679</u>
At 31 March 2021	<u>7,574,614</u>	<u>-</u>	<u>374,823</u>	<u>4,648</u>	<u>7,954,085</u>

Included in land and buildings is freehold land at a cost of £119,908 (2021: £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 2022**

19. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	6,855	-
Other debtors	15,679	8,354
Prepayments and accrued income	72,806	149,424
	<u>95,340</u>	<u>157,778</u>

20. Cash and Cash Equivalents

	2022 £	2021 £
School Current Account	-	531
School Business Reserve Account	1,013,178	1,364,824
Trustees Business Reserve Account	5,416,446	4,072,257
Expansion & Improvements Business Reserve Account	85,865	381,666
Retirement Business Reserve Account	1,219,820	1,181,702
Staff Loan Business Reserve Account	66,318	71,085
Tokyo Office Bank Account	26,596	8,216
Salary Bank Account	421	23,207
Academic Programme Account	34,798	34,536
	<u>7,863,442</u>	<u>7,138,024</u>

21. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	-	167,949
Trade creditors	121,854	82,931
Pension fund loan payable	10,655	10,600
Other creditors	26,866	-
Accruals and deferred income	4,757,785	4,456,954
	<u>4,917,160</u>	<u>4,718,434</u>

RIKKYO SCHOOL IN ENGLAND TRUST

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

22. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	-	503,846
	<u> </u>	<u> </u>

The bank loan was fully repaid by the year end.

23. Provisions

	Gratuity Provision £
At 1 April 2021	1,498,413
Additions	89,803
Amounts used	(14,549)
Discounted adjustments	144,309
	<u> </u>
	<u>1,717,976</u>

The above provision represents the present value of the expected future payments to leaving staff earned for services completed up to 31 March 2022. 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:

	2022	2021	2020
Discount rate	3.15%	1.01%	2.40%
Expected future salary increases pa	4.73%	3.77%	3.59%
Weighted average remaining service period	5 years	6 years	7 years

RIKKYO SCHOOL IN ENGLAND TRUST

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

24. Deferred Income

Deferred income relates to school fees received in advance

	2022 £	2021 £
As at 1 April	4,142,748	4,101,486
Amounts released to SOFA	(4,142,748)	(4,101,486)
Amounts deferred in the year as at 31 March	4,492,166	4,142,748
	<u>4,492,166</u>	<u>4,142,748</u>

RIKKYO SCHOOL IN ENGLAND TRUST

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

25. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds					
Designated funds					
Expansion and Improvement Fund	381,665	45	(295,845)	-	85,865
General funds					
General Funds - all funds	8,147,529	5,785,206	(4,830,966)	(144,309)	8,957,460
Total Unrestricted funds	<u>8,529,194</u>	<u>5,785,251</u>	<u>(5,126,811)</u>	<u>(144,309)</u>	<u>9,043,325</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.

RIKKYO SCHOOL IN ENGLAND TRUST

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

25. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
Designated funds						
Expansion and Improvement Fund	355,462	141	-	26,063	-	381,666
General funds						
General Funds - all funds	7,778,995	5,119,366	(4,542,402)	(26,063)	(182,368)	8,147,528
Total Unrestricted funds	8,134,457	5,119,507	(4,542,402)	-	(182,368)	8,529,194

RIKKYO SCHOOL IN ENGLAND TRUST

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

26. Analysis of net assets between funds

Analysis of net assets between funds - current year

	General fund 2022 £	Total funds 2022 £
Tangible fixed assets	7,719,679	7,719,679
Current assets	7,958,782	7,958,782
Creditors due within one year	(4,917,160)	(4,917,160)
Provisions for liabilities and charges	(1,717,976)	(1,717,976)
Total	9,043,325	9,043,325

Analysis of net assets between funds - prior year

	<i>General fund 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	7,954,085	7,954,085
Net current assets	7,295,802	7,295,802
Creditors due within one year	(4,718,434)	(4,718,434)
Creditors due in more than one year	(503,846)	(503,846)
Provisions	(1,498,413)	(1,498,413)
Total	8,529,194	8,529,194

RIKKYO SCHOOL IN ENGLAND TRUST

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

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	658,440	577,105
Adjustments for:		
Depreciation charges	388,156	359,361
Loss on the sale of fixed assets	9,619	101,215
Decrease/(increase) in debtors	62,438	(37,816)
Increase/(decrease) in creditors	269,512	(8,719)
Increase in provisions	126,394	114,962
Interest income	(617)	(3,528)
Interest paid	12,878	17,653
Non cash gains and losses	(53,430)	(182,368)
Net cash provided by operating activities	1,473,390	937,865

28. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	7,863,442	7,138,024
Total cash and cash equivalents	7,863,442	7,138,024

29. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	7,138,024	725,418	7,863,442
Debt due within 1 year	(178,549)	167,894	(10,655)
Debt due after 1 year	(503,846)	503,846	-
	6,455,629	1,397,158	7,852,787

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30. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £10,655 (2021 - £10,600) were payable to the fund at the balance sheet date and are included in creditors.

31. Operating lease commitments

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

	2022	2021
	£	£
Not later than 1 year	134,825	113,864
Later than 1 year and not later than 5 years	15,259	-
	<u>150,084</u>	<u>113,864</u>

32. Related party transactions

See note 17 for disclosure of trustees' remuneration and expenses, and key management personnel remuneration.