

RIKKYO SCHOOL IN ENGLAND TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 2023

Trustees

T. Aoki (resigned 23 April 2022)
H. Bunday
H Fukuda (appointed 1 August 2022)
F. Hashiba (resigned 17 February 2023)
K. Hirota (resigned 31 July 2022)
S. Iwanaga
S. Kato (appointed 10 April 2023)
K Kawate (appointed 1 June 2022)
N. Kobayashi
K. Kojima (resigned 31 March 2023)
S. Kuwata (appointed 1 April 2022)
T. Morita (resigned 9 April 2023)
D Mototani (appointed 19 April 2022)
R. Munechika
K. Nakada
I. Nakamura (resigned 31 March 2023)
R Nishihara
T. Okano
T. Okuno
M. Osawa
J Otake (appointed 20 April 2023)
H. Saito (resigned 30 June 2022)
T Sazaki (appointed 2 April 2022)
F. Serizawa
J. Sugiyama, Chair
H Takahashi (appointed 1 July 2022)
K. Toida (resigned 31 July 2022)
Y. Toyoda
H. Uehara (resigned 19 April 2023)

RIKKYO SCHOOL IN ENGLAND TRUST

Charity registered number	306987
Principal office	Rikkyo School in England Guilford Road, Rudgwick Horsham RH12 3BE
Independent auditors	Shaw Gibbs (Audit) Limited Wey Court West Union Road Farnham GU9 7PT
Bankers	National Westminster Bank 77 High Street Godalming Surrey GU7 1AR
Solicitors	Lewis Silkin LLP Arbor 255 Blackfriars Road SE1 9AX
Headmaster	Dr T Okano
Business Manager	J Yamaguchi
Bursar	John Buckles
Clerk to the Trustees	M Matsuo-Grover

The Rikkyo School in England (The School) was founded in 1972 by Yasushi Gata and operates under a Trust Deed dated 20th October 1971 which was last updated on 25th November 2019.

The School is registered with the Charity Commission, its charity number is 306987.

The Rikkyo School offers a boarding education on the West Sussex Surrey border at Rudgwick. It owns and occupies the house and gardens of the former Pallingshurst House on a freehold basis.

RIKKYO SCHOOL IN ENGLAND TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the Rikkyo School in England Trust for the year 1 April 2022 to 31 March 2023. and confirm they comply with the requirements of the Charities Act 2011, the trust deed and the Charities SORP (FRS 102).

Objectives and activities

a. Policies and objectives

The Objectives of the Rikkyo School are to advance education by the provision and maintenance of a school or schools in England and to support expand and develop the same financially and otherwise in accordance with the Christian principles and in harmony with the doctrines of the church of England and the Holy Catholic Church of Japan. The Trustees may provide places at the school or schools for children and others not adhering to such principles and doctrines if they shall so decide.

The Board's main objective is to continue to educate all the School's students to at least the same high standard reached in previous years.

This has been achieved by providing a range of educational opportunities suited to the interests, aptitudes and needs of all the children in the School's care. The curriculum and extra-curricular activities programme are kept under constant review to ensure that they are suitable vehicles to meet the strategic aim.

Further to this the School aims:

1. To maintain a low pupil to teacher ratio, to ensure continuing professional development for all staff and to make very significant improvements to the school's facilities and quality of its resources.
2. To continue to develop collaborative working arrangements with appropriate charities and other educational bodies to provide access to School facilities for those who are unable to attend the school itself as fee paying pupils.
3. To continue to interact with local residents, Schools and Universities to help spread mutual understanding of Japanese culture within these bodies and to likewise instill a deeper understanding of British culture into the students of the Rikkyo School

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

b. Strategies for achieving objectives

Rikkyo School's strategic aims are:

- To provide Students with an excellent education with a suitable range of curricular and extra-curricular opportunities
- To provide inspiring teaching which promotes both learning and achievement
- To encourage the Student's spiritual, moral, social and cultural development
- To provide effective pastoral support and guidance
- To Enable Students to become global citizens
- To impart a deep understanding of British culture in Rikkyo students with the aim of improving mutual relations between Japan and the UK in the future
- To enable Students to exit the School to Universities of their choice
- To maintain a constructive relationship with parents and carers

RIKKYO SCHOOL IN ENGLAND TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

c. Volunteers

The Rikkyo School Parents' Association contributed £17,400 to school funds in the past year through their fundraising activities which included organising the School's Open Day. The Trustees would like to take this opportunity to thank all those parents who gave so freely of their time in the past year. Their continued support is highly valued.

d. Principal Activity and Income Sources

The Rikkyo School's principal activity continued to be that of a co-educational boarding school for 10-18 year old students who are native Japanese speakers. The School's principal source of income is from school fees. It does however receive a small amount of grant funding from the Japanese Government. There were a number of small donations from parents and former students during the course of the year, however there was no active fundraising during the period covered by these accounts.

e. Ethos

Mr. Yasushi Gata, the School's Founder, believed the role of the school was as a bridge between Japan and the United Kingdom, and hoped to educate students who can serve the world at large and to cultivate human beings who can care for others based on Christianity, and community living.

The School was the first private overseas school to be certified by the Japanese Ministry of Education, Culture, Sports, Science and Technology as being the equivalent of a Japanese domestic school. Students follow the Japanese National Curriculum and Students who graduate and go on to higher education have the same qualifications as schools in Japan. It is also accredited as a private school by the Ministry of Education and Science in the United Kingdom.

Being a Japanese International School based in the beautiful West Sussex countryside The Rikkyo School has a distinctive character which blends Japanese and British Culture. The Rikkyo provides a happy and nurturing environment where Students can enjoy their education in a full boarding environment, develop friendships, fulfil their academic potential and grow as global citizens and ambassadors for the Japanese way of life.

Achievements and performance

a. Main achievements of the Charity

Financial Performance

The School generated an operating surplus (after depreciation) of £1,187,956 (2022: £658,440) for the year to 31 March 2023. The majority of the surplus was reinvested as part of the on-going programme to improve and extend the School's facilities.

Demand for places at the Rikkyo has remained high and with a year-end total of 196 pupils attending was close to capacity.

The School owns the freehold of the estate it operates from and currently has no loans or overdrafts.

Operational Performance of the School

Students leaving the School in March 2023 completed the Japanese University Entry Test and 100% gained entry to the University of their choice, 75% went to universities in Japan, 23% in the UK and 2% in the USA

The School was inspected by OFSTED in October 2022. It was found that the Quality of Education was Good

RIKKYO SCHOOL IN ENGLAND TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

as was the behaviour and attitudes of students. Personal development was to be found requiring improvement as was Leadership and Management. As a result of this the School decided to appoint an experienced UK trained Bursar to lead the governance reform of the School. The School has now satisfied the inspectorate with regards to Personal Development. There has been a thorough review of governance and a new committee structure has been implemented. This has greatly improved Board understanding and its ability to act as a critical friend. The School awaits a further monitoring inspection to demonstrate that it meets the ISSRs for Governance and Leadership. The school was re-inspected after the year end and was found to be compliant with all the Independent School Regulations and the National Minimum Standards for Boarding.

The Board would like to express their deep gratitude to the school community, especially the high quality of teaching staff.

Fundraising Performance

The charity has not made any fundraising appeals during the year. There has been no outsourced fund raising via professional fundraisers or other third parties. As a result, the charity is not registered with the fundraising regulator and did not receive any fundraising complaints in the year.

Supporting the local community and national charities

The Rikkyo School is committed to developing the role it plays in the community and is of the belief that the personal development of the students is enhanced by their involvement with local communities.

Students from the School have interacted directly with the local community by inviting them to Japanese cultural events and open-days where they can help further UK understanding of Japanese culture by cultural demonstrations such as the Tea Ceremony, Kendo, Japanese food demonstrations, talks and musical offerings. Students from the School attended the local church regularly and visited residents at local nursing homes.

The Rikkyo also enjoyed close relationships with local schools and has a programme of student exchange which helps to deepen the understanding between Japanese and English students. In addition to this the School hosted orientation weekends for the UK students attending UK-Japan Young Scientists Workshop at Tohoku and co-hosted, on site, the UCL-Japan young scientists challenge.

The School played numerous matches against other schools, both independent and state, and hosted para-basketball events. School facilities were let, free of charge, to local elite athletes and a local athletic club use the 400m athletics track to train.

Students raised money for various good causes during the year, these included, among others, the Childrens' Hospice, Air Ambulance, Ukraine and the Poppy Appeal.

Staff members were allowed time away from School to act as Trustees at other educational establishments.

The Rikkyo School in England had a significant impact on the local economy. As measured by the Independent Schools' Council Economic Impact Tool the School:

- Supported 215 jobs both within the School and in the School's supply chain
- Generated £2.8 million of tax payments to the Exchequer
- Contributed £6.4 million to the GDP of the local government this included the School's own direct GDP, supply chain GDP and GDP supported by staff spending

RIKKYO SCHOOL IN ENGLAND TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Financial review

a. Going concern

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

b. Reserves policy

At the year-end The Rikkyo had total funds of £10,276,358 of which £10,400 were held in restricted funds. In common with other independent schools over the years the School has invested its surpluses in maintaining the fabric of its buildings and equipment used to run the School. The School has retained surplus cash it has generated over the past few years. These funds will be used to help fund the construction of a new boarding house.

The Trustees manage and monitor the reserves of the School on a termly basis and review in particular the availability of cash via management accounts and regular cash flow forecasts prepared by the Bursar. Following SORP FRS102 the Trustees have set a policy of accumulating a cash reserve to ensure that there are sufficient liquid funds available to meet any shortfall arising from short term fluctuations in its income and expenditure operating models and to give sufficient time to take the necessary corrective action. The Trustees will continually monitor the cash requirement of the School and work towards increasing the cash holding to the desired level and, in parallel, ensure that borrowings are kept to a minimum.

The remainder of the funds held by the School are represented by the investment the School has made in the fabric of the buildings and other School assets.

c. Material investments policy

The Board continues to keep under review the investments risks and rewards in the financial markets. Funds not required immediately for the running of the School are invested in a suitable financial vehicle.

The Charity's powers of investment are governed by the Trustee Act 2000.

d. Principal risks and uncertainties

The principal risks and uncertainties currently facing the School are considered to be the possible impact on pupil numbers as a result of losing the ability to sponsor students due to failure to meet the requirements of the Independent Schools Standards Regulations (ISSR) and the National Minimum Standards for Boarding (NMS); price competition or heavy investment in facilities from rival schools; increasing competition for high-quality teaching and support staff and its effect on succession-planning; reputational damage in the unlikely event of a high profile legal action alleging lack of due care over our pupils as vulnerable beneficiaries; changes to the taxation structure in the UK; increases in the value of the GBP over the Yen making fees more unaffordable in Japan; Our plans and strategies for managing risk include: investment in facilities; investment in pastoral care; proactive and effective management of staff; continuing the school's aim of being one of the leading Japanese International Schools; maintaining effective internal controls; risk registers; incident reporting; monitoring systems and insurance cover wherever appropriate.

e. Principal funding

The Rikkyo's School in England's principal activity continued to be that of a co-educational boarding School for Japanese students aged between 10 and 18. At the end of the academic year the School had 195 students. The School's principal source of income is from school fees. In line with Japanese Government policy, it does receive some grant funding in respect of Students in the primary age range of the Japanese educational system in the year ended 31st March 2023 this totalled £108,932.

RIKKYO SCHOOL IN ENGLAND TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

To preserve continuity of education means tested awards may be granted in cases of hardship.

f. Employment Policy

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the School. Communication with employees continues through normal management channels in a variety of forms and through exceptional channels to apprise staff of current issues as and when required.

Structure, governance and management

a. Constitution

Rikkyo School in England Trust is a registered charity, number 306987, and is constituted under a Trust deed.

The Trust is governed by a Declaration of Trust dated 20th October 1971 and updated in on the 25th November 2019 to reflect legislative changes.

b. Methods of appointment or election of Trustees

The Governing body is composed of ex officio and appointed Trustees.

The following are ex-officio trustees:

- the Chair of Rikkyo Gakuin;
- the Chancellor of Rikkyo Gakuin;
- the President of Rikkyo University
- the Chair of Rikkyo Jyogakuin
- the Chancellor of Rikkyo Jyogakuin
- the Chair of the supporter's association of the School
- the Primate of the Anglican Episcopal Church in Japan or, if the Primate chooses, a bishop that he or she recommends
- the Headmaster
- the Deputy Headmaster

Other Trustees are appointed by Trustees having regard to the skills, knowledge and experience needed for the effective administration of the Charity.

Trustees are appointed for a term of four years and can be subsequently re-elected.

The Trustees of the School received no remuneration for their services during the past year.

c. Organisational structure and decision-making policies

The Trustees meet as a Board on a termly basis to determine the general policy of the Company and to review its overall management and control, for which they are legally responsible.

In addition to the Full Board there are several other committees that meet termly, they are:

- **SQ Committee** - chaired by the President (Finance and General Purposes) meets monthly to monitor, evaluate, advise and make recommendations to the Full Board on all matters relating to the finances of the School.

RIKKYO SCHOOL IN ENGLAND TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

- **Curriculum Committee** - receives reports from the School regarding the curriculum, makes recommendations to the Full Board on all matters relating to the learning experiences and progress of the students at the Rikkyo. The responsible Trustee is Mr H Uehara.
- **Health and Safety and Safeguarding Committee** - monitors, evaluates, advises and makes recommendations to the Full Board on all matters relating to the protection, safety and well-being of the Students and Staff at the Rikkyo School. The responsible Trustee is Mrs H Bunday.
- **STT (Special Task Team) Committee** - monitors, evaluates, advises and makes recommendations to the Full Board on all matters relating to the Action Plan. The School was required to put the STT in place following its OFSTED inspection in October 2022. The responsible Trustee is the President. It is intended that this Committee will become the School's Development Committee once the current round of Inspections are complete.
- **Compliance Committee** - monitors, evaluates, advises and makes recommendations to the Full Board on all matters relating to compliance. Compliance requirements include the ISSR, NMS for Boarding, Charity Law, Employment Law, GDPR and any other legislation that affects Schools. The responsible trustee is Mr K. Nakada.
- **Monitoring Committee** - monitors, evaluates, advises and makes recommendations to the Full Board on all matters arising from the termly consultations with staff and students. The responsible trustee is Mr M Munechika.

The President of the Trust visits the School for several days every term. The purpose of these visits is to develop a deeper understanding of the challenges and successes of the School and to receive verbal reports from staff. Full Board meetings are held during these visits.

All operating policies are routinely examined and amended where appropriate.

The day to day running of the School is delegated to the Headmaster, supported by the Bursar and other members of the Senior Management Team.

d. Policies adopted for the induction and training of Trustees

In addition to ongoing training, new Trustees are inducted into the working of the school during preliminary meetings with fellow Trustees, the President, the Headmaster and the Bursar. They are asked to join the relevant committees of which appropriate school staff are also members.

Members of the Governing Body attend both internal and external online trustee training and information courses designed to keep them informed and updated on current issues in the sector and regulatory requirements.

e. Pay policy for key management personnel

Remuneration is set by the Board, with the policy objective of ensuring appropriate incentives to encourage enhanced performance and in a fair and responsible manner, rewarding for individual contributions to the Company's success. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with other independent schools to ensure that the Rikkyo remains sensitive to the broader issues of pay and employment conditions elsewhere.

Delivery of the School's charitable vision and purpose is primarily dependent on our key management

RIKKYO SCHOOL IN ENGLAND TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

personnel. Staff costs are the largest single element of our charitable expenditure.

f. Financial risk management

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

g. Group structure and relationships

The Rikkyo School is an educational trust and registered charity.

The Rikkyo is an active member the Independent School's Bursars' Association (ISBA) and the Boarding Schools Association (BSA). These organisations exist to promote and maintain high standards generally in independent education. Post year end the School also became a member of the Independent Schools Association (ISA), and the Independent Schools Council.

The School actively promotes links with local charities and state schools to help the students at the Rikkyo to understand the social context of their education and to develop greater understanding and mutual understanding between UK and Japanese nationals.

The School benefits from the generosity of a thriving Parents' Association whose close support we greatly appreciate and gladly acknowledge.

Plans for future periods

The School will continue to strive to constantly improve the standard of education it offers and to improve its links with the Community. Currently the School is planning to improve its boarding and educational facilities during the forthcoming academic year. It is also investing heavily in upgrading its IT facilities. A five year development plan, covering all aspects of the School is being written that will help to ensure the School retains its high standing as one of the leading Japanese International Schools.

RIKKYO SCHOOL IN ENGLAND TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that 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 Charity (Accounts and Reports) 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.

Disclosure of information to auditors

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

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

Auditors

The auditors, Shaw Gibbs (Audit) Limited, have indicated their willingness to be appointed to office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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: 19 January 2024

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 2023 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 2023 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 trust and the industry in which it operates, and considered the risk of acts by the charitable trust 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.

Shaw Gibbs (Audit) Limited

Wey Court West
Union Road
Farnham
GU9 7PT

29 January 2024

Shaw Gibbs (Audit) Limited 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 2023**

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>As restated Total funds 2022 £</i>
	Note				
Income from:					
Donations and legacies	4	172,052	10,400	182,452	178,929
Charitable activities	5	6,106,655	-	6,106,655	5,506,829
Other trading activities	6	122,430	-	122,430	98,876
Investments	7	58,739	-	58,739	617
Total income		6,459,876	10,400	6,470,276	5,785,251
Expenditure on:					
Charitable activities	9	5,282,320	-	5,282,320	5,126,811
Total expenditure		5,282,320	-	5,282,320	5,126,811
Net movement in funds before other recognised gains/(losses)		1,177,556	10,400	1,187,956	658,440
Other recognised gains/(losses):					
Other losses		(78,871)	-	(78,871)	(144,309)
Net movement in funds		1,098,685	10,400	1,109,085	514,131
Reconciliation of funds:					
Total funds brought forward as previously stated		9,043,325	-	9,043,325	8,529,194
Prior year adjustment		123,948	-	123,948	123,948
Total funds brought forward as restated		9,167,273	-	9,167,273	8,653,142
Net movement in funds		1,098,685	10,400	1,109,085	514,131
Total funds carried forward		10,265,958	10,400	10,276,358	9,167,273

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

The notes on pages 18 to 41 form part of these financial statements.

RIKKYO SCHOOL IN ENGLAND TRUST

**BALANCE SHEET
AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	17	7,915,244	7,719,679
		<u>7,915,244</u>	<u>7,719,679</u>
Current assets			
Debtors	18	357,787	95,340
Cash at bank and in hand		8,612,625	8,009,390
		<u>8,970,412</u>	<u>8,104,730</u>
Creditors: amounts falling due within one year	19	(4,588,924)	(4,939,160)
Net current assets		<u>4,381,488</u>	<u>3,165,570</u>
Total assets less current liabilities		<u>12,296,732</u>	<u>10,885,249</u>
Creditors: amounts falling due after more than one year	20	(168,855)	-
Provisions for liabilities		(1,851,519)	(1,717,976)
Net assets excluding pension asset		<u>10,276,358</u>	<u>9,167,273</u>
Total net assets		<u><u>10,276,358</u></u>	<u><u>9,167,273</u></u>
Charity funds			
Restricted funds	24	10,400	-
Unrestricted funds			
Designated funds	24	931,708	85,866
General funds	24	9,334,250	9,081,407
		<u>10,265,958</u>	<u>9,167,273</u>
Total funds		<u><u>10,276,358</u></u>	<u><u>9,167,273</u></u>

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

J. Sugiyama
(Chair of Trustees)
Date: 19 January 2024

The notes on pages 18 to 41 form part of these financial statements.

RIKKYO SCHOOL IN ENGLAND TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	426,715	1,572,843
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	502,579	-
Purchase of tangible fixed assets	(596,444)	(163,369)
Interest received	58,264	617
Net cash used in investing activities	(35,601)	(162,752)
Cash flows from financing activities		
Repayments of borrowing	-	(671,795)
New finance leases	212,121	-
Interest paid	-	(12,878)
Net cash provided by/(used in) financing activities	212,121	(684,673)
Change in cash and cash equivalents in the year	603,235	725,418
Cash and cash equivalents at the beginning of the year	8,009,390	7,283,972
Cash and cash equivalents at the end of the year	8,612,625	8,009,390

The notes on pages 18 to 41 form part of these financial statements

RIKKYO SCHOOL IN ENGLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 financial and operational risks. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

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.

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
Long-term leasehold property	- 20 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
Other fixed assets	-

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charity. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.11 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.

2.12 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.

2.13 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.

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

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

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 2023**

4. Income from donations and legacies

	General fund 2023 £	Restricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations	172,052	10,400	182,452	178,929
	<hr/>	<hr/>	<hr/>	
<i>Total 2022</i>	<i>178,929</i>	<i>-</i>	<i>178,929</i>	
	<hr/>	<hr/>	<hr/>	

5. Income from charitable activities

	General fund 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Education fees	5,537,270	5,537,270	5,131,316
Entrance fees	213,893	213,893	182,919
Facility fees	100,800	100,800	104,220
Examination fees	14,482	14,482	17,756
Private lessons	240,210	240,210	70,618
	<hr/>	<hr/>	<hr/>
Total 2023	6,106,655	6,106,655	5,506,829
	<hr/>	<hr/>	
<i>Total 2022</i>	<i>5,506,829</i>	<i>5,506,829</i>	
	<hr/>	<hr/>	

RIKKYO SCHOOL IN ENGLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Income from other trading activities

Income from non charitable trading activities

	General fund 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Other income	122,430	122,430	98,876
	<hr/>	<hr/>	<hr/>
<i>Total 2022</i>	98,876	98,876	
	<hr/>	<hr/>	

RIKKYO SCHOOL IN ENGLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Investment income

	General fund 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Investment income - bank interest	58,739	58,739	617
	<hr/>	<hr/>	<hr/>
<i>Total 2022</i>	<hr/> 617 <hr/>	<hr/> 617 <hr/>	

8. Governance costs

	General fund 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Auditor remuneration (note 13)	16,500	16,500	15,000
Trustees expenses	4,775	4,775	8,274
Total 2023	<hr/> 21,275 <hr/>	<hr/> 21,275 <hr/>	<hr/> 23,274 <hr/>
<i>Total 2022</i>	<hr/> 23,274 <hr/>	<hr/> 23,274 <hr/>	

RIKKYO SCHOOL IN ENGLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Analysis of expenditure on charitable activities

Summary by fund type

	General fund 2023 £	Total 2023 £	<i>Total 2022 £</i>
Teaching	2,507,474	2,507,474	2,213,630
Welfare	1,230,236	1,230,236	1,074,568
Establishment	679,426	679,426	724,770
Support Costs	416,560	416,560	691,027
Finance	20,841	20,841	19,660
Depreciation	406,508	406,508	388,156
Governance	21,275	21,275	15,000
	<hr/> 5,282,320 <hr/>	<hr/> 5,282,320 <hr/>	<hr/> 5,126,811 <hr/>

10. Teaching Expenses

	General fund 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Salaries and wages	2,005,244	2,005,244	1,847,697
Japanese pension	59,974	59,974	33,802
UK pensions	221,274	221,274	135,387
Teachers' passages	28,773	28,773	25,187
Agency teacher	-	-	3,486
Education expenses	178,499	178,499	161,177
Photocopying expenses	13,710	13,710	6,894
Total 2023	<hr/> 2,507,474 <hr/>	<hr/> 2,507,474 <hr/>	<hr/> 2,213,630 <hr/>
<i>Total 2022</i>	<hr/> 2,213,630 <hr/>	<hr/> 2,213,630 <hr/>	

RIKKYO SCHOOL IN ENGLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Welfare Expenses

	General fund 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Salaries and wages - Household	531,134	531,134	489,688
Employer's pensions - Household	11,363	11,363	9,558
Catering services	535,998	535,998	466,536
Surgery	14,749	14,749	6,800
Miscellaneous	79,035	79,035	57,818
Laundry and cleaning	57,957	57,957	44,168
Total 2023	<hr/> 1,230,236	<hr/> 1,230,236	<hr/> 1,074,568
<i>Total 2022</i>	<hr/> <hr/> 1,074,568	<hr/> <hr/> 1,074,568	

RIKKYO SCHOOL IN ENGLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Establishment expenses

	General fund 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Rent, rates and insurance	347,521	347,521	312,670
Light and heat	198,991	198,991	177,283
Repairs and renewals	73,421	73,421	168,484
Upkeep of grounds and gardens	43,440	43,440	50,980
Sewage disposal	16,053	16,053	15,353
Total 2023	<hr/> 679,426	<hr/> 679,426	<hr/> 724,770
<i>Total 2022</i>	<hr/> <hr/> 724,770	<hr/> <hr/> 724,770	

RIKKYO SCHOOL IN ENGLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Support costs

	General fund 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Salaries and wages	184,168	184,168	83,563
Tokyo salaries	127,928	127,928	103,415
Employers pensions	2,745	2,745	2,292
Staff health insurance	17,462	17,462	15,523
Postage and stationery	11,330	11,330	49,306
Telephone	39,913	39,913	38,290
Motor and travel expenses	37,151	37,151	18,772
Miscellaneous support expenses	100,145	100,145	36,259
Tokyo office expenses	262,673	262,673	226,966
Legal and professional	94,422	94,422	50,306
Audit and Accountancy services	35,586	35,586	56,717
(Gain)/loss on disposal of assets	(496,963)	(496,963)	9,618
Total 2023	<hr/> 416,560	<hr/> 416,560	<hr/> 691,027
<i>Total 2022</i>	<hr/> <hr/> 691,027	<hr/> <hr/> 691,027	

RIKKYO SCHOOL IN ENGLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Finance costs

	General fund 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Bank charges	7,877	7,877	4,717
Loan interest	-	-	12,878
Exchange loss	12,536	12,536	2,062
Hire purchase interest	428	428	-
Total 2023	<u>20,841</u>	<u>20,841</u>	<u>19,657</u>
<i>Total 2022</i>	<u>19,657</u>	<u>19,657</u>	

15. Net Income

This is stated after charging:

	2023 £	<i>2022 £</i>
Depreciation of tangible fixed assets:	-	-
- owned by the charity	406,508	388,159
Auditor's remuneration	16,500	15,000
Operating lease payment expense	<u>215,080</u>	<u>199,395</u>

16. Staff costs

	2023 £	<i>2022 £</i>
Wages and salaries	2,426,465	2,105,806
Social security costs	257,246	282,445
Pensions	332,191	213,736
Other employee benefits	17,462	19,009
	<u>3,033,364</u>	<u>2,620,996</u>

RIKKYO SCHOOL IN ENGLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Staff costs (continued)

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

	2023 No.	2022 No.
Teaching	60	63
Domestic	27	21
Administration	5	5
	92	89

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	5	6
In the band £70,001 - £80,000	2	2

This year no employee was paid over £80,000 (2022: None)

Dr Okano was appointed as a Trustee on 10 March 2019 and also Headmaster. During the year as trustee he received remuneration of £76,615 (2022: £77,944), pension of £7,706 (2022: £8,576) and benefits amounting to £3,309 (2022: £1,820). 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 £72,739 (2022: £76,169), pension of £7,501 (2022: £8,109) and benefits amounting to £1,553 (2022: £1,392). 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 £2,240 in the year for travelling, telephone and health check costs (2022: £5,309 paid to one trustee)

Key management personnel comprised the Headmaster and Deputy Head and the total remuneration paid was £149,354 (2022: £154,113).

Mr Munechika, a Trustee during the year, received remuneration of £31,599 (2022: £17,943) 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 £Nil (2022: £8,094) was made to Mr Munechika in respect of travel expenses during the year.

Mr Hashiba received remuneration of £47,253 (2022: £42,918) during the year and as a Japanese Trustee also received £Nil (2022: £8,094) in transportation expenses. Whilst Mr Sugiyama another Japanese Trustee received £Nil (2022: £17,538) 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 2023

17. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation						
At 1 April 2022	13,929,596	74,858	1,200,790	128,678	-	15,333,922
Additions	278,796	-	312,648	5,000	38,385	634,829
Disposals	(81,790)	-	(54,107)	-	-	(135,897)
At 31 March 2023	14,126,602	74,858	1,459,331	133,678	38,385	15,832,854
Depreciation						
At 1 April 2022	6,672,523	33,311	782,456	125,953	-	7,614,243
Charge for the year	288,296	1,497	113,542	3,173	-	406,508
On disposals	(49,034)	-	(54,107)	-	-	(103,141)
At 31 March 2023	6,911,785	34,808	841,891	129,126	-	7,917,610
Net book value						
At 31 March 2023	7,214,817	40,050	617,440	4,552	38,385	7,915,244
At 31 March 2022	7,257,073	41,547	418,334	2,725	-	7,719,679

RIKKYO SCHOOL IN ENGLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	12,589	6,855
Other debtors	26,570	15,679
Prepayments and accrued income	318,628	72,806
	357,787	95,340

19. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	164,664	121,854
Obligations under finance lease and hire purchase contracts	43,266	-
Pension fund loan payable	11,877	10,655
Other creditors	6,392	48,866
Accruals and deferred income	4,362,725	4,757,785
	4,588,924	4,939,160

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

	2023	2022
	£	£
Net obligations under finance lease and hire purchase contracts	168,855	-

RIKKYO SCHOOL IN ENGLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

21. Provisions

	Gratuity Provision £
At 1 April 2022	1,717,976
Additions	76,755
Amounts used	(22,083)
Discounted adjustments	78,871
	<hr/> 1,851,519 <hr/>

The above provision represents the present value of the expected future payments to leaving staff earned for services completed up to 31 March 2023. 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:

	2023	2022	2021	2020
Discount rate	4.68%	3.15%	1.01%	2.40%
Expected future salary increases pa	6.38%	4.73%	3.77%	3.59%
Weighted average remaining service period	11 years	5 years	6 years	7 years

RIKKYO SCHOOL IN ENGLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

22. Deferred Income

Deferred income relates to school and exam fees received in advance.

	2023 £	2022 £
As at 1 April	4,492,166	4,142,748
Amounts released to SOFA	(4,492,166)	(4,142,748)
Amounts deferred in the year as at 31 March	4,158,728	4,492,166
	<u>4,158,728</u>	<u>4,492,166</u>

23. Prior year adjustments

A prior year adjustment has been included in the financial statements to reflect bank accounts which were under the control of the school but had not previously been included in the financial statements.

The adjustment at 31 March 2022 increased cash at bank by £145,948, increased other creditors by £22,000 and increased unrestricted reserves by £123,948.

RIKKYO SCHOOL IN ENGLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

24. Statement of funds

Statement of funds - current year

	As restated Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Unrestricted funds						
Designated funds						
Expansion and Improvement Fund	85,866	33	-	-	-	85,899
Property Development Fund	-	-	-	845,809	-	845,809
	<u>85,866</u>	<u>33</u>	<u>-</u>	<u>845,809</u>	<u>-</u>	<u>931,708</u>
General funds						
General Funds - all funds	<u>9,081,407</u>	<u>6,459,843</u>	<u>(5,282,320)</u>	<u>(845,809)</u>	<u>(78,871)</u>	<u>9,334,250</u>
Total Unrestricted funds	<u>9,167,273</u>	<u>6,459,876</u>	<u>(5,282,320)</u>	<u>-</u>	<u>(78,871)</u>	<u>10,265,958</u>

RIKKYO SCHOOL IN ENGLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

24. Statement of funds (continued)

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.

The property development fund has been designated to ring fence funds for the planned development work on the school site. These funds are held in a separate bank account.

The restricted donation relates to monies received from the Parents Association, it is restricted in that it may only be used at the Association's direction.

Restricted funds

Donation	-	10,400	-	-	-	10,400
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	9,167,273	6,470,276	(5,282,320)	-	(78,871)	10,276,358
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

RIKKYO SCHOOL IN ENGLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

24. Statement of funds (continued)

Statement of funds - prior year

	<i>As restated Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>As restated Balance at 31 March 2022 £</i>
Unrestricted funds					
Designated funds					
Expansion and Improvement Fund	381,665	45	(295,845)	-	85,865
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
General funds					
General Funds - all funds	8,271,477	5,785,206	(4,830,966)	(144,309)	9,081,408
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted funds	<u>8,653,142</u>	<u>5,785,251</u>	<u>(5,126,811)</u>	<u>(144,309)</u>	<u>9,167,273</u>

RIKKYO SCHOOL IN ENGLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

25. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	7,915,244	-	7,915,244
Current assets	8,960,012	10,400	8,970,412
Creditors due within one year	(4,588,924)	-	(4,588,924)
Creditors due in more than one year	(168,855)	-	(168,855)
Provisions for liabilities and charges	(1,851,519)	-	(1,851,519)
Total	<u>10,265,958</u>	<u>10,400</u>	<u>10,276,358</u>

Analysis of net assets between funds - prior year

	<i>As restated Unrestricted funds 2022 £</i>	<i>As restated Total funds 2022 £</i>
Tangible fixed assets	7,719,679	7,719,679
Current assets	8,104,730	8,104,730
Creditors due within one year	(4,939,160)	(4,939,160)
Provisions for liabilities and charges	(1,717,976)	(1,717,976)
Total As restated	<u>9,167,273</u>	<u>9,167,273</u>

RIKKYO SCHOOL IN ENGLAND TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	1,187,956	658,440
Adjustments for:		
Depreciation charges	395,263	388,156
Interest paid	-	12,878
Dividends, interests and rents from investments	(58,264)	(617)
(Profit)/ loss on the sale of fixed assets	(496,963)	9,618
Decrease/(increase) in debtors	(284,447)	62,438
Increase/(decrease) in creditors	(371,502)	198,726
Provisions	133,543	219,563
Actuarial gains and losses	(78,871)	(144,309)
Net cash provided by operating activities	426,715	1,404,893

27. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	8,612,625	8,009,390
Total cash and cash equivalents	8,612,625	8,009,390

28. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	New finance leases £	At 31 March 2023 £
Cash at bank and in hand	8,009,390	603,235	-	8,612,625
Debt due within 1 year	(10,655)	(1,222)	-	(11,877)
Finance leases	-	-	(212,121)	(212,121)
	7,998,735	602,013	(212,121)	8,388,627

RIKKYO SCHOOL IN ENGLAND TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

29. 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 £11,877 (2022 - £10,655) were payable to the fund at the balance sheet date and are included in creditors.

30. Operating lease commitments

At 31 March 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	199,999	134,825
Later than 1 year and not later than 5 years	7,700	15,259
	<u>207,699</u>	<u>150,084</u>

31. Related party transactions

See note 16 for disclosure of trustees' remuneration and expenses, and key management personnel remuneration.