

Charity Registration No. 1001232

Company Registration No. 02540502 (England and Wales)

TEIKYO FOUNDATION (UK)

(a Company limited by guarantee and not having share capital)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

TEIKYO FOUNDATION (UK)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Y Okinaga Dr H Okinaga Mr Y Yoshida Mr A Isihara	(Appointed 1 April 2022)
Secretary	Mr Y Kono	
Charity number	1001232	
Company number	02540502	
Registered office	Framework Road Wexham Buckinghamshire United Kingdom SL2 4QS	
Auditor	Azets Audit Services Suites B & D Burnham Yard Beaconsfield Bucks HP9 2JH	
Bankers	National Westminster Bank Plc 250 Bishopsgate London EC2M 4AA	
Investment advisers	The Pictet Group Banque Pictet & Cie SA Route des Acacias 60 1211 Geneva 73 Switzerland	
Key Executives		
Headteacher	Ms F Nelson	
Chief Executive Officer	Mr Y Kono	

TEIKYO FOUNDATION (UK)

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TEIKYO FOUNDATION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also directors of the charitable company for the purposes of the Companies Act 2006, present their annual report with the consolidated financial statements for the year ended 31 March 2022.

The consolidated financial statements have been prepared in accordance with the accounting policies set out in the notes to the consolidated financial statements and comply with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Teikyo Foundation (UK) is a charitable company that was incorporated on the 18 September 1990 with the liability of its members limited by guarantee. The registered office and principal address of the charitable company is at Teikyo Foundation (UK), Framewood Road, Wexham, Buckinghamshire, SL2 4QS.

Objectives and activities

The charitable company's objectives are to advance the education and training of school children and students, members of Teikyo University, Tokyo, Japan, its schools, and other educational institutions administered by it, and to advance the education and training of other persons, in the United Kingdom and elsewhere.

In setting the charitable company's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

To fulfil the objects the charitable company comprises of 4 divisions, as follows: -

(a) Teikyo School United Kingdom

Teikyo School United Kingdom (Teikyo School UK) is an independent school located in Wexham, Buckinghamshire for Japanese boys and girls aged from 15 to 18. It provides boarding and day facilities. Teikyo School UK is responsible to the Japanese Department of Education (Monbukagakusho) and provides education in accordance within the Monbukagakusho's remit. Students are recruited from throughout the world and fees are generally less than those charged by similar independent schools in the United Kingdom because they are subsidised by Teikyo Foundation (UK).

Teikyo School UK is also registered with the Department for Education (reference number 825 / 6013) in the United Kingdom, and is a member of the Independent Schools Association, The Independent Schools Council, The Boarding Schools Association and the Independent Schools Bursars' Association.

(b) Teikyo University of Japan at Cambridge

Teikyo University of Japan at Cambridge provides for up to 9 Okinaga Scholars – postgraduate Japanese scholars personally selected from an open competition – to study for PhD degrees at the University of Cambridge. The students are members of St Edmund's College with whom Teikyo University has a 90-year agreement with.

(c) Teikyo Study Abroad Programmes

Teikyo Foundation (UK) offers a year-round Educational Study Abroad Programmes to Teikyo's Universities, Colleges and Schools from Japan and students from all parts of the world. Some 300 students each year enjoy Teikyo's facilities at Wexham, Oxford and Durham, although there was no programme during this reporting period due to COVID-19.

(d) Teikyo Foundation (UK)

Teikyo Foundation (UK)'s considerable funds provide financial support to all its divisions when required. The above autonomous divisions are susceptible to changing student rolls due to changes in Japan's economy, changing birth rates, pandemics, and the volatile political world. To counter any substantial financial loss, Teikyo Foundation (UK) has extensively diversified its educational activities within its objectives.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake.

TEIKYO FOUNDATION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Principal activity

Teikyo Foundation (UK)'s principal activity continues to be the operation of the Teikyo School UK and the provision of the various study programmes described above.

As mentioned, Teikyo Foundation (UK)'s Teikyo School UK is registered with the Department for Education (reference number 825 / 6013) for the promotion and maintenance of educational standards and meeting of statutory requirements.

In addition, the Teikyo School UK has a licence agreement to use facilities at the Teikyo Campus with The International School of Creative Arts, and hire agreements with Ardmore Language School and other leisure and sports providers in the local community and further afield. The charitable company co-operates and works with these organisations in order to further local community access to the educational facilities on site and to optimise the use of its cultural and sporting facilities.

Objectives for the year

The main objective of the charitable company was to continue to pursue the education of students whether they be at the Teikyo School UK or part of the Study Abroad Programmes, in order to help them develop and fulfil their potential to the highest level and to contribute to the wider community in which they live. Additionally, the charitable company aims to maximise the use of the facilities at the Teikyo School UK by extending educational programmes, both academic and leisure, to students from all over the United Kingdom and the rest of the world.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance

Teikyo School UK's student roll for the 2021/2022 academic year decreased from 48 students to 29 students. As a result, School Fee Income for the year ended 31 March 2022 was only £526,089 (2021: £890,555). The Board of Trustees regularly reviews the fees charged to students and the student roll in order to maintain it at an appropriate level.

The English curriculum at Teikyo School UK is evolving to attract more students from Japan wishing to enter university in the United Kingdom or other countries outside of Japan. This includes the establishment of a dedicated International English Language Testing System class, a presentation and report writing skills class and a more academic leaning across the whole syllabus. Going forward, a goal of Teikyo School UK is to arm all students with a sound, applicable and relevant knowledge of English to raise the overall academic level of current and future students.

During the year, the students that attended the Teikyo School UK full-time and on short-course programmes continued to benefit from the formal educational activities offered as well as contributing to the wider community through involvement in exchange days with local schools and contributing to local events such as 'Fulmer Activity Day' and 'Fulmer Day'.

The sports facilities at the Teikyo School UK have been made available to various groups in the local and wider community such as football clubs and swimming clubs. The charitable company offers subsidised rates to non-profit making organisations. Unfortunately, the use of the sports facilities had to be restricted due to the COVID-19 pandemic.

The Teikyo School UK was also unable to host any organised language schools and activity centres during the year because of the COVID-19 pandemic. However, the Teikyo School UK did continue to provide facilities to the International School of Creative Arts which was started in September 2009.

TEIKYO FOUNDATION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Financial review

The financial performance of the group is shown in the statement of financial activities. After taking into account the gains on investments, the group had net expenditure of £753,657 for the year ended 31 March 2022 (2021: net expenditure of £303,697).

This has resulted in a decrease in the group's unrestricted funds to £12,873,140 at 31 March 2022 (2021: £13,626,797). The group is prevented by its governing document from distributing its surplus, if any, to its members and accordingly no dividends are payable.

Reserves policy

The group's policy is to hold sufficient reserves to fund its various activities in the United Kingdom, including the Okinaga Scholarship Scheme at the University of Cambridge, academic visits and the ongoing major refurbishment of the facilities at Wexham, as well as to safeguard the future of the group.

It is envisaged that the reserves held in investments and in cash will be sufficient to meet these commitments in the future. At the 31 March 2022, the group's liquid reserves represented by net current assets were £5,499,139 (2021: £6,742,758).

Investment policy and objectives

The charitable company has absolute powers of investment over its available funds. The board of trustees continue to keep under review the risks and rewards of the investments and the current state of the market.

The investment policy for the year ended 31 March 2022 was to place all available funds, other than those required for day-to-day operations of the charitable company, with The Pictet Group and the Mitsubishi UFJ Financial Group. The investments held by the charitable company are reviewed regularly by the board of trustees and professional advice is taken from The Pictet Group and other advisers as appropriate.

Principal risks and uncertainties

The principal risks facing the charitable company are declining student numbers, loss of key staff, non-compliance with laws and regulations and deterioration to the infrastructure and property as a result of wear and tear and age.

The charitable company continues to review operating policies and procedures and is also reviewing safety arrangements on the campus and trip and travel arrangements for students. There is an on-going maintenance and refurbishment programme covering the teaching facilities and accommodation blocks at the Teikyo School UK.

The financial risks faced by the charitable company arise from any potential decline in student numbers or other charitable activity, but this is mitigated by the holding of significant financial reserves. In mitigation, the charitable company is looking to commence a new student recruitment programme and continues to work closely with the Teikyo University to recruit new students.

TEIKYO FOUNDATION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

COVID-19 pandemic

In the spring of 2020 it was becoming evident that COVID-19 was having a severe disruption on many countries and on the 19 March 2020 the World Health Organisation declared it was a pandemic.

This resulted in the students of the International School of Creative Arts being called back home by their parents and them not attending the summer term. The cancellation of the International School of Creative Arts Summer School in 2020 was inevitable due to the worldwide lockdown.

The management of the International School of Creative Arts asked for a reduction in fees because the charitable company wasn't providing any boarding facilities to its students. Teikyo Foundation (UK) agreed compensation of £60,000 with the International School of Creative Arts. However, the charitable company expects further claims for compensation from the International School of Creative Arts.

In addition, the Teikyo Study Abroad Programmes scheduled for the spring and summer of 2020 also had to be cancelled. The estimated financial impact of these two cancellations on the charitable company is approximately £150,000.

The impact of the COVID-19 pandemic is expected to have a material impact on the financial performance and position of the charitable company for the foreseeable future. To date, the actual losses caused by the COVID-19 are estimated to be over £900,000. Despite a concerted effort to promote the charitable company through advertising and marketing, student numbers may not increase significantly in the near future.

Grant-making

The charitable company intends in the future to support further postgraduate students at Wadham College Oxford (University of Oxford), St Edmunds's College Cambridge (University of Cambridge) and Harvard University through the Okinaga Scholarship Scheme.

Future plans

The charitable company will continue to develop links with the local community and groups to enable the wider public community to continue to benefit from the activities and facilities at the Teikyo School UK and to broaden the educational experience of the students that attend the Teikyo School UK.

Structure, governance and management

The charitable company is a registered charity, governed by its Memorandum and Articles of Association, and is engaged in providing educational facilities to Japanese and other nationals. The charitable company's Memorandum and Articles of Association dated 25 July 1990, were last amended on 14 February 2002.

The trustees, who are also the directors of the charitable company for the purpose of the Companies Act 2006, and who served during the year and up to the date of signature of the financial statements were:

Mr Y Okinaga

Dr H Okinaga

Mr Y Yoshida

Mr K Nakajima

(Resigned 1 April 2022)

Mr A Isihara

(Appointed 1 April 2022)

The members are Mr Y Okinaga and Teikyo University. They are able to appoint trustees by Resolution of a Meeting or by Written Resolution.

New trustees who are also the directors are inducted into the workings of the company as a registered charity, including Board Policy and Procedures.

The board of trustees meet at least once a year to determine the 'general policy' of the charitable company and to review its overall management and control, for which they are legally responsible. The work of implementing most of the board of trustees policies is delegated to the General Manager.

TEIKYO FOUNDATION (UK)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Guarantors

Amounts guaranteed as at the 31 March 2022 and 31 March 2021:

Mr Y Okinaga	£1
Teikyo University Foundation	£2

The charitable company does receive financial support from Teikyo University. Mr Y Okinaga is considered to be a key individual continuing the vision of Dr S Okinaga.

Statement of risk management

The trustees have a duty to identify and review the risks to which the charitable company is exposed to. The trustees and management of the charitable company continue to keep its activities under review, particularly with regard to any major risks that may arise as well as the systems and procedures established to manage them. It is the responsibility of management to monitor the effectiveness of internal controls and other viable means by which risks identified can be mitigated.

Mr Y Okinaga is also a guarantor of Teikyo University of Japan in Durham Limited whose main activity is also the provision of educational facilities to Japanese nationals and is located in the grounds of Durham University.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.



Mr Y Okinaga
Trustee

Dated: 8th Feb. 2023

TEIKYO FOUNDATION (UK)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The trustees, who are also the directors of Teikyo Foundation (UK) for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TEIKYO FOUNDATION (UK)

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF TEIKYO FOUNDATION (UK)

Opinion

We have audited the financial statements of Teikyo Foundation (UK) (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2022 and of the group's 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

TEIKYO FOUNDATION (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF TEIKYO FOUNDATION (UK)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

TEIKYO FOUNDATION (UK)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF TEIKYO FOUNDATION (UK)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Cary LLB FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

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Chartered Accountants
Statutory Auditor

Suites B & D
Burnham Yard
Beaconsfield
Bucks
HP9 2JH

TEIKYO FOUNDATION (UK)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income and endowments from:</u>			
Donations and legacies	3	39,531	62,696
Charitable activities	4	1,474,613	1,803,348
Investments	5	26,164	44,872
Government grants	6	1,738	73,575
Total income		1,542,046	1,984,491
<u>Expenditure on:</u>			
Charitable activities	7	3,008,378	2,770,527
Net gains/(losses) on investments	11	712,675	518,328
Net expenditure for the year/ Net outgoing resources		(753,657)	(267,708)
Other recognised gains and losses			
Other gains or losses	12	-	(35,989)
Net movement in funds		(753,657)	(303,697)
Fund balances at 1 April 2021		13,626,797	13,930,494
Fund balances at 31 March 2022		12,873,140	13,626,797

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

TEIKYO FOUNDATION (UK)

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	13		326,043		265,279
Investments	14		7,047,958		6,818,760
			<u>7,374,001</u>		<u>6,884,039</u>
Current assets					
Debtors	15	1,565,382		1,563,732	
Investments	16	4,000,000		8,000,000	
Cash at bank and in hand		1,772,142		974,086	
		<u>7,337,524</u>		<u>8,537,818</u>	
Creditors: amounts falling due within one year	17	(1,838,385)		(1,795,060)	
Net current assets			<u>5,499,139</u>		<u>6,742,758</u>
Total assets less current liabilities			<u>12,873,140</u>		<u>13,626,797</u>
Income funds					
Unrestricted funds			12,873,140		13,626,797
			<u>12,873,140</u>		<u>13,626,797</u>

The financial statements were approved by the trustees on 8th Feb 2023


Mr Y Okinaga
Trustee

Company Registration No. 02540502

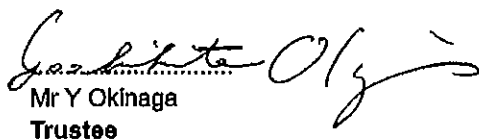
TEIKYO FOUNDATION (UK)

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	13		326,043		265,279
Investments	14		7,047,959		6,618,761
			<u>7,374,002</u>		<u>6,884,040</u>
Current assets					
Debtors	15	1,597,953		1,583,139	
Investments	16	4,000,000		6,000,000	
Cash at bank and in hand		1,601,107		837,988	
		<u>7,199,060</u>		<u>8,401,137</u>	
Creditors: amounts falling due within one year	17	<u>(1,520,472)</u>		<u>(1,479,047)</u>	
Net current assets			<u>5,678,588</u>		<u>6,922,090</u>
Total assets less current liabilities			<u>13,052,590</u>		<u>13,806,130</u>
Income funds					
Unrestricted funds			13,052,590		13,806,130
			<u>13,052,590</u>		<u>13,806,130</u>

The financial statements were approved by the trustees on 8th Feb 2023


Mr Y Okinaga
Trustee

Company Registration No. 02540502

TEIKYO FOUNDATION (UK)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Cash flows from operating activities					
Cash absorbed by operations	30	(1,347,134)	(1,380,828)	(1,382,052)	(1,329,790)
Income taxes paid		-	(427)	-	-
Investing activities					
Purchase of tangible fixed assets		(164,450)	(186,827)	(164,450)	(186,827)
Proceeds on disposal of tangible fixed assets		-	1,430	-	1,430
Proceeds on disposal of investments		4,993,622	-	4,993,622	-
Purchase of other investments		(4,710,145)	-	(4,710,145)	-
Proceeds on disposal of other investments		2,000,000	1,000,000	2,000,000	1,000,000
Interest received		6,718	44,873	6,689	44,858
Dividends received		19,445	-	19,445	-
Net cash generated from investing activities		<u>2,145,190</u>	<u>859,476</u>	<u>2,145,161</u>	<u>859,461</u>
Net cash used in financing activities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		798,056	(521,779)	763,109	(470,329)
Cash and cash equivalents at beginning of year		974,086	1,495,865	837,998	1,308,327
Cash and cash equivalents at end of year		<u><u>1,772,142</u></u>	<u><u>974,086</u></u>	<u><u>1,601,107</u></u>	<u><u>837,998</u></u>

TEIKYO FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity Information

Teikyo Foundation (UK) is a private company limited by guarantee incorporated in England and Wales. The registered office is Framewood Road, Wexham, Buckinghamshire, SL2 4QS, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

In addition, the financial statements have been prepared under the going concern basis because Teikyo University of Japan has provided an undertaking to financially support and not recall the amounts advanced to both Teikyo Foundation (UK) and Teikyo Services (UK) Limited.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charitable company.

1.4 Income

School and college fees, investment income, bank interest and other income are accounted for when receivable.

School and college fees are deferred proportionately where courses fall partly or fully in subsequent periods.

Investment income is interest received on bank deposits and bonds, as well as dividends received from the fixed asset investments.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

TEIKYO FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

The value of donated services is included in the statement of financial activities where the benefit to the charitable company is reasonably quantifiable and measurable. The value recognised is the price the charitable company would expect to pay for a similar service or facility on the open market.

1.5 Expenditure

Direct charitable expenditure comprises services supplied and activities undertaken which are identifiable as wholly or mainly in support of the charitable company's objectives. Those costs shown as governance relate to compliance with constitutional and statutory requirements.

The trustees have reviewed certain cost allocations and have included support costs of £480,129 (2021: £356,565) within direct charitable expenditure (see note 7), as they consider this more fairly represents the nature of the costs.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Items considered to be tangible fixed assets are only capitalised when their cost is greater than £1000.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	4 years
Computers	4 years
Motor vehicles	4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in the statement of financial activities. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

TEIKYO FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in net income/(expenditure), except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

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 net income/(expenditure) for the year.

If there is a 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 net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

TEIKYO FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in or in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.15 Consolidation

These group financial statements consolidate the financial statements of Teikyo Foundation (UK) and its subsidiary Teikyo Services (UK) Limited for the year ended 31 March 2022.

TEIKYO FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Donations and gifts	39,531	62,696

Donations and gifts include donated services of £39,531 (2021: £62,696) in respect of staff seconded from Teikyo University of Japan.

4 Charitable activities

	Charitable Income 2022 £	Charitable Income 2021 £
School and college fees	526,089	890,555
Other income	948,524	912,793
	<u>1,474,613</u>	<u>1,803,348</u>

5 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest on bank deposits and investments	6,719	44,872
Dividends received from fixed asset investments	19,445	-
	<u>26,164</u>	<u>44,872</u>

TEIKYO FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Government grants

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Government grants	1,738	73,575

Government grants represents the money received under the Coronavirus Job Retention Scheme.

7 Charitable activities

	Charitable Expenditure 2022 £	Charitable Expenditure 2021 £
Cost of charitable activities		
Staff costs	1,497,460	1,499,461
Bad and doubtful debts	190	-
Electricity	99,061	78,029
Gas	91,280	93,052
Rates and council tax	31,992	30,624
Water rates	70,279	264
Catering	177,129	125,859
Transport	109,057	111,791
Estate management	12,340	10,089
Redecoration and refurbishment	260,125	305,165
Short course expenses	158,639	139,720
Bank charges	2,636	2,895
	<u>2,510,188</u>	<u>2,396,949</u>
Support costs of charitable activities		
Grants payable	60,096	500
Professional support costs	198,860	123,231
Depreciation and impairment	103,687	64,248
Loss on disposals	-	1,249
Management and administration	117,486	167,337
	<u>480,129</u>	<u>356,565</u>
Governance costs		
Audit fee	18,061	17,013
Taxation	-	-
	<u>18,061</u>	<u>17,013</u>
	<u><u>3,008,378</u></u>	<u><u>2,770,527</u></u>

TEIKYO FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Donations and grants payable

	Charitable Expenditure 2022 £	Charitable Expenditure 2021 £
Other donations	96	500
Donations to Wadham College, University of Oxford	60,000	-
	<u>60,096</u>	<u>500</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year ended 31 March 2022 (2021: £nil).

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Teaching staff	20	24
Domestic staff	20	22
Administration staff	5	5
Catering staff	8	8
	<u>53</u>	<u>59</u>

Employment costs

	2022 £	2021 £
Wages and salaries	1,412,498	1,409,128
Staff pension costs	84,962	90,333
	<u>1,497,460</u>	<u>1,499,461</u>

There were no employees whose annual remuneration was £60,000 or more.

11 Net gains/(losses) on investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Gains/(losses) on long-term investments	<u>712,675</u>	<u>518,328</u>

TEIKYO FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Other gains or losses

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Profit or loss on foreign exchange	-	35,989

13 Tangible fixed assets

Group and company

	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost				
At 1 April 2021	1,523,735	494,286	195,680	2,213,701
Additions	67,750	96,700	-	164,450
At 31 March 2022	1,591,485	590,986	195,680	2,378,151
Depreciation and impairment				
At 1 April 2021	1,471,575	301,556	175,290	1,948,421
Depreciation charged in the year	31,569	62,164	9,954	103,687
At 31 March 2022	1,503,144	363,720	185,244	2,052,108
Carrying amount				
At 31 March 2022	88,341	227,266	10,436	326,043
At 31 March 2021	52,160	192,729	20,390	265,279

TEIKYO FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

14 Fixed asset investments

Group and company

	Fixed asset investments £
Cost or valuation	
At 1 April 2021	6,618,760
Additions	4,710,145
Valuation changes	751,614
Disposals	(5,032,561)
At 31 March 2022	<u>7,047,958</u>
Carrying amount	
At 31 March 2022	<u>7,047,958</u>
At 31 March 2021	<u>6,618,760</u>
Add: shareholding in subsidiary undertaking (50,000 shares of £1 less provision for impairment £49,999)	<u>1</u>
Total market value at 31 March 2022	<u>7,047,959</u>
Historical cost as at 31 March 2022	<u>3,607,405</u>

(a) The following percentages represent the investment portfolio by market value:-

	2022
NIS CO Pop Prophet Opp Partnrs USD	12.14%
Nis Credit Opp Indian Distress USD	9.81%
NISARB EUROPEAN DISTRESSED OPP.E	-
NIS INDRA FUND LTD A USD-ACC	0.81%
NIS INDRA FUND LTD D USD-ACC	21.49%
NIS INDRA FUND LTD E USD-ACC	51.94%
NIS CHANDRA A USD -ACC	3.81%

TEIKYO FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

14 Fixed asset investments

(Continued)

(b) Share in subsidiary undertaking

The charitable company's investment in its subsidiary company represents the cost of the acquisition of 100% (50,000 shares) of the ordinary share capital of Teikyo Services (UK) Limited, a company incorporated and registered in England and Wales. Teikyo Services (UK) Limited operates a school shop and receives income from letting of the charitable company's facilities.

At the 31 March 2022, the net liabilities of Teikyo Services (UK) Limited amounted to £179,449 (2021: £179,332). An amount of £314,013 (2021: £314,013) was owed to Teikyo University of Japan at the reporting date. Teikyo University of Japan has provided an undertaking not to seek immediate repayment.

The company suffered a loss of £117 for the year ended 31 March 2022 (2021: loss of £1,970). The total income for the year ended 31 March 2022 was £47,798 (2021: £28) with associated expenditure of £47,944 (2021: £2,013).

The accumulated losses of Teikyo Services (UK) Limited have been underwritten by Teikyo University of Japan. Teikyo Foundation (UK) will not therefore suffer as a result of the losses made by its subsidiary company. The audited financial statements of Teikyo Services (UK) Limited have an unqualified audit report.

15 Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	85,931	15,958	75,509	15,768
Amounts due from connected company	1,430,320	1,423,186	1,473,313	1,423,186
Other debtors	-	5,182	-	4,779
Prepayments and accrued income	49,131	119,406	49,131	119,406
	<u>1,565,382</u>	<u>1,563,732</u>	<u>1,597,953</u>	<u>1,563,139</u>

16 Current asset investments

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank deposit accounts	<u>4,000,000</u>	<u>6,000,000</u>	<u>4,000,000</u>	<u>6,000,000</u>

TEIKYO FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

17 Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Other taxation and social security	52,862	64,985	52,862	64,985
Deferred income	463,524	374,137	463,524	374,137
Trade creditors	209,972	239,092	209,972	239,092
Amounts owed to Teikyo University of Japan	1,083,328	1,083,328	769,315	769,315
Accruals	28,699	33,518	24,799	31,518
	<u>1,838,385</u>	<u>1,795,060</u>	<u>1,520,472</u>	<u>1,479,047</u>

18 Deferred income

Group and company

	2022	2021
	£	£
Arising from school fees	<u>463,524</u>	<u>374,137</u>

Deferred income is included in the financial statements as follows:

	2022	2021
	£	£
Deferred income is included within:		
Current liabilities	<u>463,524</u>	<u>374,137</u>
Movements in the year:		
Deferred income at 1 April 2021	374,137	1,000,987
Released from previous periods	(379,557)	(1,001,264)
Resources deferred in the year	<u>468,944</u>	<u>374,414</u>
Deferred income at 31 March 2022	<u>463,524</u>	<u>374,137</u>

19 Corporation tax

There is no corporation tax charge for Teikyo Foundation (UK) for the year ended 31 March 2022 due to its charitable status.

There is also no corporation tax charge for Teikyo Services (UK) Limited for the year ended 31 March 2022 due to the company making a loss of £117 (2021: loss of £1,970).

TEIKYO FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

20 Operating lease commitments

At the reporting end date the charitable company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	6,796	7,915	6,796	7,915
Between two and five years	2,166	9,923	2,166	9,923
	<u>8,962</u>	<u>17,838</u>	<u>8,962</u>	<u>17,838</u>

21 Pension contributions

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £84,991 for the year ended 31 March 2022 (2021: £90,333).

22 Connected charities

Mr Y Okinaga is also a guarantor of Teikyo University of Japan in Durham, a registered charity whose main activity is also provision of educational facilities to Japanese nationals and which is based at Durham University.

23 Related party transactions

Teikyo Foundation (UK) provides a centralised accounting and payroll service for Teikyo University of Japan In Durham, a charity under common control.

During the year ended 31 March 2022, Teikyo Foundation (UK) incurred payroll costs of £357,601 (2021: £381,442) and other expenses of £27,330 (2021: £27,609) on behalf of Teikyo University of Japan In Durham. These amounts were recharged at cost and repayments totalling £377,797 were made by Teikyo University of Japan In Durham during the year.

At the 31 March 2022, Teikyo University of Japan In Durham Limited owed Teikyo Foundation (UK) an amount of £1,430,320 (2021: £1,423,186).

Key management compensation was £183,062 for the year ended 31 March 2022 (2021: £138,817).

TEIKYO FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

24 Subsidiaries

Details of the charitable company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Teikyo Services (UK) Limited	Teikyo Foundation (UK), Framewood Road, Wexham, Buckinghamshire, SL2 4QS	Operation of school shop and letting of school's facilities	Ordinary	100.00	

25 Members liability

The charitable company is a company limited by guarantee with no share capital. The liability of each member under guarantee does not exceed the sum of £1. The number of members at the 31 March 2022 was 2 (2021: 2).

26 Property held in trust

The group uses a property owned by Teikyo University of Japan for its principal activities. These premises are occupied rent free subject to the group meeting the full cost of maintaining the premises.

27 Statement of financial activities

Teikyo Foundation (UK) has net expenditure of £753,540 (2021: net expenditure of £301,728) in its own statement of financial activities.

28 Analysis of changes in net funds

The charitable company had no debts during the year ended 31 March 2022 (2021: £nil)

29 Audit

An audit has been carried out under the Companies Act 2006 which also satisfies the audit requirements of the Charities Acts 2011.

TEIKYO FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

30 Cash generated from operations

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Deficit for the year	(753,657)	(267,708)	(753,540)	(265,739)
Adjustments for:				
Taxation charged	-	-	-	-
Investment income recognised in statement of financial activities	(26,164)	(44,872)	(26,135)	(44,857)
Foreign exchange differences	-	(35,989)	-	(35,989)
Gains on investments	(712,675)	(518,328)	(712,675)	(518,328)
Depreciation and impairment of tangible fixed assets	103,687	64,248	103,687	64,248
Movements in working capital:				
(Increase) in debtors	(1,650)	(121,105)	(34,814)	(124,042)
Increase/(decrease) in creditors	43,325	(457,074)	41,425	(405,083)
Cash absorbed by operations	(1,347,134)	(1,380,828)	(1,382,052)	(1,329,790)

Teikyo Foundation (UK)
Framewood Road
Wexham
Buckinghamshire
SL2 4QS

Azets Audit Services Limited
Suites B & D
Burnham Yard
Beaconsfield
Buckinghamshire
HP9 2JH

Dear Sirs,

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the charitable company's financial statements for the year ended 31 March 2022. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

GENERAL

1. We have fulfilled our responsibilities as directors, as set out in the terms of your engagement letter dated 16 May 2022 under the Companies Act 2006, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the charitable company have been properly reflected and recorded in the charitable company's accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the charitable company, and with all other records and related information requested, including minutes of all management and shareholder meetings.

ADJUSTMENTS AND DISCLOSURES

4. The financial statements are free of material misstatements, including omissions and those resulting from fraud and error.
5. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.
6. We have reviewed and approved all audit adjustments made in the financial statements.
7. We have reviewed and approved all disclosures made in the financial statements and we are not aware of any other matters which require disclosure in order to comply with the requirements of the Companies Act 2006 and the UK Generally Accepted Accounting Practice.

INTERNAL CONTROL AND FRAUD

8. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
9. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
10. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.
11. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we deem necessary to address the likely effects of the COVID-19 pandemic on our system of internal controls.

ASSETS AND LIABILITIES

12. The charitable company has satisfactory title to all of its assets and there are no liens or encumbrances on the charitable company's assets except for those that are disclosed in the notes to the financial statements.
13. There were no changes to the charitable company's fixed assets during the year ended 31 March 2022 other than those disclosed in the financial statements.
14. We have reviewed the residual values attached to the charitable company's fixed assets and confirm they are still appropriate and reasonable reflections of these assets condition and usage.
15. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
16. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
17. We confirm that all bank accounts have been disclosed to you and are included within the financial statements.
18. We confirm that the charitable company has not contracted for any capital expenditure other than as disclosed in the financial statements.

ACCOUNTING ESTIMATES

19. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

LOANS AND ARRANGEMENTS

20. The charitable company has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

LEGAL CLAIMS

21. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

LAWS AND REGULATIONS

22. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements, including non-compliance matters:
 - a. Involving financial impropriety;
 - b. Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the charitable company's financial statements;
 - c. Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the charitable company's business, its ability to continue in business, or to avoid material penalties; and
 - d. Involving management, or employees who have significant roles in internal control, or others.
23. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss (other than those disclosed or accrued in the financial statements).
24. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, other than those already disclosed.

RELATED PARTIES

25. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of charitable company law or accounting standards.
26. All transactions undertaken with group companies, including management charges, are at arm's length. This includes the intercompany recharge of £42,992.51 between Teikyo Services (UK) Limited and Teikyo Foundation (UK) that is calculated based on 90% of the swimming pool income generated by Teikyo Services (UK) Limited.

SUBSEQUENT EVENTS

27. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed in the charitable company's financial statements.
28. There have been no events since the balance sheet date which necessitate revision of the figures included in the financial statements or inclusion of a note thereto, except as already disclosed in the financial statements. Should further material events occur, which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, we will advise you accordingly.

GOING CONCERN

29. We believe that the charitable company's financial statements should be prepared on a going concern basis on the grounds that existing cash reserves and current and future sources of funding or support will be more than adequate for the charitable company's needs.
30. We also confirm our plans for future action(s) required to enable the charitable company to continue as a going concern are feasible.
31. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the charitable company's ability to continue as a going concern need to be made in the financial statements.
32. Our assessment at the date of approval of the charitable company's financial statements is that the COVID-19 pandemic does not create a material uncertainty related to going concern. The notes to the financial statements disclose matters of which we are aware that are relevant to the academy trust's ability to continue as a going concern.

DISCLOSURE OF INFORMATION TO THE AUDITOR

33. We acknowledge our legal responsibilities regarding disclosure of information to you as auditor and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.
34. Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully,


Signed on behalf of the Board of Trustees/Directors

Trustee/Director:

Date: 8th Feb 2023