Registered number: 01263742
Charity number: 271665

THE JAPANESE SCHOOL LIMITED

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

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THE JAPANESE SCHOOL LIMITED

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2025

Trustees	Mr K Takahiro Mr S Ohira (Appointed 18 May 2026) Mr H Ibaraki (Appointed 11 December 2025) Mr T Shinohara (Appointed 1 April 2025) Mr H Koike (Appointed 11 December 2025) Mr H Shinya (Appointed 24 September 2025) Mr S Nakamura (Appointed 1 March 2025) Mr T Kudo (Appointed 11 December 2025) Mr H Yamamura (Appointed 11 December 2025) Mr M Takahashi (Appointed 1 April 2026) Mr R Yoshioka (Appointed 1 April 2026) Mr T Suzuki (Appointed 1 April 2026) Mr M Hiraoka (Appointed 1 April 2026) Mr S Yoshihara (Resigned 1 April 2026) Mr T Nunosawa (Resigned 1 April 2026) Mr H Saito (Resigned 31 March 2026) Mr D Mototani (Resigned 18 May 2026) Mr Y Ishizuka (Resigned 1 March 2025) Mr S Nagashima (Resigned 1 April 2025) Mr K Nobuta (Resigned 31 March 2026) Mr A Takada (Resigned 1 April 2025) Mr F Suzuki (Resigned 1 April 2025) Mr J Otake (Resigned 24 September 2025) Mr S Ueda (Resigned 11 December 2025) Mr H Kurakagi (Resigned 11 December 2025) Mr T Hirano (Resigned 11 December 2025) Mr Y Nakano (Resigned 11 December 2025) Mr S Kato (Resigned 1 April 2025)
Company registered number	01263742
Charity registered number	271665
Registered office	87 Creffield Road Acton London W3 9PU
Company secretary	Mr T Kitada

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustees present their annual report together with the audited financial statements of the Company for the 1 January 2025 to 31 December 2025. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

a. Policies and objectives

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

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

The school had provided educational services through the Japanese School in London (JSL), a day school and the Japanese Saturday School in London (JSSL), at which classes are given on Saturdays. JSL has 270 pupils and JSSL has 1,100 pupils on three campuses. The schools' Japanese based education is essential for the Japanese families in London, both expatriate and local.

b. Strategies for achieving objectives

The company operates the JSL (Day school) and the JSSL (Saturday supplementary school) to provide benefit to the public through its educational activities.

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

c. Activities undertaken to achieve objectives

To promote international understanding of pupils, the JSL conducted exchange programmes with schools in London, including the Greek School, Spanish School, French School and SOAS.

The school also conducted activities like Sports Day, Cultural Festival and the whole school outing for drawings to make pupils active in various fields.

Strategic report

Achievements and performance

a. Main achievements of the Company

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

Strategic report (continued)

Achievements and performance (continued)

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

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

The exchange programmes with other schools hve been conducted by JSL. Visit from the Greek School,the French School and SOAS were made and our pupils visit the Greek School, the French School and SOAS.

The JSL also conducted Sports Day and Cultural Festival. Both were well attended and made parents impressed with their performance. The JSL's whole school outing for drawings created lots of excellent pictures, which were exhibited during the Cultural Festival.

The weekly classes at the JSSL make its pupils stimulated in learning Japanese language and culture. One of the results of their years of leaning appears in their speeches at the graduation ceremony. Based on positive attitude learned in the British society, pupils deliver logical and heartful speeches with many thanks to their teachers and parents in a disciplined way.

Financial review

a. Going concern

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

b. Reserves policy

Current reserves excluding revaluation reserve covers 2.3 times of annual expenditure. The Company plans school facility renovation projects over 5 years from 2023, the reserve level will be reduced by 10% in the coming 5 years, with a half of the renovation costs funded by annual result.

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

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

c. Investments powers

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

d. Principal risks and uncertainties

The charity's financial position is sound, although the number of pupils are still 15% below the level in 2018, before COVID-19.

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

e. Principal funding

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

Structure, governance and management

a. Constitution

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

b. Methods of appointment or election of Trustees

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

c. Financial risk management

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

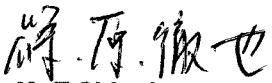
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to 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.

Approved by order of the members of the board of Trustees on 14 July 2026 and signed on their behalf by:



Mr T Shinohara
(Chair of Trustees)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE JAPANESE SCHOOL LIMITED

Opinion

We have audited the financial statements of The Japanese School Limited (the 'charitable company') for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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 Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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:
[Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.]

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

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

14 July 2026

THE JAPANESE SCHOOL LIMITED
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Income from:					
Donations and legacies	3	**1,463,610**	**59**	**1,463,669**	*1,338,648*
Charitable activities	4	**24,793**	**2,579,013**	**2,603,806**	*2,752,852*
Investments	5	**-**	**52,453**	**52,453**	*64,706*
Total income		**1,488,403**	**2,631,525**	**4,119,928**	*4,156,206*
Expenditure on:					
Charitable activities		**1,519,253**	**2,770,877**	**4,290,130**	*3,993,958*
Total expenditure		**1,519,253**	**2,770,877**	**4,290,130**	*3,993,958*
Net (expenditure)/income		**(30,850)**	**(139,352)**	**(170,202)**	*162,248*
Transfers between funds	15	**17,813**	**(17,813)**	**-**	*-*
Net movement in funds		**(13,037)**	**(157,165)**	**(170,202)**	*162,248*
Reconciliation of funds:					
Total funds brought forward		**19,589**	**14,288,046**	**14,307,635**	*14,145,387*
Net movement in funds		**(13,037)**	**(157,165)**	**(170,202)**	*162,248*
Total funds carried forward		**6,552**	**14,130,881**	**14,137,433**	*14,307,635*

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

The notes on pages 14 to 31 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 DECEMBER 2025

	Note		2025 £		2024 £
Fixed assets					
Tangible assets	10		**8,840,696**		*8,794,487*
Investment property	11		**3,250,000**		*3,250,000*
			12,090,696		*12,044,487*
Current assets					
Debtors	12	**443,084**		*431,864*	
Cash at bank and in hand		**2,086,855**		*2,191,867*	
		2,529,939		*2,623,731*	
Current liabilities					
Creditors: amounts falling due within one year	13	**(363,891)**		*(248,011)*	
Net current assets			**2,166,048**		*2,375,720*
Total assets less current liabilities			**14,256,744**		*14,420,207*
Provisions for liabilities			**(119,311)**		*(112,572)*
Total net assets			**14,137,433**		*14,307,635*
Charity funds					
Restricted funds	15		**6,552**		*19,589*
Unrestricted funds	15		**14,130,881**		*14,288,046*
Total funds			**14,137,433**		*14,307,635*

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

The financial statements were approved and authorised for issue by the Trustees on 14 July 2026 and signed on their behalf by:

Mr T Shinohara
(Chair of Trustees)

The notes on pages 14 to 31 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 £	*2024* *£*
Cash flows from operating activities		
Net cash used in operating activities	**69,219**	*57,548*
Cash flows from investing activities		
Dividends, interests and rents from investments	**52,453**	*64,706*
Purchase of tangible fixed assets	**(226,684)**	*(258,907)*
Net cash used in investing activities	**(174,231)**	**(194,201)**
Cash flows from financing activities		
Net cash provided by financing activities	**-**	**-**
Change in cash and cash equivalents in the year	**(105,012)**	**(136,653)**
Cash and cash equivalents at the beginning of the year	**2,191,867**	*2,328,520*
Cash and cash equivalents at the end of the year	**2,086,855**	*2,191,867*

The notes on pages 14 to 31 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

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

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

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

2.2 Income

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

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

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

2.3 Expenditure

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

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

2. Accounting policies (continued)

2.4 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities upon the completion of the relevant performance-related conditions. Other grants that are not subject to performance-related conditions are credited to the Statement of Financial Activities as the grant proceeds are received. Grants received prior to the revenue recognition criteria being satisfied are recognised as a liability.

2.5 Interest receivable

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

2.6 Tangible fixed assets and depreciation

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

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

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

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

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

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

Depreciation is provided on the following bases:

Freehold property	- 50 years straight line
Furniture and equipment	- 5 years straight line
Leasehold Improvements	- 10 years straight line

2.7 Debtors

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

2. Accounting policies (continued)

2.8 Cash at bank and in hand

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

2.9 Liabilities

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

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

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

2.10 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Operating leases

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

2.12 Pensions

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

2.13 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 Company and which have not been designated for other purposes.

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

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

2. Accounting policies (continued)

2.14 Provisions

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.

3. Income from donations and legacies

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Donations	-	59	**59**	*1,069*
Government grants	1,463,610	-	**1,463,610**	*1,337,579*
	1,463,610	59	**1,463,669**	*1,338,648*
Total 2024	*1,337,797*	*851*	*1,338,648*	

4. Income from charitable activities

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Fee income	-	2,430,333	**2,430,333**	*2,510,920*
Other income	-	308	**308**	*19,576*
Rental income	-	79,250	**79,250**	*62,066*
Bus income	24,793	-	**24,793**	*76,042*
School Trip income	-	69,122	**69,122**	*84,248*
	24,793	2,579,013	**2,603,806**	*2,752,852*
Total 2024	*76,042*	*2,676,810*	*2,752,852*	

5. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Bank interest	52,453	**52,453**	*64,706*
Total 2024	*64,706*	*64,706*	

6. Analysis of expenditure by activities

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	*Total funds 2024 £*
Educational operations	2,692,912	1,597,218	**4,290,130**	*3,993,958*
Total 2024	*2,485,136*	*1,508,822*	*3,993,958*	

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2025 £	*Total funds 2024 £*
Staff costs	**2,364,449**	*2,113,694*
Educational supplies & stationary	**130,227**	*152,442*
Healthcare	**35,823**	*37,471*
School events	**8,099**	*7,386*
Travel	**23,667**	*25,159*
Carriage	**7,880**	*383*
School Trips	**67,125**	*80,043*
Bus fees	**55,642**	*68,558*
	2,692,912	*2,485,136*

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2025 £	*Total funds 2024 £*
Staff costs	**330,344**	*309,472*
Depreciation	**178,858**	*142,861*
Equipment leasing and rent	**87,978**	*90,305*
Maintenance	**103,359**	*159,303*
Sundry Expenses	**19,677**	*2,495*
Advisory Fee	**250,405**	*370,108*
Security	**71,383**	*73,945*
Audit Fee	**22,450**	*21,600*
Light, heat and water	**85,890**	*128,119*
Cleaning	**35,589**	*39,174*
Insurance	**38,705**	*40,381*
Rates	**138,443**	*35,026*
IT support & Telephone	**94,421**	*94,705*
Entertainment	**227**	*259*
Food	**902**	*1,069*
Irrecoverable VAT	**138,587**	*-*
	1,597,218	*1,508,822*

7. Auditors' remuneration

	2025 £	*2024 £*
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**22,450**	*21,600*
Fees payable to the Company's auditor in respect of:		
Advisory Services	**46,750**	*19,800*

8. Staff costs

	2025 £	*2024* *£*
Wages and salaries	**2,536,418**	*2,306,094*
Social security costs	**118,895**	*80,075*
Contribution to defined contribution pension schemes	**39,480**	*36,997*
	2,694,793	*2,423,166*

Included in wages and salaries is secondment staff costs totalling £1,142,382 (2024: £999,193) which is paid by the Japanese Government directly to the individuals. These staff members are therefore excluded from the average number of employees.

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

	2025 No.	*2024* *No.*
Leadership	**1**	*1*
Teachers	**87**	*86*
Admin staff	**5**	*7*
	93	*94*

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

	2025 No.	*2024* *No.*
In the band £70,001 - £80,000	**1**	*-*
In the band £80,001 - £90,000	**-**	*1*

The total cost of the key management personnel including employers national insurance contributions amounted to £113,982 (2024: £86,769).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits *(2024 - £NIL)*.

During the year ended 31 December 2025, no Trustee expenses have been incurred *(2024 -* £Nil).

10. Tangible fixed assets

	Freehold property £	Office equipment £	Other fixed assets £	Total £
Cost or valuation				
At 1 January 2025	**8,250,000**	**426,740**	**522,162**	**9,198,902**
Additions	**-**	**26,647**	**200,037**	**226,684**
Disposals	**-**	**(3,462)**	**-**	**(3,462)**
At 31 December 2025	**8,250,000**	**449,925**	**722,199**	**9,422,124**
Depreciation				
At 1 January 2025	**111,000**	**209,606**	**83,809**	**404,415**
Charge for the year	**37,000**	**77,516**	**62,497**	**177,013**
At 31 December 2025	**148,000**	**287,122**	**146,306**	**581,428**
Net book value				
At 31 December 2025	**8,102,000**	**162,803**	**575,893**	**8,840,696**
At 31 December 2024	*8,139,000*	*217,134*	*438,353*	*8,794,487*

The valuation of land and buildings was completed by the directors on a market value basis.

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

	2025 £	*2024 £*
Freehold property	**3,312,689**	*3,312,689*

11. Investment property

	Freehold investment property £
Valuation	
At 1 January 2025	**3,250,000**
At 31 December 2025	**3,250,000**

The valuation was completed by the directors on a market value basis.

12. Debtors

	2025 £	*2024 £*
Due within one year		
Other debtors	**63,320**	*80,276*
Prepayments and accrued income	**126,826**	*92,397*
Grants receivable	**252,938**	*259,191*
	443,084	*431,864*

13. Creditors: Amounts falling due within one year

	2025 £	*2024 £*
Trade creditors	**46,873**	*67,413*
Other taxation and social security	**51,934**	*32,551*
Other creditors	**23,552**	*1,500*
Accruals and deferred income	**241,532**	*146,547*
	363,891	*248,011*

	2025 £	*2024* *£*
Deferred income at 1 January 2025	**84,302**	*181,274*
Resources deferred during the year	**164,681**	*84,302*
Amounts released from previous periods	**(84,302)**	*(181,274)*
Deferred income at 31 December	**164,681**	*84,302*

Deferred income represents school fees received in advance for future academic periods. These fees are initially recorded as a liability and recognised as income over the period to which they relate.

14. Provisions

	Retirement benefit obligation £
At 1 January 2025	**112,572**
Additions	**19,818**
Amounts used	**(13,079)**
	119,311

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

15. Statement of funds

Statement of funds - current year

	Balance at 1 January 2025 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2025 £
Unrestricted funds					
General Funds - all funds	**6,249,379**	**2,631,525**	**(2,770,877)**	**(17,813)**	**6,092,214**
Reserves	**8,038,667**	**-**	**-**	**-**	**8,038,667**
	14,288,046	**2,631,525**	**(2,770,877)**	**(17,813)**	**14,130,881**
Restricted funds					
Seconded staff	**-**	**1,142,382**	**(1,142,382)**	**-**	**-**
Aging Facility	**-**	**28,514**	**(28,514)**	**-**	**-**
Safety/Security Facilities	**-**	**23,298**	**(23,298)**	**-**	**-**
Security Staff Costs - Japanese School	**-**	**20,434**	**(20,434)**	**-**	**-**
Security Staff Costs - Saturday School	**-**	**19,005**	**(19,005)**	**-**	**-**
Teachers costs - Japanese School	**-**	**50,506**	**(50,506)**	**-**	**-**
Lecturers costs - Saturday School	**-**	**90,212**	**(90,212)**	**-**	**-**
Erabareru	**-**	**55,284**	**(55,284)**	**-**	**-**
Rent for Saturday School campus	**-**	**33,975**	**(33,975)**	**-**	**-**
Bus Fees	**13,037**	**24,793**	**(55,643)**	**17,813**	**-**
PTA Donations	**6,552**	**-**	**-**	**-**	**6,552**
	19,589	**1,488,403**	**(1,519,253)**	**17,813**	**6,552**
Total of funds	**14,307,635**	**4,119,928**	**(4,290,130)**	**-**	**14,137,433**

15. Statement of funds (continued)

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

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

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

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

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

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

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

Erabareru: A government grant for the English programmes, which aim to promote pupils' knowledge and understanding of British values, culture, and history to improve the pupils international minds.

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

Bus fees: A bus service is provided by The Japanese School to transport students to and from school each day. A transfer was made as a result of expenditure being greater than the income received.

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

Transfers in/out: A transfer from Unrestricted funds to Bus fee funds was carried out to cover the shortfall in bus fee funds occurring in the year.

PTA Donations: Donations from the Parent Teachers Association were collected and donated for the purpose of purchasing commemorative gifts for the school's 50th anniversary.

15. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2024 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 December 2024* £
Unrestricted funds					
General Funds	*6,101,167*	*2,742,367*	*(2,615,851)*	*21,696*	*6,249,379*
Revaluation reserve	*8,038,667*	*-*	*-*	*-*	*8,038,667*
	14,139,834	*2,742,367*	*(2,615,851)*	*21,696*	*14,288,046*
Restricted funds					
Seconded staff	*-*	*999,193*	*(999,193)*	*-*	*-*
Aging Facility	*-*	*17,614*	*(17,614)*	*-*	*-*
Safety/Security Facilities	*-*	*12,212*	*(12,212)*	*-*	*-*
Security Staff Costs - Japanese School	*-*	*33,248*	*(33,248)*	*-*	*-*
Security Staff Costs - Saturday School	*-*	*16,622*	*(16,622)*	*-*	*-*
Teachers costs - Japanese School	*-*	*46,021*	*(46,021)*	*-*	*-*
Lecturers costs - Saturday School	*-*	*98,629*	*(98,629)*	*-*	*-*
Erabareru	*-*	*50,031*	*(50,031)*	*-*	*-*
Zaidan	*-*	*30,441*	*(2,411)*	*(28,030)*	*-*
Rent for Saturday School campus	*-*	*33,568*	*(33,568)*	*-*	*-*
Bus Fees	*5,553*	*76,042*	*(68,558)*	*-*	*13,037*
PTA Donations	*-*	*218*	*-*	*6,334*	*6,552*
	5,553	*1,413,839*	*(1,378,107)*	*(21,696)*	*19,589*
Total of funds	*14,145,387*	*4,156,206*	*(3,993,958)*	*-*	*14,307,635*

16. Summary of funds

Summary of funds - current year

	Balance at 1 January 2025 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2025 £
General funds	**14,288,046**	**2,631,525**	**(2,770,877)**	**(17,813)**	**14,130,881**
Restricted funds	**19,589**	**1,488,403**	**(1,519,253)**	**17,813**	**6,552**
	14,307,635	**4,119,928**	**(4,290,130)**	**-**	**14,137,433**

Summary of funds - prior year

	Balance at 1 January 2023 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Balance at 31 December 2024 £*
General funds	*14,139,834*	*2,742,367*	*(2,615,851)*	*21,696*	*14,288,046*
Restricted funds	*5,553*	*1,413,839*	*(1,378,107)*	*(21,696)*	*19,589*
	14,145,387	*4,156,206*	*(3,993,958)*	*-*	*14,307,635*

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	-	8,840,696	**8,840,696**
Investment property	-	3,250,000	**3,250,000**
Current assets	6,552	2,523,387	**2,529,939**
Creditors due within one year	-	(363,891)	**(363,891)**
Provisions for liabilities and charges	-	(119,311)	**(119,311)**
Total	6,552	14,130,881	**14,137,433**

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2024 £	*Unrestricted funds 2024 £*	*Total funds 2024 £*
Tangible fixed assets	*-*	*8,794,487*	*8,794,487*
Investment property	*-*	*3,250,000*	*3,250,000*
Current assets	*19,589*	*2,604,142*	*2,623,731*
Creditors due within one year	*-*	*(248,011)*	*(248,011)*
Provisions for liabilities and charges	*-*	*(112,572)*	*(112,572)*
Total	*19,589*	*14,288,046*	*14,307,635*

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

	2025 £	*2024 £*
Net income/expenditure for the year (as per Statement of Financial Activities)	**(170,202)**	*162,248*
Adjustments for:		
Depreciation charges	**178,858**	*142,861*
Dividends, interests and rents from investments	**(52,453)**	*(64,706)*
Loss on the sale of fixed assets	**1,617**	*-*
Increase in debtors	**(11,220)**	*(97,018)*
Increase/(decrease) in creditors	**104,063**	*(124,361)*
Movement in provisions	**6,739**	*14,538*
Net cash provided by operating activities	**57,402**	*33,562*

19. Analysis of cash and cash equivalents

	2025 £	*2024 £*
Cash in hand	**2,086,855**	*2,191,867*
Total cash and cash equivalents	**2,086,855**	*2,191,867*

20. Analysis of changes in net debt

	At 1 January 2025 £	Cash flows £	At 31 December 2025 £
Cash at bank and in hand	**2,191,867**	**(105,012)**	**2,086,855**
	2,191,867	**(105,012)**	**2,086,855**

21. Pension commitments

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independent administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £38,961 (2024: £36,997). Contributions totalling £Nil (2024: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

22. Operating lease commitments

At 31 December 2025 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	*2024 £*
Operating leases which expire:		
Within 1 year	**5,201**	*11,719*
Within 2-5 years	**10,402**	*15,603*
	15,603	*27,322*

23. Members' liability

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

24. Related party transactions

During the year, Nippon Club Limited, a company which a trustee is a director of, provided hire of facilities for £396 (2024: £611). Additionally, Canon Europe Ltd, a company which a trustee is a director of, provided equipment rental for £4,342 (2024: £4,887).

During the year, Tokio Marine & Nichido Fire Insurance Co. ltd, a company of which a trustee is a director, provided insurance service for £39,143 (2024: £38,266)

During the year, The Japanese School received received no rental income from trustees (2024: £20,187).

During the year, The Japanese school received no school fees from trustees(2024: £2,544).

At the year end, no amounts were owed to/from trustees (2024: 5,070 owing to the trust).