

Winchester Shoei College Foundation

**Trustees' report and financial
statements**

Registered number 283420

31 March 2019

Winchester Shoei College Foundation
Registered number 283420

CONTENTS OF THE FINANCIAL STATEMENTS

31 March 2019

Contents

Page

Trustees' annual report, including statement of Trustees' responsibilities in respect of the Trustees' annual report and financial statements

1-4

Independent auditor's report to the Trustees of the Winchester Shoei College Foundation

5-6

Statement of financial activities

7

Balance sheet

8

Notes to the financial statements

9-19

Winchester Shoei College Foundation
Registered number 283420

TRUSTEES' ANNUAL REPORT

Year ended 31 March 2019

Reference and administrative information

Trustees

K Okami
J Okami
H Ichiki
R Takemura
D Holbird
K Suzuki

Secretary

H Dellar of Lee Bolton Monier-Williams

Business address

9 Chilbolton Court
Marnhull Rise
Winchester
Hampshire
SO22 5HF

Accountant

Rothmans LLP
Chartered Accountants
Chilworth Point
1 Chilworth Road
Southampton
SO16 7JQ

Auditors

Rothmans Audit LLP
Statutory Auditors
Chilworth Point
1 Chilworth Road
Southampton
Hampshire
SO16 7JQ

Solicitors

Lee Bolton Monier-Williams
1 The Sanctuary
Westminster
London
SW1P 3JT

Bankers

Barclays
50 Jewry Street
Winchester
SO23 8RG

Other relevant organisations

Shoei Joshi Gakuin
2-26-5 Shirokanedai
Minato-ku
Tokyo
108-0071
Japan

The University of Winchester
West Hill
Winchester
Hampshire
SO22 4NR

Winchester Shoei College Foundation
Registered number 283420

TRUSTEES' ANNUAL REPORT

Year ended 31 March 2019

The Trustees are pleased to present their annual report and the audited financial statements for the year ended 31 March 2019.

Structure, Governance and Management

Winchester Shoei College Foundation is governed by a Trust Deed dated 23 September 1981 and is a registered Charity with the Charity Commission (registered number 283420).

A Trustee is appointed to the Board of Trustees by an election held by serving members of the Board. During the year under review the following persons served as Trustees:-

K Okami
J Okami
H Ichiki
R Takemura
D Holbird

J Okami is a Trustee of Winchester Shoei College Foundation but is remunerated by Shoei Joshi Gakuin as he is actively involved in the recruitment of students from Japan and is, in essence, a secondee of Shoei Joshi Gakuin to whom he remains accountable.

Trustees' powers

The Trustees are empowered to invest the funds of Winchester Shoei College Foundation as they consider appropriate. However the sole investment is a loan for the construction of teaching accommodation utilised by Winchester Shoei College Foundation.

Trustee induction and training

Trustees are provided with the Charity prospectus and are strongly encouraged to attend the Annual General Meeting and keep up to date with changes in legislation. In general, the induction and training of Trustees is done informally.

Risk management and internal control

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations of Winchester Shoei College Foundation.

The Trustees have identified that the main risks to which the Charity is exposed are the variability in student numbers, the reliance on continued financial support from Shoei Joshi Gakuin, its sister entity, and the exposure to foreign exchange rate fluctuations. The Trustees regularly give consideration to whether Shoei Joshi Gakuin will continue to offer financial support into the foreseeable future and are satisfied that systems are in place to mitigate the Charity's exposure to risks. The Trustees have continued to focus their efforts on marketing for the recruitment of students and the Charity's current and future plans to ensure adequate policies are in place to address all major operational, financial and general risks, including the reserves policy, for which more details can be found below.

Organisational structure

The daily operations of the Charity are supervised by the Dean of the College, Dr J Okami, who is also a Trustee. Significant decisions that affect the operation of the Charity are discussed by the Trustees together with the Trustees of Shoei Joshi Gakuin, its sister entity. Reference and administrative information is detailed on page 1.

Related parties

The Trustees are aware of their responsibilities to record transactions with related parties in the financial statements and monitor all connections with Trustees and other connected parties of the Charity. The Charity has a very close relationship with Shoei Joshi Gakuin and the policies and operations of the two entities are consistent. In the extremely unlikely event of a disagreement between the organisations or the Trustees thereof, the Charity has independence to determine its own operations.

Winchester Shoel College Foundation
Registered number 283420

TRUSTEES' ANNUAL REPORT continued

Year ended 31 March 2019

Objectives and activities

The principal activities of the Charity are to promote primary, secondary, higher and further education in general, and the higher education of young people and mature students from Japan and the United Kingdom in particular. In furtherance of the above objectives, the Trustees shall have regard to the advancement of the Christian religion and to the advancement of Shoel Joshi Gakuin in Japan.

To fulfill these objectives the Charity offers lectures, seminars and other forms of tuition to students enrolled with the Charity. There have been no changes in the policies adopted to fulfill Winchester Shoel College Foundation's objectives during the year.

Public benefit

In reviewing the Charity's aims, objectives and planning future activities, the Trustees have taken into account the Charity Commission's general guidance on public benefit. The Trustees ensure that the activities undertaken are always in line with the charitable objectives and aims of the Charity. The College is committed to safeguarding and promoting the welfare of our students and expects all staff to share this commitment. We provide public benefit through the provision of culturally appropriate and accessible education and the encouragement of cultural understanding between the people of Japan and the people of the United Kingdom.

Achievements and performance

In the opinion of the Trustees, the Charity has achieved its objectives for the year. The quality of education continued to be excellent. Although the Japanese Yen has continued to fluctuate, efforts have remained consistent to recruit students for the current academic year. The Trustees are satisfied with the number of students at present.

Financial review

The Statement of Financial Activities for the year shows net outgoing resources of £34,623 (2018: £22,084), which has decreased the accumulated surplus of general unrestricted funds carried forward to £106,095 (2018: £140,718). The current year deficit was as a result of an increase in rent and rates, depreciation and repairs.

In the 2018/19 academic year, Winchester Shoel College Foundation had 14 students (2017/18: 13). Expenditure in the year related to the furthering of these students' educational standards. The principal risks of the Charity and the Trustees' responses to those risks are discussed above.

In the opinion of the Trustees, the Charity's assets and incoming resources are sufficient to fulfill the obligations of the Charity.

Reserves policy

Winchester Shoel College Foundation maintains a level of reserves sufficient to enable current and future restoration, repairs and purchases of premises and assets and to cover the operational needs of the Charity. In addition, the Trustees consider it prudent to maintain free reserves to cover at least one year's charitable expenditure in case there is a reduced flow of income, or a delay in transmitting the income from Japan, to the Charity.

Free reserves, disclosed in the financial statements as both general and designated funds, are available for the ongoing use and continuing benefit of the Charity and its objectives. Please refer to Note 11 of the financial statements for further details of the designated funds. The free reserves as at 31 March 2019, excluding tangible assets and investments, amount to £463,016 (2018: £465,323) which should be sufficient, based on the Charity's forecast levels of costs, for the Charity to support its current level of activities and financial commitments, as well as put the Charity on an even greater financial footing in order to recruit even higher numbers of students. The Charity continues to receive ongoing related party support from Shoel Joshi Gakuin.

Winchester Shoei College Foundation
Registered number 283420

TRUSTEES' ANNUAL REPORT continued

Year ended 31 March 2019

Plans for future periods

As described above, the Trustees are continuing to concentrate on attracting new students to the Charity. Methods employed include the promotion of the College through magazine advertisements, the publication of the Charity's prospectus on the internet and organising summer study sessions for high school students.

The University of Winchester has a department that focuses on recruitment of students from overseas and it is hoped that this will continue to have a direct benefit for the Charity.

Charitable contributions

The Charity made charitable donations of £1,308 (2018: £Nil) during the year. These donations were made to the Mayor of Winchester's Charities.

Disclosure of information to auditors

The Trustees who held office at the date of approval of this Trustees' Annual Report confirm that, as far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware, and each Trustee has taken all steps that he ought to have taken as a Trustee to make himself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Statement of Trustees' responsibilities in respect of the Trustees' annual report and financial statements

Under charity law, the Trustees are responsible for preparing the Trustees' Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

By order of the Board of Trustees on this day 15/01/19


K Okami - Trustee


J Okami - Trustee

**INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF
THE WINCHESTER SHOEI COLLEGE FOUNDATION
Registered number 283420**

31 March 2019

Opinion

We have audited the financial statements of Winchester Shoei College Foundation (the "Charity") for the year ended 31 March 2019 which comprises of the Statement of Financial Activities, Balance Sheet and notes to the financial statements, 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 Charity's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

**INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF
THE WINCHESTER SHOEI COLLEGE FOUNDATION continued**
Registered number 283420

31 March 2019

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.


Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 auditor's report.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Lisa Wilson FCA (Senior Statutory Auditor)
For and on behalf of Rothmans Audit LLP
Statutory Auditors, Chartered Accountants
Chilworth Point
1 Chilworth Road
Southampton
SO16 7JQ

Date: 15/03/19

Rothmans Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Winchester Shoel College Foundation

Registered number 283420

STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended 31 March 2019

	Notes	2019		2018	
		£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies		1,308		1,308	
Charitable activities	3	179,385		187,151	
Investment income	2	2,126		1,146	
Other incoming resources		339		348	
Total			183,158		189,953
EXPENDITURE ON					
Charitable activities	4	(217,781)		(212,037)	
Total			(217,781)		(212,037)
NET INCOME					
			(34,623)		(22,084)
RECONCILIATION OF FUNDS					
Total funds brought forward			140,718		162,802
General funds carried forward			106,095		140,718
Designated fund – the Trust Fund	11		456,245		456,245
TOTAL FUNDS CARRIED FORWARD			562,340		598,963

The Charity has no recognised gains or losses other than the income and expenditure shown above for either the current or the preceding financial year.

All of the above results derive from continuing activities and there is no difference between the net income for the current or preceding years or their historical cost equivalent.

All funds are unrestricted income funds.


Winchester Shoel College Foundation
Registered number 283420

BALANCE SHEET

31 March 2019

	Note	2019		2018	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6	91,043		119,567	
Investments	7	4,489		8,281	
			95,532		127,848
CURRENT ASSETS					
Investments	7	3,792		3,792	
Debtors	8	12,634		12,610	
Prepayments		22,750		20,551	
Cash at bank and in hand	9	492,017		484,790	
		531,193		521,743	
CREDITORS					
Amounts falling due within one year	10	(56,015)		(44,012)	
Accruals		(8,370)		(8,616)	
NET CURRENT ASSETS			466,808		469,115
NET ASSETS			562,340		596,963
THE FUNDS OF THE CHARITY					
Unrestricted funds	11		562,340		596,963
TOTAL CHARITY FUNDS			562,340		596,963

These financial statements were approved by the board of Trustees on 15/10/19, and were signed on its behalf by:


K Okami - Trustee


J Okami - Trustee

The notes on pages 9 to 19 form part of the financial statements.

31 March 2019

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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). The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

Inherent in the application of many of the accounting policies used in preparing the financial statements is the need for trustees to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statement and the reporting amounts of income and expenses during the year. Actual outcomes could differ from those estimates and assumptions used. The accounting judgements and estimates that could have significant impact on the results of the charity are set out below and should be read in conjunction with the information provided in the Notes to the financial statements:

Critical Judgements

- Management determine whether financial instruments are basic or advanced and when to deal with recognising, derecognising, measuring and disclosing financial instruments. These decisions depend on an assessment made of the accounting standards.
- Management determine whether to adopt a policy of revaluation for the tangible assets. In making their judgement they have assessed the nature of the tangible assets held and determined that a policy of revaluation would not be appropriate.

Significant Estimates

- To determine whether there are indicators of impairment of the company's investment assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- Where there are indications of impairment to trade debtors, management perform an impairment test. The amount of the loss is determined by looking at the carrying value of the trade debtor and comparing it with the present value of the estimated cash flows discounted at the effective interest rate.

Winchester Shoei College Foundation
Registered number 283420

31 March 2019

NOTES TO THE FINANCIAL STATEMENTS continued

Going concern

Based on the Charity's current financial standing and the following undertaking, the Trustees are of the opinion that it is appropriate to consider the Charity a going concern as there are no material uncertainties about the charity's ability to continue and the financial statements have therefore been prepared on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

The Trustees have decided that free reserves, as disclosed in the financial statements, are both general and designated funds which are available for the on-going use and continuing benefit of the Charity and its objectives. At the balance sheet date the Charity held free reserves, excluding tangible assets and investments, of £463,016 (2018: £465,323) and cash reserves amounted to £492,017 (2018: £484,790). The Charity has a sound long term relationship with Shoei Joshi Gakuin, its sister entity, who has provided assurance to the Charity that, despite a decrease in student numbers for the 2018/19 academic year, it will continue to make available the funds required to support the Charity's objectives and that it intends to support the charity's project for the foreseeable future. The Trustees acknowledge that there can be no certainty that this support will continue indefinitely, though at the date of approval of these financial statements, they have no reason to believe the support will be withdrawn in the foreseeable future.

Income and expenditure

All incoming resources and expenditure are included in the Statement of Financial Activities on an accruals basis, in particular:

Incoming resources from charitable activities

Income from activities in furtherance of the Charity's objects comprises tuition, administration and accommodation fees receivable. The fees are paid up front in advance of the beginning of the academic year and are recognised as the services are provided. As the academic year is not co-terminus with the Charity's accounting year, those fees attributable to the period which falls after the accounting year end are deferred and included in creditors. All fees are generated in the UK.

Voluntary income

Voluntary income relates to donations by Shoei Joshi Gakuin and is recognised as income when it is received by the Charity, provided any conditions attached to the donations in respect of their intended purpose are met.

Investment income

Investment income is recognised on an accruals basis and comprises interest receivable on the loan for construction of teaching accommodation utilised by the Charity and interest earned on cash held on deposit.

Winchester Shoei College Foundation
Registered number 283420

31 March 2019

NOTES TO THE FINANCIAL STATEMENTS continued

1. ACCOUNTING POLICIES continued

Income and expenditure continued:

Other income

Other income comprises of sundry amounts receivable by the Charity, including receipts for laundry and pay phones. This income is recognised in the year to which it is attributable.

Charitable activities and governance costs

Charitable activities consist of direct expenditure and support costs. Direct expenditure is all expenditure directly relating to the Charity's objects, including directly attributable salaries, and these costs are allocated on an actual basis to the specific areas activity to which they relate. Support costs comprise costs incurred directly in support of expenditure on the objects of the Charity. Governance costs relate to the management of the Charity's assets, compliance with constitutional and statutory requirements and the general running of the Charity, as opposed to the direct management functions inherent in generating funds.

Property lease and dilapidations

In accordance with note 6, payments for use of the Chilbolton Court premises in accordance with a lease between the Charity and the University of Winchester are recognised on a straight line basis over the term of the lease. A further Deed has been executed to grant the Trustees an option to extend the lease for a further 14 years. Provision for any probable cost of dilapidations that may arise at the final termination of a lease is recognised in the financial statements once the Trustees formally resolve not to renew the lease and once a reliable estimate of the cost can be quantified based upon the landlord's agreement to the required works.

Taxation

Winchester Shoei College Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The Charity's activities are exempt from VAT and accordingly irrecoverable VAT is charged to the Statement of Financial Activities when incurred and included within the expenditure category to which it relates or capitalised under tangible fixed assets if relating to capital expenditure.

Foreign currency transactions

Transactions in foreign currencies are recorded at a rate of exchange equivalent to that prevailing at the date of the transactions.

Fixed assets and depreciation

Depreciation is provided by the Charity to write off the cost less the estimated residual value of tangible fixed assets, other than freehold land, by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	- 40 years (2½% per annum)
Short leasehold properties	- Over the period of the lease
Furniture and equipment	- 5 years (20% per annum)

Short leasehold properties are depreciated over the initial lease term of 40 years as it is not yet known whether the option to extend the lease for a further 14 year term will be exercised.

All additions that fall within the above fixed asset categories are capitalised.

Winchester Shoei College Foundation
Registered number 283420

31 March 2019

NOTES TO THE FINANCIAL STATEMENTS continued

1. ACCOUNTING POLICIES continued

Investments

Investments comprise a loan advanced for construction of teaching accommodation utilised by the Charity, repayable in forty annual instalments. Annual repayments of the loan are waived in consideration for free use of the accommodation with the intent that waived repayments shall be deemed to have been repaid. The annual cost of the accommodation is reflected in Support Costs (Note 4). Interest is charged annually on the loan and reported within Investment Income (Note 2) at an amount equivalent to the annual rent charge for the College teaching block which is set at £1,100 per annum and reported within Rent and Rates (Note 4 – Support costs).

Short term debtors and creditors

Debtors and creditors receivable and payable within one year or upon demand are recorded at transaction price whether or not a rate of interest is charged on the balance. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Fund accounting

Unrestricted general funds can be used in accordance with the charitable objectives at the discretion of the Trustees. Designated funds comprise unrestricted funds that have been earmarked by the Trustees for particular purposes. The aim and use of each designated fund is more fully described later in these notes to the financial statements (Note 11). Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for a restricted purpose. Currently, the Charity holds no such restricted funds. Investment income and gains are allocated to the appropriate fund.

2. Investment income	2019	2018
	£	£
Deposit interest	1,026	46
Secured loan (Note 7)	1,100	1,100
	<hr/>	<hr/>
	2,126	1,146
	<hr/>	<hr/>
3. Incoming resources from charitable activities	2019	2018
	£	£
Tuition fees	125,629	119,514
Accommodation	53,756	67,637
	<hr/>	<hr/>
	179,385	187,151
	<hr/>	<hr/>

Tuition fees include entrance fees and exam entrance fees. Accommodation fees include administration fees.

Winchester Shoel College Foundation
Registered number 283420

31 March 2019
NOTES TO THE FINANCIAL STATEMENTS continued

4. Resources expended: charitable activities

	2019		2018	
	Unrestricted	Restricted	Unrestricted	Restricted
	£	£	£	£
Direct expenditure	118,705	-	112,035	-
Support costs	82,067	-	88,842	-
Governance costs	17,009	-	11,160	-
Total resources expended	<u>217,781</u>	<u>-</u>	<u>212,037</u>	<u>-</u>
Direct expenditure			2019	2018
			£	£
Employee emoluments			31,203	31,728
Travelling and entertaining			344	875
Classroom rent			85,850	79,432
Donations			1,308	-
			<u>118,705</u>	<u>112,035</u>
Support costs			2019	2018
			£	£
Depreciation of tangible fixed assets			28,524	29,139
Payroll administration			240	1,440
Telephone, postage and stationary			6,820	6,662
Equipment leasing			4,088	4,088
Cleaning and gardening			533	785
Repairs, maintenance, insurance and sundry			14,610	20,763
Light, heat and water costs			18,310	13,651
Loan repayment (waived)			3,792	3,792
Rent and rates			7,042	9,236
Bank charges			57	80
Foreign exchange			(1,949)	(794)
			<u>82,067</u>	<u>88,842</u>
Governance costs			2019	2018
			£	£
Audit of the financial statements			4,200	4,200
Accountancy, taxation and other professional services			2,760	2,760
Professional fees			10,049	4,200
			<u>17,009</u>	<u>11,160</u>

Winchester Shoel College Foundation
Registered number 283420

31 March 2019

NOTES TO THE FINANCIAL STATEMENTS continued

5. Staff costs and numbers

The average number of staff employed by the Charity during the year analysed by category was as follows:-

	2019	2018
Management and administration	3	3
	<hr/>	<hr/>
The aggregate payroll costs were as follows:-	2019	2018
	£	£
Wages and salaries	27,953	30,082
Social security	3,250	1,646
	<hr/>	<hr/>
	31,203	31,728
	<hr/>	<hr/>

No employees of the Charity received remuneration of more than £60,000. One Trustee received remuneration exceeding £60,000 from Shoel Joshi Gakuin in relation to services provided as Dean as per his employment contract with Shoel Joshi Gakuin.

Remuneration of Trustees by Shoel Joshi Gakuin in relation to the above services

	2019	2018
	£	£
Dr J Okami		
Wages and salaries	99,983	99,545
Social security	12,634	12,610
	<hr/>	<hr/>
	112,617	112,155
	<hr/>	<hr/>

Dr J Okami is a Trustee and the Dean of Winchester Shoel College and is contractually employed and remunerated by Shoel Joshi Gakuin, the College's sister entity.

Dr J Okami's gross salary paid by Shoel Joshi Gakuin in respect of these services amounted to £99,983 for the year (2018: £99,545) and associated Social Security costs amounted to £12,634 (2018: £12,610). In accordance with the Charities SORP (FRS 102), this is not reported as a cost of the Charity in the Statement of Financial Activities on page 7.

No other Trustee received remuneration during the year or the preceding year.

Winchester Shoel College Foundation
Registered number 283420

31 March 2019

NOTES TO THE FINANCIAL STATEMENTS continued

6. Tangible fixed assets

	Freehold property £	Short leasehold property £	Furniture and equipment £	Total £
Cost				
At beginning of year	133,628	474,650	130,338	738,616
Additions	-	-	-	-
Disposals	-	-	-	-
At end of year	133,628	474,650	130,338	738,616
Depreciation				
At beginning of year	(113,571)	(387,675)	(117,803)	(619,049)
Charge for year	(3,341)	(21,743)	(3,440)	(28,524)
At end of year	(116,912)	(409,418)	(121,243)	(647,573)
Net book value				
At 31 March 2019	16,716	65,232	9,095	91,043
At 31 March 2018	20,057	86,975	12,535	119,567

All tangible fixed assets are used for direct charitable purposes.

Freehold property is stated at cost less depreciation in accordance with UK Generally Accepted Accounting Practice. The Trustees are of the opinion that although it is not considered practical to undertake a formal valuation at this point in time, the open market value of the interest in freehold property is considerably higher than the carrying net book value of £16,716 (2018: £20,057) reported within the financial statements.

7. Investments

	2019 £	2018 £
At beginning of year	12,073	15,865
Loan repayment waived	(3,792)	(3,792)
	8,281	12,073
Allocated to:		
Fixed asset investment	4,489	8,281
Current asset investment	3,792	3,792

The fixed asset investment relates to a loan, which was for the construction of teaching accommodation utilised by Winchester Shoel College Foundation, and is secured by a legal charge on the premises in question. Repayment of the loan is payable by forty annual instalments which commenced on 22 March 1982. However, the instalments are to be waived in consideration for the free use of the accommodation, with the intent that the repayments so waived shall be deemed to have been repaid. The annual fixed interest receivable, on the usual quarter days, is £1,100 as disclosed in Note 2.

Winchester Shoei College Foundation
Registered number 283420

31 March 2019

NOTES TO THE FINANCIAL STATEMENTS continued

8.	Debtors	2019	2018
		£	£
	Amounts owed from related party	12,634	12,610
		<hr/>	<hr/>
		12,634	12,610
		<hr/>	<hr/>
9.	Cash at bank and in hand	2019	2018
		£	£
	Current accounts:-		
	Trustees of Winchester Shoei College	23,624	464,254
	Savings Account	460,998	-
	Chilbolton Residence	6,203	16,512
	Kerrfield Residence	152	3,355
	Cash in hand	1,040	669
		<hr/>	<hr/>
		492,017	484,790
		<hr/>	<hr/>
10.	Creditors: amounts falling due within one year	2019	2018
		£	£
	Trade creditors	10,056	3,706
	Fees received in advance	42,592	36,876
	Other deferred income	75	75
	Taxation and social security	2,278	2,241
	Student room deposits	1,014	1,114
		<hr/>	<hr/>
		56,015	44,012
		<hr/>	<hr/>

Fees received in advance released in the year amounted to £36,876 (2018: £37,844).

Winchester Shoel College Foundation
Registered number 283420

31 March 2019

NOTES TO THE FINANCIAL STATEMENTS continued

11. Movement in accumulated unrestricted funds

	Balance at 01.04.2018 £	Incoming resources £	Resources expended £	Balance at 31.03.2019 £
General fund	140,718	183,158	(217,781)	106,095
Designated fund – The Trust Fund	456,245	-	-	456,245
	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated unrestricted funds	596,963	183,158	(217,781)	562,340
	<hr/>	<hr/>	<hr/>	<hr/>

Designated fund - The Trust Fund represents an advancement of funds to the initial trust fund from Shoel Joshi Gakuin, which is repayable at the discretion of Winchester Shoel College Foundation. It is to be spent by the Trustees of Winchester Shoel College Foundation in accordance with their powers as laid down in the Trust Deed, whether as to capital or income, in furtherance of the objects of Winchester Shoel College Foundation. There are no performance based conditions attached to the funds. In the event of the activities of Winchester Shoel College Foundation ceasing, any balance of the Trust Fund remaining which has not been spent is to be distributed to Shoel Joshi Gakuin to further its objectives in Japan.

The accumulated surplus is held for the purposes set out in the reserves policies note on page 3 of the Trustees' Report. In the event of the activities of Winchester Shoel College Foundation ceasing, the accumulated surplus may be used for other similar charitable functions, with the consent of the UK Charity Commission and Shoel Joshi Gakuin.

12. Shoel Joshi Gakuin

Shoel Joshi Gakuin is a school based in Japan which provides students, recruits students and provides certain management services to the Winchester Shoel College Foundation. These services are covered by fees for recruiting students from Shoel Joshi Gakuin and other academic institutions. One of the Trustees of the Winchester Shoel College Foundation, Mr K Okami, participates in the management of Shoel Joshi Gakuin. However, the independence of Winchester Shoel College Foundation is adequately maintained as Mr K Okami is not able to undertake sole decision-making on behalf of the College or Shoel Joshi Gakuin.

Tuition, accommodation and administrative cash receipts received in the year, and voluntary income from Shoel Joshi Gakuin, were £179,385 (2018: £187,151) and £1,308 (2018: £1,308) respectively. Except for the amounts already recognised as fees received in advance or deferred income (as more fully detailed in Note 10) or the transactions described more fully in Note 13, there were no outstanding or prepaid amounts at either the beginning or end of the year under review.

Winchester Shoei College Foundation
Registered number 283420

31 March 2019
NOTES TO THE FINANCIAL STATEMENTS continued

13. Related party transactions

The freehold property disclosed in Note 6 of these financial statements is used as a place of residence of Dr J Okami, the Dean of Winchester Shoei College.

G Okami, the wife of Dr J Okami received remuneration from the Charity for her services as follows:-

	2019	2018
	£	£
Wages and salaries	6,725	6,667
Social security	6	8
	<hr/> 6,731	<hr/> 6,675

J A Okami, daughter of Dr J Okami received remuneration from the Charity for her services as follows:-

	2019	2018
	£	£
Wages and salaries	385	650
Social security	-	-
	<hr/> 385	<hr/> 650

Details of the emoluments received by Trustees together with expenses reimbursed to Trustees have been disclosed in full in Note 6 of these financial statements.

Dr Okami is remunerated by Shoei Joshi Gakuin for his services as Dean of the College and receives no remuneration from Winchester Shoei College Foundation. Included within Debtors is an amount of £12,634 (2018: £12,610) recoverable by the Charity from Shoei Joshi Gakuin in respect of the Employer's Social Security cost of Dr J Okami's salary, which was paid by Winchester Shoei College Foundation during the financial year on the condition that this amount would subsequently be recovered from Shoei Joshi Gakuin.

14. Operating lease commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	1,100	1,100
Between one and five years	1,650	2,750
More than five years	<hr/> -	<hr/> -
	<hr/> 2,750	<hr/> 3,850

Winchester School College Foundation
Registered number 283420

31 March 2019

NOTES TO THE FINANCIAL STATEMENTS continued

15. Contingencies and capital commitments

The Charity is party to a lease with the University of Winchester in respect of the property constructed at Chilbolton Court, as more fully described in Notes 1 and 7. The terms of the lease require that the property is kept in a good state of repair and the cost of certain repair works are the responsibility of the Charity. The lease carries an option to extend the lease beyond the current 40-year term for a further 14 year term. The Trustees are of the opinion that the property is in a good state of repair, no construction works have been carried out that do not fall within the lease terms and full provision for any significant repairs has been made in the accounts. The Trustees acknowledge that on termination of the lease a further cost could arise that is currently unforeseen and cannot be reliably measured until such time as the Trustees notify the landlord of their intention to terminate the lease.

The Trustees confirm there are no other contingent liabilities or capital commitments for the Charity that should be disclosed in the Trustees' Annual Report and financial statements.

