

Signed

Company number 00585533 (England and Wales)

THE HENRY LESTER TRUST LIMITED
(limited by guarantee)

Registered charity no 313892

ANNUAL REPORT & ACCOUNTS

for the year ended 30 April 2021

THE HENRY LESTER TRUST LIMITED
(limited by guarantee)

DIRECTORS

M R W Warren (Chairman)
R L Guy (Executive Director)
R E T Bennett
P W S C Brockman
P J Cowling
A C Hamilton FCA
G M Millar
J P C Moffett
J M Moore

EXECUTIVE DIRECTOR

R L Guy
ed@henrylestertrust.com

SECRETARY AND REGISTERED OFFICE

A C Hamilton FCA
Apartment 802 Grand Tower, Plaza Gardens, London SW15 2DF
andrew@hamilton67.co.uk

COMPANY NUMBER

00585533 (England and Wales)

REGISTERED CHARITY NUMBER

313892

AUDITORS

Blue Spire Limited
Cawley Priory, South Pallant, Chichester PO19 1SY

BANKERS

National Westminster Bank PLC
153 Putney High Street, London SW15 1RX

INVESTMENT MANAGERS

Sarasin & Partners LLP
Juxon House, 100 St Paul's Churchyard, London EC4M 8BU

TRUSTEES' REPORT FOR THE YEAR ENDED 30 APRIL 2021

Registered name and governing document

The registered name of the charity is The Henry Lester Trust Limited and the governing document is the company's Memorandum and Articles of Association.

Legal status

The company is limited by guarantee as set out in the Memorandum of Association in the sum of £1 per member. There are currently 9 members.

Organisational structure

The directors, who are the trustees of the charity, carry out all the operational functions including the day to day administrative requirements and operational decisions.

There is no reliance upon contributions from outside volunteers.

Directors and their appointment

In accordance with Company Law and the Articles of Association one third of the number of directors retire at each AGM and are eligible for re-appointment. The directors can appoint additional directors, and fill casual vacancies in their number, between AGMs but those so appointed must seek re-election at the next AGM.

The current directors are shown on Page 1 and have held office throughout the year. The directors retiring by rotation are Mr P W S C Brockman, Mr J M Moore and Mr M R W Warren, and being eligible, offer themselves for re-election with the exception of Mr Brockman who is not seeking re-election. The Board is very grateful for Mr Brockman's help and advice for over 17 years and wish him well in retirement.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The trustees have conducted a review of the major risks to which the company could be exposed and have established, so far as is practical in a small organisation, procedures to mitigate these.

Objectives

The primary aims of the company as a charity is to provide financial support to graduates from the Peoples Republic of China (PRC) to study at a higher level in specified fields at universities and similar establishments in the United Kingdom. The specified fields are those which the Trustees consider follow the areas supported by Henry Lester prior to his death in China in 1926 where he had spent most of his professional life. These fields are kept under review by the Trustees.

Public benefit

In setting our objectives and planning our 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 in so far as it is applicable to our support to students from the PRC studying at UK universities and other high level research establishments.

Awards policy

All relevant applications are considered on their individual merits.

Reserves policy

It is the Trustees' policy to retain sufficient reserves to maximise grant giving, each year, and thus maintaining, for the foreseeable future, the primary aims of the company.

Investment powers

The company has no specific restrictions over its investment powers. The investments are managed by Sarasin & Partners LLP, who have considerable experience in acting for charities, on a discretionary basis. The investments are held in the Common Investment Fund for Charities with the aim to secure both income to meet outgoings and longer-term capital growth.

Funding sources

Income is derived from the charity's investment portfolio.

Review of developments, activities, achievements and future plans

During the year grants totaling £69,002 (2020 £73,892) were made to support the studies and research of 28 (2020 36) persons studying in the medical, architectural, engineering and scientific fields from the PRC at UK universities in line with the policies based on the criteria exemplified by the late Henry Lester.

There has been a reduction in applications for financial help especially in the second half of the year. This is undoubtedly caused by Covid-19 and its effect on universities being restricted and problems of travel for overseas students. We have looked favourably on those students who were expecting to have part time employment as lab technicians and teaching assistants but could not do so because universities were effectively shut. As they began to open up we found that university grants for research materials were not available, something we could cover in our grants.

We would hope that matters will change to the patterns before when term starts again in the autumn and post graduate life returns to normal. Our budget for grants in the current financial year remains at the same level as in the past for these reasons.

Investment performance

Perhaps because of the slump in markets in the early part of 2020, it was surprising that there should have been quite so dramatic a recovery in values at the end of this financial year. The difference in the market value of the investment portfolio between the beginning and end of the financial year resulted in an unrealised profit of £214,350 (2020 loss £37,377). There were also realised gains on the sale of investments of £7,783 (2020 £20,641). These sales were to release funds to meet the cost of current and future grants.

We have been very fortunate that our Investment Managers have a policy of equalising client returns meaning that, with many companies cutting or stopping dividends, our income from dividends has been largely unaffected. Many companies are now restoring their dividends so we expect, along with help from our Investment Managers further returns will remain comparable.

Results for the year

There was an operating deficit in the year of £39,813 (2020 £44,536). After adding the net profit on investment movements of £222,133, the net surplus for the year was £182,320 (2020 deficit £61,272). This, when added to the total Fund balance brought forward, gives reserves of £1,425,440 to carry forward.

Trustees' responsibilities

The Trustees (who are also the directors of the company for Companies Act purposes) are responsible for preparing the Report of the Trustees 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 company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period.

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

- adopt suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charity SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the company and to enable them to ensure that the financial statements comply 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees acknowledge their responsibility for:

- ensuring that the company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its result for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Blue Spire Limited, Chartered Accountants, will be proposed for re-appointment at the forthcoming AGM.

This report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

This report was approved by the board on 14 October 2021

ANDREW HAMILTON
Trustee and secretary



Independent Auditor's Report to the Trustees of The Henry Lester Trust Limited

Opinion

We have audited the financial statements of The Henry Lester Trust Limited (the 'charitable company') for the year ended 30 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet 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 charitable company's affairs as at 30 April 2021, 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 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 trustees 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, 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.

THE HENRY LESTER TRUST LIMITED
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Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 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.

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:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of trustees to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- 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 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 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 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Blue Spire Limited

Blue Spire Limited (Statutory Auditor)

Cawley Priory
South Pallant
Chichester
West Sussex PO19 1SY

Date

4 November 2021

Blue Spire Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE HENRY LESTER TRUST LIMITED
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STATEMENT OF FINANCIAL ACTIVITIES
Incorporating an Income and Expenditure Account
for the year ended 30 April 2021

	Notes	2021 Unrestricted funds £	2020 Unrestricted funds £
INCOME from Investments	2	41,962	43,677
Total income		<u>41,962</u>	<u>43,677</u>
EXPENDITURE on Charitable activities	3	69,002	73,892
Governance and other costs	4	12,773	14,321
Total expenditure		<u>81,775</u>	<u>88,213</u>
NET OPERATING RESULT		<u>(39,813)</u>	<u>(44,536)</u>
Net gains and (losses) on investments		222,133	(16,736)
Net movement in funds		<u>182,320</u>	<u>(61,272)</u>
Total funds brought forward		1,243,120	1,304,392
TOTAL FUNDS CARRIED FORWARD 7		<u><u>1,425,440</u></u>	<u><u>1,243,120</u></u>

All the above results derive from continuing activities.

The notes on pages 9 to 11 form part of these accounts.

THE HENRY LESTER TRUST LIMITED
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Company number 00585533 (England and Wales) Charity number 313892

BALANCE SHEET at 30 April 2021

	notes	2021 £	2020 £
FIXED ASSETS			
Investments at fair value	6	1,422,067	1,219,934
CURRENT ASSETS			
Cash at bank		9,582	25,888
CREDITORS – Other creditors			
Amounts falling due within one year		(6,209)	(2,702)
NET CURRENT ASSETS		3,373	23,186
TOTAL ASSETS			
LESS CURRENT LIABILITIES		1,425,440	1,243,120
NET ASSETS		1,425,440	1,243,120
FUNDS			
Fair value reserve		567,793	353,443
General fund		857,647	889,677
Unrestricted funds	7	1,425,440	1,243,120

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 April 2021

The members have not deposited notice pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

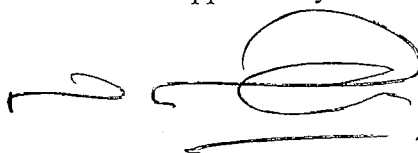
These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The accounts on pages 7 to 11 were approved by the board on 14 October 2021

M R W Warren

Chairman



The notes on pages 9 to 11 form part of these accounts.

NOTES to the Accounts
For the year ended 30 April 2021

The charity is a private company, limited by guarantee, and incorporated in England. Its registered office is shown on page 1 and the nature of its operations are shown in the Trustees Report.

1 Accounting policies

Basis of preparation

The financial statements of the company, which is a public benefit entity under the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

The accounts are prepared under the historical cost accounting convention with the exception of investments, which are included at fair value, as modified by the revaluation of certain assets.

The financial statements are presented in UK sterling which is the functioning currency of the charity and rounded, where appropriate, to the nearest £.

Income and expenditure

Income represents all amounts receivable during the year. Expenditure is accounted for on an accrual's basis. Direct charitable expenditure relates to all grant amounts paid during the year. Other expenditure is allocated to Governance costs.

Taxation

The company is exempt from capital and income taxes as its activities fall within the various exemptions available to registered charities.

Fund accounting

The General Fund is available for use at the discretion of the trustees in furtherance of the general objectives of the company.

Fixed asset investments

These are stated at their fair value based on market value as supplied by the Fund Managers.

2 Investment income

	2021	2020
	£	£
Dividends and interest received	41,962	43,677
	<u> </u>	<u> </u>

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3	Charitable activities costs		
		2021	2020
		£	£
	Grants and awards paid to and for the benefit of individuals	69,002	73,892
		<u> </u>	<u> </u>
4	Governance and support costs		
		2021	2020
		£	£
	Director's remuneration	8,500	8,500
	Auditor's remuneration for audit services	1,980	1,980
	Sundry expenses	2,293	3,841
		<u>12,773</u>	<u>14,321</u>
		<u> </u>	<u> </u>
5	Trustees' remuneration and expenses		
		2021	2020
		£	£
	Executive Director	8,500	8,500
		<u> </u>	<u> </u>
	Other trustees' expenses to cover travelling, telephone and other incidental costs 8 trustees	1,600	1,700
		<u> </u>	<u> </u>
	Remuneration for executive services is authorised in the company's Articles of Association. The other directors received no remuneration. There are no other employees and no person with emoluments above £60,000 per annum.		
	The average monthly number of trustees during the year was 9 (2020 9)		
6	Fixed asset investments		
		2021	2020
		£	£
	Fair value at beginning of the period	1,219,934	1,301,670
	Additions at cost	-	-
	Disposals proceeds	(20,000)	(65,000)
	Revaluations - Realised	7,783	20,641
	Unrealised	214,350	(37,377)
	Fair value at end of financial period	<u>1,422,067</u>	<u>1,219,934</u>
		<u> </u>	<u> </u>

There were no investment assets held directly outside the UK.

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7 **Movement in Funds**

Year ended 30 April 2021

	Brought forward £	Incoming recources £	Resources expended £	Gains & (losses) £	Carried forward £
Fair value reserve	353,443	-	-	214,350	567,793
General fund	889,677	41,962	(81,775)	7,783	857,647
	<u>1,243,120</u>	<u>41,962</u>	<u>(81,775)</u>	<u>222,133</u>	<u>1,425,440</u>

Year ended 30 April 2020

Fair value reserve	390,820	-	-	(37,377)	353,443
General fund	913,572	43,677	(88,213)	20,641	889,677
	<u>1,304,392</u>	<u>43,677</u>	<u>(88,213)</u>	<u>(16,736)</u>	<u>1,243,120</u>

8 **Related party disclosures**

There were no related party transactions in the year ended 30 April 2021 other than those set out in Note 5.