

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 2023

THE HENRY LESTER TRUST LIMITED
(limited by guarantee)

DIRECTORS

M R W Warren (Chairman)
R E T Bennett
P J Cowling (Deceased 21 September 2023)
R L Guy
A C Hamilton FCA
G M Millar
J P C Moffett
J M Moore

EXECUTIVE OFFICER

Miss Lindsay Jones
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

Metro Bank PLC
One Southampton Row
London WC1B 5HA

National Westminster Bank PLC
111-117 Putney High Street, London SW15 2LL

INVESTMENT MANAGERS

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

THE HENRY LESTER TRUST LIMITED **(limited by guarantee)**

TRUSTEES' REPORT FOR THE YEAR ENDED 30 APRIL 2023

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 7 members.

Organisational structure

The directors, who are the trustees of the charity, assisted by the Executive Officer, 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.

Sadly we have to record the death of Mr Peter Cowling on 21 September 2023. Peter had been a valued member of the Board since 1997 and will be much missed.

The current directors are shown on Page 1 and have held office throughout the year. The directors retiring by rotation are Mr A C Hamilton and Mr J P C Moffett, being eligible offer themselves for re-election.

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 high level reseach 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 with the result that, during the year, they agreed to discontinue making new grants for mechanical sciences which includes pure computer research. This has not prevented awarding grants in other approved areas where computers are used extensively.

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 universities and other high level research establishments in the United Kingdom.

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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 £60,500 (2022 £69,366) were made to support the studies and research of 23 (2022 28) persons from the PRC studying in the medical, architectural and certain aspects of the engineering and scientific fields at universities and other high level establishments in the United Kingdom in line with the policies based on the criteria exemplified by Henry Lester in his lifetime.

The grants paid in the year were less than those paid in the previous year partly due to the change of policy in the fields of study, referred to above, and a reduction in the number applying as a continuing consequence of the covid restrictions in the PRC.

As we reported last year, we were expecting a fall off in the number of applications for grants this year. It is difficult to forecast fully how we will fare this year particularly as we now no longer pay for bench fees and research materials as, we believe strongly, that these are the responsibility of the universities. We are budgeting for a similar level of grants payable this year as last.

With the continuing uncertainties caused by the war in the Ukraine and a general world wide recession, there was a reduction in the market value of our investments between the two year ends. This led to an unrealised loss of £71,854 (2022 loss £49,943). There were also realised gains on the sale of investments of £18,043 (2022 £15,951). These sales were to release funds to meet the cost of current and future grants.

These sales, together with generally lower yields and the consequent reduction in our units, has resulted in a significant reduction in our income. With the future still affected by current problems, we must be prepared to a reduced level of income.

Results for the year

There was an operating deficit in the year of £36,462 (2022 £43,845). After adding the net loss on investment movements of £53,811, the net deficit for the year was £90,273 (2022 deficit £77,837). This, when deducted from the total Fund balance brought forward, gives reserves of £1,257,330 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 25 October 2023

ANDREW HAMILTON *Andrew Hamilton*
Trustee and secretary

THE HENRY LESTER TRUST LIMITED **(Limited by guarantee)**

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 2023 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 2023, 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 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 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' annual report², other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and 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 trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Auditor 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 the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free

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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.

Based on our understanding of the charity and the industry in which it operates, we identified the principal laws and regulations that directly affect the financial statements to be the Charities Act, and Trustee Act. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition, the charity is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. As an investment funded grantmaker there is a limitation to areas most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence if any.

Audit procedures performed by the engagement team included:

- Enquiry of those charged with governance around actual and potential litigation and claims and 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.

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 FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. 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 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 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.

Cawley Priory
South Pallant
Chichester
West Sussex PO19 1SY

Blue Spire limited

Blue Spire Limited, Statutory Auditor

Date 22 December 2023

Blue Spire Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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STATEMENT OF FINANCIAL ACTIVITIES
 Incorporating an Income and Expenditure Account
 for the year ended 30 April 2023

	Notes	2023 Unrestricted funds £	2022 Unrestricted funds £
INCOME from Investments	2	37,034	38,162
		<hr/>	<hr/>
Total income		37,034	38,162
		<hr/>	<hr/>
EXPENDITURE on			
Charitable activities	3	60,500	69,366
Governance and other costs	4	12,996	12,641
		<hr/>	<hr/>
Total expenditure		73,496	82,007
		<hr/>	<hr/>
NET OPERATING RESULT		(36,462)	(43,845)
Net (losses) and gains on investments		(53,811)	(33,992)
		<hr/>	<hr/>
Net movement in funds		(90,273)	(77,837)
Funds brought forward at 1 May 2022		1,347,603	1,425,440
		<hr/>	<hr/>
Funds carried forward at 30 April 2023	7	1,257,330	1,347,603
		<hr/> <hr/>	<hr/> <hr/>

All the above results derive from continuing activities.

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

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Company number 00585533 (England and Wales) Charity number 313892

BALANCE SHEET at 30 April 2023

	notes	2023 £	2022 £
FIXED ASSETS			
Investments at fair value	6	1,244,244	1,348,055
CURRENT ASSETS			
Cash at bank		17,402	5,604
CREDITORS – Other creditors			
Amounts falling due within one year		(4,316)	(6,056)
		<u>13,086</u>	<u>(452)</u>
TOTAL ASSETS			
LESS CURRENT LIABILITIES		1,257,330	1,347,603
NET ASSETS		<u>1,257,330</u>	<u>1,347,603</u>
FUNDS			
Fair value reserve		445,996	517,850
General fund		811,334	829,753
Unrestricted funds	7	<u>1,257,330</u>	<u>1,347,603</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 April 2023.

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 25 October 2023

Mark Warren



Chairman

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

THE HENRY LESTER TRUST LIMITED
(limited by guarantee)

NOTES to the Accounts
For the year ended 30 April 2023

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 payable 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

	2023 £	2022 £
Dividends and interest received	37,034	38,162
	<hr/>	<hr/>

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3	Charitable activities costs	2023	2022
		£	£
	Grants and awards paid to and for the benefit of individuals	60,500	69,366
		_____	_____
4	Governance and support costs	2023	2022
		£	£
	Director's remuneration	2,878	8,643
	Contractors' fees	5,834	0
	Auditor's remuneration for audit services	2,160	1,980
	Sundry expenses	2,124	2,018
		_____	_____
		12,996	12,641
		=====	=====
5	Trustees' remuneration and expenses	2023	2022
		£	£
	Executive Director prior to retirement	2,878	8,643
		_____	_____
	Other trustees' expenses to cover traveling, telephone and other incidental costs for 8 trustees	446	700
		_____	_____

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 8 (2022 9)

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6 Fixed asset investments - managed funds

	2023 £	2022 £
Fair value at beginning of the period	1,348,055	1,422,067
Additions at cost	-	-
Disposals proceeds	(50,000)	(40,200)
Revaluations - Realised	18,043	15,951
Unrealised	(71,854)	(49,943)
Fair value at end of financial period	<u>1,244,244</u>	<u>1,348,055</u>

There were no investment assets held directly outside the UK.

7 Movement in Funds

Year ended 30 April 2023

	Brought forward £	Incoming resources £	Resources expended £	Gains & (losses) £	Carried forward £
Fair value reserve	517,850	-	-	(71,854)	445,996
General fund	829,753	37,034	(73,496)	18,043	811,334
	<u>1,347,603</u>	<u>37,034</u>	<u>(73,496)</u>	<u>(53,811)</u>	<u>1,257,330</u>

Year ended 30 April 2022

Fair value reserve	567,793	-	-	(49,943)	517,850
General fund	857,647	38,162	(82,007)	15,951	829,753
	<u>1,425,440</u>	<u>38,162</u>	<u>(82,007)</u>	<u>(33,992)</u>	<u>1,347,603</u>

8 Related party disclosures

There were no related party transactions in the year ended 30 April 2023 other than those set out in Note 5.

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the sixty fifth ANNUAL GENERAL MEETING will be held on Wednesday 25 October 2023 at 12 noon, or as soon as the meeting of directors has finished, for the following purposes:

- 1 To receive and adopt the report of the trustees and the accounts for the year ended 30 April 2023.
- 2 To re-elect trustees, who are also the directors.
- 3 To re-appoint the auditors and to authorise the trustees to fix their remuneration.
- 4 To transact any other ordinary business of the company.

By order of the board

ANDREW HAMILTON

Director and secretary

25 October 2023