

Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 5 April 2021
for
The David and Jayne Paterson
Educational Trust

A J Bennewith FCA, FCPA, FFA, FFTA,
FIPA, DChA, FRSA
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for the Year Ended 5 April 2021

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Report of the Trustees
for the Year Ended 5 April 2021

The trustees present their report with the financial statements of the charity for the year ended 5 April 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trustees shall hold the capital and the income of the Trust Fund upon charitable trusts to apply the income and all or such part or parts of the capital thereof for or towards the promotion of education and in particular but not restricted to:

- (a) the promotion of the study of law;
- (b) the awarding of scholarships, exhibitions or bursaries tenable at any university or other UK educational institution approved by the Trustees to residents in the People's Republic of China to enable them to study law;
- (c) the awarding of grants or maintenance allowances to individuals to enable them to travel in furtherance of their legal education.

Activities

Since the establishment of the Trust, the Trustees have fulfilled the charitable objects principally by establishing a scholarship which is known as The David and Jayne Paterson Scholarship. This was originally to enable ethnic Chinese students to study law at Oxford University for an undergraduate degree, but with effect from September 2010, students will instead be given the opportunity to participate in the one year M.Jur programme. All applications for scholarships are assessed initially by a Nominating Committee of the Trustees who then make recommendations on which the Trustees base their decisions. In awarding scholarships, regard is taken not only to the candidate's academic activities but also to personal qualities and character with particular regard to the extent to which the applicant has qualities of leadership and fellowship, achievements in non-curricular activities, community involvement and activities and other attributes which in the opinion of the Trustees indicate that the applicant is likely to become an outstanding citizen with a commitment to the legal profession in the People's Republic of China. Throughout the year, the Trustees received requests for scholarships from students who did not meet the current guidelines and these requests for funds have received an appropriate reply.

When planning the activities the Trustees have considered the Charity Commission's guidance on public benefit and, in particular, the specific guidance on charities for the promotion of education.

ACHIEVEMENT AND PERFORMANCE

The Trustees currently sponsor students from the China University of Political Science and Law to undertake one-year M.Jur. programmes. During 2020/21 the Trustees sponsored four students (see note 5 for details).

FINANCIAL REVIEW

Financial position

The trust's income for the year was £35,150 (2020: £533,000), the reduction over 2020 being due to the fact that last year's income included the transfer to the Trust of the freehold of a property by the founder trustee, at a valuation of £500,000. Expenditure for the year was £36,410 (2020: £33,510) including donations of £35,000 (2020: £30,000), and legal and accountancy fees and other expenses of £1,410 (2020: £3,510).

Total funds for the year, which comprise Restricted Funds only, started the year with a balance of £500,706. After deducting the loss for the year of £1,260, the balance to be carried forward is £499,446.

Report of the Trustees
for the Year Ended 5 April 2021

FINANCIAL REVIEW

Reserves policy

The Trust is funded on an annual basis by the Founder Trustee, David Paterson, and the Trustees do not therefore have very much in the way of financial reserves. Therefore, there is a risk that the trustees might in any one year be left with no funds to distribute. However, the Trustees consider that this risk is not likely to materialise due to the continued generosity of the Founder Trustee. The Founder Trustee intends to make provision for the Trust to continue to be funded, and so for the Trustees to continue to be able to pay their existing commitments and fund new scholarships, after his death.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust dated 15 March 1999 and constitutes an unincorporated charity.

Recruitment and appointment of new trustees

The power of appointing future trustees is exercisable by the Founder Trustee during his lifetime and subject thereto future Trustees may be appointed by resolution of the Trustees.

Risk management

As a grant-making charity, the Trustees do not feel that the Trust is open to any significant risks. The risk of fraudulent applications is mitigated by the Trustees' knowledge of the recipients.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1076792

Principal address

c/o Moore Barlow LLP

2, The Green

Richmond

London

TW9 1PL

Trustees

D F J Paterson Founder Trustee

M C J Paterson

Baron A A M Fraser (resigned 6.2.21)

A J Sherbrooke

Independent Examiner

A J Bennewith FCA, FCPA, FFA, FFTA,
FIPA, DChA, FRSA

3 Wey Court

Mary Road

Guildford

Surrey

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Solicitors

Moore Barlow

2, The Green

Richmond

London TW9 1PL

Report of the Trustees
for the Year Ended 5 April 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Weatherbys Private Bank
Sanders Road
Wellingborough
Northamptonshire NN8 4BX

INVESTMENT POWERS

Powers under the trust instrument to invest as absolute beneficial owners and to use nominees.

Approved by order of the board of trustees on 14 March 2022 and signed on its behalf by:

D F J Paterson - Trustee

Independent Examiner's Report to the Trustees of
The David and Jayne Paterson
Educational Trust

Independent examiner's report to the trustees of The David and Jayne Paterson Educational Trust

I report to the charity trustees on my examination of the accounts of The David and Jayne Paterson Educational Trust (the Trust) for the year ended 5 April 2021.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

A J Bennewith FCA, FCPA, FFA, FFTA,
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3 Wey Court
Mary Road
Guildford
Surrey
GU1 4QU

Date:

Statement of Financial Activities
for the Year Ended 5 April 2021

	Notes	Unrestricted fund £	Restricted fund £	5.4.21 Total funds £	5.4.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	35,000	35,000	533,000
Investment income	3	-	150	150	-
Total		-	35,150	35,150	533,000
EXPENDITURE ON					
Charitable activities	4				
Grants payable		-	35,000	35,000	30,000
Administrative costs		-	1,410	1,410	3,510
Total		-	36,410	36,410	33,510
NET INCOME/(EXPENDITURE)		-	(1,260)	(1,260)	499,490
RECONCILIATION OF FUNDS					
Total funds brought forward		-	500,706	500,706	1,216
TOTAL FUNDS CARRIED FORWARD		-	499,446	499,446	500,706

Balance Sheet
5 April 2021

	Notes	Unrestricted fund £	Restricted fund £	5.4.21 Total funds £	5.4.20 Total funds £
FIXED ASSETS					
Investment property	8	-	500,000	500,000	500,000
CURRENT ASSETS					
Cash at bank		-	1,576	1,576	1,666
CREDITORS					
Amounts falling due within one year	9	-	(2,130)	(2,130)	(960)
NET CURRENT ASSETS		-	(554)	(554)	706
TOTAL ASSETS LESS CURRENT LIABILITIES		-	499,446	499,446	500,706
NET ASSETS		-	499,446	499,446	500,706
FUNDS	10				
Restricted funds				499,446	500,706
TOTAL FUNDS				499,446	500,706

The financial statements were approved by the Board of Trustees and authorised for issue on 14 March 2022 and were signed on its behalf by:

D F J Paterson - Trustee

Cash Flow Statement
for the Year Ended 5 April 2021

	Notes	5.4.21 £	5.4.20 £
Cash flows from operating activities			
Cash generated from operations	1	(90)	499,970
Net cash (used in)/provided by operating activities		(90)	499,970
Cash flows from investing activities			
Purchase of investment property		-	(500,000)
Net cash provided by/(used in) investing activities		-	(500,000)
Change in cash and cash equivalents in the reporting period		(90)	(30)
Cash and cash equivalents at the beginning of the reporting period		1,666	1,696
Cash and cash equivalents at the end of the reporting period		1,576	1,666

Notes to the Cash Flow Statement
for the Year Ended 5 April 2021

1.	RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES			
		5.4.21	5.4.20	
		£	£	
	Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(1,260)	499,490	
	Adjustments for:			
	Increase in creditors	1,170	480	
		<u> </u>	<u> </u>	
	Net cash (used in)/provided by operations	<u>(90)</u>	<u>499,970</u>	
2.	ANALYSIS OF CHANGES IN NET FUNDS			
		At 6.4.20	Cash flow	At 5.4.21
		£	£	£
	Net cash			
	Cash at bank	1,666	(90)	1,576
		<u> </u>	<u> </u>	<u> </u>
		1,666	(90)	1,576
		<u> </u>	<u> </u>	<u> </u>
	Total	<u>1,666</u>	<u>(90)</u>	<u>1,576</u>

Notes to the Financial Statements
for the Year Ended 5 April 2021

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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Notes to the Financial Statements - continued
for the Year Ended 5 April 2021

2. DONATIONS AND LEGACIES

Donations received

	5.4.21 £	5.4.20 £
Donations from Founder Trustee- for scholarships and legal fees	35,000	33,000
Donation from Founder Trustee- transfer of freehold property at valuation	-	500,000
	<u>35,000</u>	<u>533,000</u>

3. INVESTMENT INCOME

Rents received

	5.4.21 £	5.4.20 £
Rents received	<u>150</u>	<u>-</u>

4. CHARITABLE ACTIVITIES COSTS

NET MOVEMENT IN FUNDS

	5.4.21 £	5.4.20 £
The net movement in funds is stated after charging:		
Legal and professional fees	690	3,000
Independent Examiner's remuneration	<u>480</u>	<u>480</u>

5. GRANTS PAYABLE

Grants payable

	5.4.21 £	5.4.20 £
Grants payable	<u>35,000</u>	<u>30,000</u>

The total grants paid to individuals during the year was as follows:

	5.4.21 £	5.4.20 £
Scholarship Grants	<u>35,000</u>	<u>30,000</u>

Scholarship Payments

	5.4.21 £	5.4.20 £
Donation to Mr Shiyi Li	10,000	-
Donation to Miss Suhua Zhou	10,000	-
Donation to Mr Zhiguan Xu	10,000	-
Donation to Miss Shasha Sun	5,000	10,000
Donation to Miss Nan Xiang	-	10,000
Donation to Miss Yu Xing	-	10,000
	<u>35,000</u>	<u>30,000</u>

Notes to the Financial Statements - continued
for the Year Ended 5 April 2021

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 5 April 2021 nor for the year ended 5 April 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 5 April 2021 nor for the year ended 5 April 2020.

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	-	533,000	533,000
EXPENDITURE ON			
Charitable activities			
Grants payable	-	30,000	30,000
Administrative costs	-	3,510	3,510
Total	-	33,510	33,510
NET INCOME	-	499,490	499,490
RECONCILIATION OF FUNDS			
Total funds brought forward	-	1,216	1,216
TOTAL FUNDS CARRIED FORWARD	-	500,706	500,706

8. INVESTMENT PROPERTY

FAIR VALUE	£
At 6 April 2020	
and 5 April 2021	500,000
NET BOOK VALUE	
At 5 April 2021	500,000
At 5 April 2020	500,000

The freehold investment property at 44, Palace Gardens Terrace, London, W8 4RR was transferred to the Trust during the year ended 5 April 2020 at a valuation of £500,000 by the founder Trustee. The trustees consider the fair value of the property at 5 April 2021 to be £500,000.

Notes to the Financial Statements - continued
for the Year Ended 5 April 2021

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	5.4.21 £	5.4.20 £
Other creditors	<u>2,130</u>	<u>960</u>

10. MOVEMENT IN FUNDS

	At 6.4.20 £	Net movement in funds £	At 5.4.21 £
Restricted funds			
Restricted fund for educational use	500,706	(1,260)	499,446
	<u>500,706</u>	<u>(1,260)</u>	<u>499,446</u>
TOTAL FUNDS	<u>500,706</u>	<u>(1,260)</u>	<u>499,446</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted fund for educational use	35,150	(36,410)	(1,260)
	<u>35,150</u>	<u>(36,410)</u>	<u>(1,260)</u>
TOTAL FUNDS	<u>35,150</u>	<u>(36,410)</u>	<u>(1,260)</u>

Comparatives for movement in funds

	At 6.4.19 £	Net movement in funds £	At 5.4.20 £
Restricted funds			
Restricted fund for educational use	1,216	499,490	500,706
	<u>1,216</u>	<u>499,490</u>	<u>500,706</u>
TOTAL FUNDS	<u>1,216</u>	<u>499,490</u>	<u>500,706</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted fund for educational use	533,000	(33,510)	499,490
	<u>533,000</u>	<u>(33,510)</u>	<u>499,490</u>
TOTAL FUNDS	<u>533,000</u>	<u>(33,510)</u>	<u>499,490</u>

Notes to the Financial Statements - continued
for the Year Ended 5 April 2021

10. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 6.4.19 £	Net movement in funds £	At 5.4.21 £
Restricted funds			
Restricted fund for educational use	1,216	498,230	499,446
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	1,216	498,230	499,446
	<hr/>	<hr/>	<hr/>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Restricted funds			
Restricted fund for educational use	568,150	(69,920)	498,230
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	568,150	(69,920)	498,230
	<hr/>	<hr/>	<hr/>

11. OTHER FINANCIAL COMMITMENTS

The charity had no grant commitments or contingent liabilities at the balance sheet date and nor had it given any guarantees or indemnities at the balance sheet date.

12. RELATED PARTY DISCLOSURES

As disclosed in note 2, the founder trustee, Mr David Paterson, made donations totalling £35,000 to the Trust during the year.