

THE PATRICK & HELENA FROST FOUNDATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
5 APRIL 2021

THE PATRICK & HELENA FROST FOUNDATION

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THE PATRICK & HELENA FROST FOUNDATION

LEGAL AND ADMINISTRATIVE DETAILS

The Trust

The Patrick & Helena Frost Foundation (formerly called The Patrick Frost Foundation) is a registered Charity (number 1005505) established by a deed of trust dated 2 April 1991. The registered address is c/o Trowers & Hamlins LLP, 3 Bunhill Row, London, EC1Y 8YZ.

Trustees

Mr Luke Valner
Mr Dominic Tayler
Mr Neil Hendriksen
Mr Mark Hendriksen
Ms Clare Armitage

Bankers

Arbuthnot Latham & Co. Ltd
Arbuthnot House
7 Wilson Street
London
EC2M 2SN

Solicitors

Trowers & Hamlins LLP
3 Bunhill Row
London
EC1Y 8YZ

Investment managers

Cazenove Capital Management Limited
1 London Wall Place
London
EC2Y 5AU

Ruffer LLP
80 Victoria Street
London
SW1E 5JL

Quilter Cheviot Limited
Senator House
85 Queen Victoria Street
London
EC4V 4AB

Auditors

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

THE PATRICK & HELENA FROST FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2021

The Trustees present their annual report and the financial statements for the year ended 5 April 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Trust Deed, the Charities Act 2011, and the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Purpose of the Charity

The Charity is maintained for the benefit of such charitable institution or institutions, or charitable organisation or organisations, or for such charitable purpose or purposes, in such shares and proportions between them if more than one, as the Trustees see fit.

These objectives are planned to be continued by the making of donations or grants at the Trustees' discretion to charitable organisations (rather than individuals) for charitable purposes including the relief and welfare of persons of small means and the less fortunate members of society and assistance for small organisations where a considerable amount of self help and voluntary effort is required. The Trustees of the Foundation proactively seek and select organisations to which they wish to award grants. The Trustees kindly request that unsolicited applications are not submitted as, regretfully, they will not be considered or responded to.

Organisation

The Trustees of the Charity are responsible for its efficient management. They meet during the year whenever required for the proper conduct of the Charity's business, the regular review of policies and appointments and to decide upon grants to be awarded to charitable organisations.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission General Guidance on Public Benefit when reviewing the Charity's aims and objectives and planning future activities and setting grant making policies.

Trustees

The Trustees who served during the year are shown at page 1.

The power of appointing new or additional Trustees was vested in Mrs Helena Frost during her lifetime, and since her death on 16 November 2011, is now vested in the continuing Trustees. On appointment, a new Trustee is provided with a copy of the Trust Deed, a history of the trust and the most recent annual report and financial statements.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;

THE PATRICK & HELENA FROST FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2021

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable accounting regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Constitution

The unincorporated Charity is constituted under a deed of trust dated 2 April 1991, registered Charity number 1005505.

Risk management

The Trustees have regard for the principal areas of the Charity's operations and the major risks which may arise in these areas. In their opinion, the Charity has established resources and review systems which, under normal conditions, should allow the risks identified by them to be mitigated to an acceptable level in their day to day operations.

The main risk to the Charity is considered to be financial, because the value of, and the income from, its investments and cash may reduce, in real terms, thereby impinging upon the Charity's ability to maintain the level and real value of its grants. Variables, such as inflation, interest rates, political events, oil prices, credit markets and stock market sentiment, lead to volatility in equity and bond markets, as well as currency exchange-rate fluctuations.

As regards the Charity's quoted investments, the Trustees manage this risk by having the three separate firms of professional Investment managers, named on page 1 of these accounts, (providing diversification of investments and strategies to minimise losses) and by scrutinising quarterly valuations and performance reports from the Investment managers, as well as having annual presentations from each of them in person.

Before making any financial commitments, the Trustees obtain the latest investment valuations available and details of current cash balances, and make sure that all commitments are covered by the cash available.

Investment Policy and Performance

The Charity's quoted investments and capital cash are managed by its investment managers on a discretionary basis, and the terms of each company's engagement are kept under regular review. The Trustees have a wide power of investment, under clause 6 of their Trust Deed dated 2 April 1991 and the provisions of the Trustee Act 2000. The investment policy is to obtain a balanced return from income and capital growth, with no more than a moderate level of risk.

The Trustees have evaluated the performance of the investments in the year against their stated objectives and consider the performance to be satisfactory given market conditions.

THE PATRICK & HELENA FROST FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2021

In their Report for the year ended 5 April 2020, the Trustees explained that “ in the final quarter of the financial year, and in the quarters that have followed, Covid-19 has had an effect on the value of the Charity’s assets and on its income (with several companies cutting their dividends).” The Trustees included a table showing the total value of the Charity’s investment portfolios (i.e. quoted investments, plus capital and income cash held by its investment managers) at each quarter end, since Covid-19 was first identified in late 2019. They also included a table comparing the Charity’s average monthly investment income in 2020 (to 30 September) with that received in the same period in 2019.

The Trustees have continued to monitor the value of the Charity’s investment portfolios and its investment income in the same manner, particularly in the light of the ongoing Covid-19 pandemic, and the equivalent tables for this year’s Report are as follows:

Quarter ended	Valuation (£)
31 December 2020	22,676,849
31 March 2021	23,103,577
30 June 2021	23,903,611
30 September 2021	23,854,355

This table shows that there was a 5.2% increase in the total value of the Charity’s portfolios, during the period 1 January to 30 September 2021.

Period	Average monthly investment income received (£)
1 January to 30 September 2020	40,099.01
1 January to 30 September 2021	41,986.51

This table shows that there was a 4.7% increase in the Charity’s average monthly investment income during the first 9 months of 2021, when compared with the same period in 2020. However, the two periods are not strictly comparable, because of timing differences between the income distributions from the formerly bespoke portfolio at Quilter Cheviot Ltd and those from the Quilter Cheviot Global Income & Growth Fund For Charities into which that portfolio was switched in late 2020/early 2021. Also, there was a change in late 2020 to some of the Charity’s investment managers’ mandates, to an emphasis on “total return” rather than specific income targets which can have a negative impact on capital growth.

Fundraising

The Charity does not actively fundraise and therefore the Trustees do not consider it necessary to have a formal fundraising policy in place. No donations were received in the year.

THE PATRICK & HELENA FROST FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2021

Review of activities

The following grants were made to registered charities, amounting to £535,000 in total (2020: £552,000).

	£
Ability Net	5,000
Academy of St Martin in the Fields	10,000
Acorn Christian Foundation	5,000
Action on Addiction	7,500
Alexandra Rose Charity	10,000
The Balsam Centre (Wincanton Community Venture)	10,000
BeachAbility	3,000
Bowel Research UK	15,000
The British Eye Research Foundation (operating as Fight for Sight)	10,000
The Camphill Village Trust	10,000
Canine Partners for Independence	10,000
Childhood Tumour Trust	10,000
The Cleft Lip and Palate Association	10,000
CPotential (previously The London Centre for Children with Cerebral Palsy / The Peter Rigby Trust)	5,000
Deafblind UK	15,000
Demand Design and Manufacture for Disability	10,000
Dogs for Good	10,000
The Family Holiday Association	5,000
Fauna & Flora International	10,000
The Fforest Uchaf Horse and Pony Rehabilitation Centre Charitable Trust	2,000
Glyndebourne Productions Limited	15,000
The Gurkha Welfare Trust	7,500
HF Trust Limited	5,000
ICAN Charity	5,000
The Jubilee Sailing Trust	10,000
Kings World Trust for Children	10,000
The Living Paintings Trust	5,000
The London Children's Flower Society	10,000
London Narrow Boat Project	20,000
The Martlets Hospice Ltd	10,000
Medical Aid Films Ltd	10,000
Medical Engineering Resource Unit	10,000
Freedom from Torture (formerly Medical Foundation for the Care of Victims of Torture)	5,000
Motivation Charitable Trust	10,000
Naomi House (Wessex Children's Hospice Trust)	5,000
Ocean Youth Trust South	20,000
Opportunity International UK	5,000
The Pace Centre Ltd	10,000
Practical Action	10,000
Prostate Cancer UK	15,000
Re-engage Ltd (formerly Contact the Elderly Ltd)	7,500
Reverse Rett	10,000
Subtotal	387,500

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TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2021

	£
Brought forward	387,500
SENSE The National Deafblind and Rubella Association	15,000
Stroke Association	7,500
Supporting Wounded Veterans Ltd	10,000
Tools for Self Reliance	10,000
Toynbee Hall	10,000
Tree Aid	10,000
Treloar Trust	10,000
Royal Trinity Hospice	20,000
Veterans Aid	5,000
WheelPower (The British Wheelchair Sports Foundation Ltd)	15,000
Willow Foundation	10,000
The Yard Theatre Ltd	20,000
Yeldall Christian Centres	5,000
	<hr/>
	535,000

The net income for the year was £4,490,783 (2020: net expenditure of £2,398,408) after the movement on investments. Before the movement on investments the net expenditure for the year was £240,443 (2020: net expenditure of £102,632).

Reserves policy

As shown in the balance sheet on page 11, the vast majority of the Charity's funds are represented by its fixed asset investments. Income generated from these investments is used to fund the Charity's charitable expenditure. It is the Trustees' policy to control its investments and charitable expenditure so as to provide a stable base for the Charity's continuing activities while at the same time ensuring excessive funds are not accumulated. Any deficit on income is funded by a transfer from expendable endowment.

The unrestricted funds at 5 April 2021 were £nil (2020: £40,167) which is considered reasonable given the availability of the expendable endowment.

Future plans

The Trustees intend to continue monitoring the Charity's financial position and (to the extent that it allows them to do so) to continue their programme of grant making for the foreseeable future.

On behalf of the Trustees



Mr Luke Valner

10 November 2021

THE PATRICK & HELENA FROST FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

Opinion

We have audited the financial statements of The Patrick & Helena Frost Foundation for the period ended 5 April 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows 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 charity's affairs as at 5 April 2021 and of its incoming resources and application of resources for the year period 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'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

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 charity'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 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.

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.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

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' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient 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 2, 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 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 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with trustees responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of the trustees whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available 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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Saffery Champness LLP

Chartered Accountants

Statutory Auditors

71 Queen Victoria Street

London

EC4V 4BE

Date: 21 December 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE PATRICK & HELENA FROST FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2021

	Note	2021 Unrestricted Fund £	2021 Expendable Endowment Fund £	2021 Total £	2020 Total £
Income					
Investment income	2	478,524	-	478,524	664,423
Interest income		4,554	-	4,554	5,656
Total income		<u>483,078</u>	<u>-</u>	<u>483,078</u>	<u>670,079</u>
Expenditure					
Investment management fees		-	(124,351)	(124,351)	(142,799)
Net income available for charitable application		<u>483,078</u>	<u>(124,351)</u>	<u>358,727</u>	<u>527,280</u>
Charitable expenditure					
Charitable activities	3	(599,170)	-	(599,170)	(629,912)
Total expenditure		<u>(599,170)</u>	<u>(124,351)</u>	<u>(723,521)</u>	<u>(772,711)</u>
Net gains/(losses) on investments	4	-	4,731,226	4,731,226	(2,295,776)
Net income/(expenditure)		<u>(116,092)</u>	<u>4,606,875</u>	<u>4,490,783</u>	<u>(2,398,408)</u>
Transfer between funds		75,925	(75,925)	-	-
Net movement in funds		<u>(40,167)</u>	<u>4,530,950</u>	<u>4,490,783</u>	<u>(2,398,408)</u>
Fund balance at 6 April 2020		<u>40,167</u>	<u>18,847,304</u>	<u>18,887,471</u>	<u>21,285,879</u>
Fund balance at 5 April 2021		<u>-</u>	<u>23,378,254</u>	<u>23,378,254</u>	<u>18,887,471</u>

The notes on pages 13 to 19 form part of these accounts.

The statement of financial activities contains all recognised gains and losses for the financial year.

The results for the period all relate to continuing activities.

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BALANCE SHEET AS AT 5 APRIL 2021

	Note	2021	2020
		£	£
Fixed assets			
Quoted investments	4	23,116,616	18,601,860
Current assets			
Cash at bank		297,922	354,109
		297,922	354,109
Creditors: amounts falling due within one year	5	(36,284)	(68,498)
Net current assets		261,638	285,611
Creditors: amounts falling due after one year	6	-	-
Net assets		23,378,254	18,887,471
Funds			
Unrestricted fund	7	-	40,167
Expendable endowment fund	7	23,378,254	18,847,304
		23,378,254	18,887,471

The financial statements were approved by the Trustees on 10 November 2021 and were signed on their behalf by



Mr Luke Valner

The notes on pages 13 to 19 form part of these accounts.

THE PATRICK & HELENA FROST FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 5 APRIL 2021

	Note	2021 £	2020 £
Cash flow from operating activities:			
Net cash used in operating activities	9	(755,735)	(785,004)
Cash flow from investing activities:			
Dividends and interest income		483,078	614,228
Proceeds from sale of investments		15,998,853	4,848,445
Purchase of investments		(15,569,151)	(4,887,505)
		<u>912,780</u>	<u>575,168</u>
Cash flow from financing activities:			
Receipt of endowment		-	-
		<u>-</u>	<u>-</u>
Change in cash and cash equivalents during the reporting period		157,045	(209,836)
Cash and cash equivalents at the beginning of the reporting period		709,403	919,239
		<u>709,403</u>	<u>919,239</u>
Cash and cash equivalents at the end of the reporting period	10	866,448	709,403
		<u>866,448</u>	<u>709,403</u>

THE PATRICK & HELENA FROST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

1 Accounting policies

1.1 Basis of accounting

The financial statements have been prepared under the historic cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice ("SORP (FRS102)"), Financial Reporting Standard 102 and the Charities Act 2011.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Charity constitutes a public benefit entity as defined by FRS 102.

Despite the ongoing Covid-19 pandemic, the Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Investment income

Investment income, including dividend and interest income, is accounted for in the period in which the Charity is entitled to receipt.

1.3 Voluntary income

Donations or gifts together with the associated income tax recoverable where appropriate are recognised as income when the amounts are receivable.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

All costs can be directly attributed to an expense category.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust. Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

1.5 Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Charity does not invest directly in put options, derivatives or other complex financial instruments.

1.6 Realised and unrealised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.7 Taxation

The Charity is a registered charity and is not liable to United Kingdom income tax or capital gains tax on its wholly charitable activities.

1.8 Funds

The Charity has no restricted funds.

The original donation and further donations from the Estate of Helena Frost has been included as an expendable endowment fund and the income arising is classed as unrestricted. The Trustees can spend both income and capital at their absolute discretion.

1.9 Key judgements and estimates

In application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates. Given the nature of transactions in the current and comparative year there are no key accounting estimates to disclose.

2	Investment income	2021 £	2020 £
	On investments in the UK	278,802	464,626
	On investments outside the UK	199,722	199,796
		<u>478,524</u>	<u>664,422</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

3	Charitable activities	2021	2020
		£	£
	Grants to institutions	535,000	552,000
	Support cost - administration fees and charges	51,652	62,186
	- Trustee travelling expenses	-	388
	- Loss on foreign exchange	(1,822)	1,358
	Governance cost – audit and accountancy	14,340	13,980
		<u>599,170</u>	<u>629,912</u>

A full list of grants made can be seen in the Trustees' Report on pages 4 and 5.

No staff were employed during the year (2020: none). The Trustees did not receive any remuneration during the year. No Trustees were reimbursed travelling expenses of £nil (2020: Two Trustees £388). The Trustees delegate day to day administration to a third party organisation providing professional services and has no employees. They therefore do not consider there to be any key management personnel receiving remuneration.

4	Investments	2021	2020
		£	£
	Quoted investments		
	Market value at 6 April 2020	18,246,566	20,447,431
	Additions	15,569,151	4,943,356
	Disposals	(15,998,853)	(4,848,445)
	Net realised/unrealised gains/(losses)	4,731,226	(2,295,776)
	Market value at 5 April 2021	<u>22,548,090</u>	<u>18,246,566</u>
	Historical cost at 5 April 2021	<u>19,565,680</u>	<u>17,908,733</u>

The market value of investments is made up as follows:

UK listed investments	12,689,154	10,495,659
Non-UK listed investments	9,858,936	7,750,907
	<u>22,548,090</u>	<u>18,246,566</u>
Capital cash deposits	568,526	355,294
Market value at 5 April 2021	<u>23,116,616</u>	<u>18,601,860</u>

THE PATRICK & HELENA FROST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

The portfolio of quoted investments comprises:

	2021 £	2020 £
Equities (including equity funds)	16,817,467	10,163,212
Alternative investments	3,335,227	5,728,202
Bonds and Bond funds	2,395,396	2,355,152
	<u>22,548,090</u>	<u>18,246,566</u>

Investments with a value in excess of 5% of the respective portfolio:

	£
134,711 LF Ruffer Gold C Acc	340,980
74,902 LF Ruffer Japanese C Acc	281,361
664,992 Ruffer Multi Strategies International Z GBP	633,766
7,410 Ruffer SICAV Fixed Income Z GBP Cap	1,019,246
806,900 Charities Prop FD Property Fund Income	1,001,847
7,400 Findlay Park FDS American GBP Dis	624,708
6,006,912 Quilter Investors Ltd QC Global Income & Growth Fund GBP Dis	6,451,423

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

5 Creditors: amounts falling due within one year

	2021 £	2020 £
Grants payable	-	10,000
Other creditors	5,656	14,825
Accruals	30,628	43,673
	<u>36,284</u>	<u>68,498</u>

6 Creditors: amounts falling due after one year

	2021 £	2020 £
Grants payable	-	-
	<u>-</u>	<u>-</u>

THE PATRICK & HELENA FROST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

7 Funds			
Current year	Unrestricted fund	Expendable endowment fund	Total funds
	£	£	£
At 5 April 2020	40,167	18,847,304	18,887,471
Income	483,078	-	483,078
Expenditure	(599,170)	(124,351)	(723,521)
Gains on investments	-	4,731,226	4,731,226
Transfer between funds	75,925	(75,925)	-
At 5 April 2021	-	23,378,254	23,378,254
Represented by:			
Investments	-	23,116,616	23,116,616
Net current assets	-	261,638	261,638
	-	23,378,254	23,378,254

The expendable endowment includes the funds from the Estate of the late Mrs Helena Frost who died on 16 November 2011. Under the terms of the Will the funds are expendable endowment.

A transfer has been made from the expendable endowment to the unrestricted fund to cover the deficit on the fund at the year end.

Comparative year	Unrestricted fund	Expendable endowment fund	Total funds
	£	£	£
At 5 April 2019	-	21,285,879	21,285,879
Income	670,079	-	670,079
Expenditure	(629,912)	(142,799)	(772,711)
Gains on investments	-	(2,295,776)	(2,295,776)
Transfer between funds	-	-	-
At 5 April 2020	40,167	18,847,304	18,887,471
Represented by:			
Investments	-	18,601,860	18,601,860
Net current assets	40,167	254,444	285,611
	40,167	18,847,304	18,887,471

THE PATRICK & HELENA FROST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

8 Related party transactions

During the current and previous years there were no transactions with any parties related to the Charity.

9 Reconciliation of cash flow from operating activities

	2021 £	2020 £
Net income/(expenditure)	4,490,783	(2,398,408)
(Gains)/losses on investments	(4,731,226)	2,295,776
Less dividend and interest income	(483,078)	(670,079)
Increase/(decrease) in creditors	(32,214)	(12,293)
Net cash used in operating activities	(755,735)	(785,004)

10 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	297,922	354,109
Cash held as part of investment portfolio	568,526	355,294
	866,448	709,403

11 Analysis of changes in net debt

	At 6 April 2020 £	Cashflows £	At 5 April 2021 £
Cash at bank and in hand	354,109	(56,187)	297,922
Cash held as part of investment portfolio	355,294	213,232	568,526
	709,403	157,045	866,448

THE PATRICK & HELENA FROST FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

12 Comparative statement of financial activities

		2020 Unrestricted Fund £	2020 Expendable Endowment Fund £	2020 Total £
Income				
Investment income	2	664,423	-	664,423
Interest income		5,656	-	5,656
Total income		<u>670,079</u>	<u>-</u>	<u>670,079</u>
Expenditure				
Investment management fees		-	(142,799)	(142,799)
Net income available for charitable application		<u>670,079</u>	<u>(142,799)</u>	<u>527,280</u>
Charitable expenditure				
Charitable activities	3	(629,912)	-	(629,912)
Total expenditure		<u>(629,912)</u>	<u>(142,799)</u>	<u>(772,711)</u>
Net gains/(losses) on investments	4	-	(2,295,776)	(2,295,776)
Net income/(expenditure)		<u>40,167</u>	<u>(2,438,575)</u>	<u>(2,398,408)</u>
Transfer between funds		-	-	-
Net movement in funds		<u>40,167</u>	<u>(2,438,575)</u>	<u>(2,398,408)</u>
Fund balance at 6 April 2019		-	21,285,879	21,285,879
Fund balance at 5 April 2020		<u>40,167</u>	<u>18,847,304</u>	<u>18,887,471</u>