

THE ALBERT AND EUGENIE FROST MUSIC TRUST CIO

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MARCH 2022

CHARITY NO. 1191904

THE ALBERT AND EUGENIE FROST MUSIC TRUST CIO

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THE ALBERT AND EUGENIE FROST MUSIC TRUST CIO
TRUSTEES' REPORT FOR THE PERIOD ENDED 31ST MARCH 2022

Administrative Information

Principal Office & Administrator:	Ms Jo White 47 Olive Road London NW2 6UE
Bankers:	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill, West Malling Kent ME19 4JQ
Investment Advisers:	Cazenove Capital Management 1 Wall Place London EC2Y 5AU
Independent Auditors:	Couch Bright King & Co 2 Tolherst Court, Turkey Mill Business Park Ashford Road Maidstone, Kent ME14 5SF
Registered Charity No.	1191904
Trustees: The Trustees during the period were:	Charles Theodore Sydney Beare – resigned 31.08.21 Peter William Richard Beare David Eric Long -- resigned 31.01.22 Andrew John Sindall Norman Harold Starritt David Allen Woodrow Waterman Lesley Clare Hatfield – appointed 07.12.21 John Spencer McCuin – appointed 07.12.21

Apart from the first CIO Trustees, every Trustee must be appointed for a term of four years by a resolution passed at a properly convened meeting of the CIO Trustees.

Objectives and Activities

By Transfer Deed dated the 23rd November 2020 the Trustees transferred the undertaking and assets of The Albert and Eugenie Frost Music Trust to The Albert and Eugenie Frost Music Trust CIO a Charitable Incorporated Organisation (CIO) registered in England with the Charity Commission on 20th October 2020 with Registered Charity Number 1191904.

The Trustees hold the Trust Fund and its income upon trust to promote, improve, develop and maintain public education in and appreciation of the art and science of music with particular emphasis on playing the violin, viola and cello by giving assistance and encouragement to talented young violinists, violists and cellists by the presentation of public concerts and recitals, the making of grants and scholarships to schools of music, to individual students and to other young professional musicians.

THE ALBERT AND EUGENIE FROST MUSIC TRUST CIO
TRUSTEES REPORT FOR THE PERIOD ENDED 31ST MARCH 2022

Trustees responsibilities in relation to the financial statements

The Charity Trustees are responsible for preparing a trustees' annual report and 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 and Wales requires the Trustees to prepare Financial Statements for each 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 the financial statements the Trustees are required to :

Select suitable accounting policies and then apply them consistently;
Observe the methods and principles in the applicable Charities SORP;
Make judgements and estimates that are reasonable and prudent;
State whether applicable accounting standards have been followed, subject to any material departures that must be 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 and the applicable Charities (Accounts and Reports) Regulations. 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.

As Trustees, we confirm that:

So far as we are aware, there is no relevant audit information of which the Trust's auditors are unaware; and
We have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

Financial Review

The Trustees were satisfied with the financial position of the Charity and confirmed that there were adequate assets available to fulfil their obligations.

1. All cash was held on interest bearing bank accounts.
2. The accounts complied with current statutory requirements.
3. Investments were acquired in accordance with powers contained within the governing document.

Achievements and Performance

Investment income of £446,289 was received during the period.
Grants payable of £171,600 were agreed during the period and made to the charitable organisations shown in note 2.

The Trustees received reports from the recipients of the CIO's grants which enabled them to ensure funds were being used appropriately. The Trustees also discussed with recipients their plans and aspirations, and attended performances given by recipients.

THE ALBERT AND EUGENIE FROST MUSIC TRUST CIO
TRUSTEES REPORT FOR THE PERIOD ENDED 31ST MARCH 2022

Risk Assessment, Investment Policy & Performance & Reserves Policy

The Trustees assessed the major risks to which the Charity was exposed, in particular those related to the operations and finances, and were satisfied that systems were in place to mitigate the exposure to risk. The Trustees perceived that the major risk was the exposure to the effect of market conditions and other problems associated with Stock Exchange investments. They sought to contain this risk so far as possible by employing Cazenove Capital Management to manage the Charity's investments on a discretionary basis. The portfolio was invested so as to achieve a balanced return of income and capital growth. The Trustees and the Investment Managers reviewed this policy regularly and were satisfied with the performance in present market conditions.

The Trustees' Reserves Policy was part of this Investment Policy. The Charity's support costs were modest and so the Trustees judge that there was no need to keep substantial financial reserves to safeguard the running costs of the Charity. Rather, their priority was to get the best return from investments, while safeguarding capital, in order to be able to continue making donations in future years to charities working within the Charity's field of interest.

The Trustees planned to continue to use the income of the Trust, supplemented with contributions from the capital (usually funded out of profits from investment sales) to fund donations and to pay for the Charity's support costs.

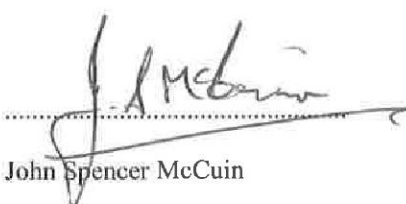
Public Benefit Statement

The Trustees confirm that they complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

Approved by the Trustees
On 31st October 2022



Andrew John Sindall



John Spencer McCuin

THE ALBERT AND EUGENIE FROST MUSIC TRUST CIO

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31ST MARCH 2022

	Note	2022 Total Unrestricted Funds £
Income		
Investment Income	4	446,289
Total Income		446,289
Expenditure		
Grants Payable	2	171,600
Support Costs	3	46,636
Total Expenditure		218,236
Net income before investment gains		228,053
Loss on disposal of musical instruments	7 & 11	(39,305)
Net gains on investments	6	182,815
Net Movement in Funds		371,563
Balance brought forward		-
Transferred 23.11.20		14,344,690
Balance carried forward at 31st March 2022		£ 14,716,253

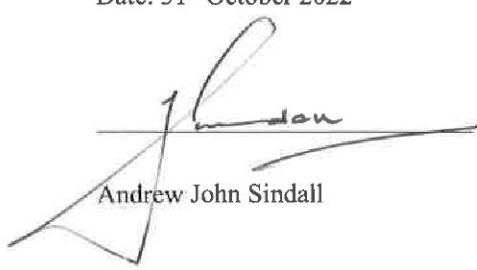
THE ALBERT AND EUGENIE FROST MUSIC TRUST CIO

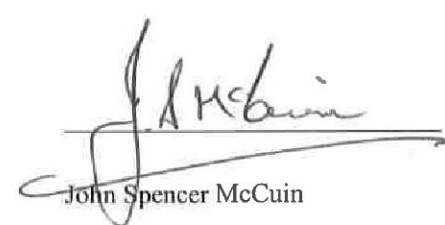
BALANCE SHEET AS AT 31ST MARCH 2022

	Note	2022 £	23.11.20 £
Fixed Assets			
Investments	6	14,719,458	3,531,373
Musical Instruments	7 & 11	-	10,768,071
		<u>14,719,458</u>	<u>14,299,444</u>
Current Assets			
Cash at Bank	8	785	50,444
		<u>785</u>	<u>50,444</u>
Creditors: Amounts falling due within one year			
Creditors	9	(3,990)	(5,198)
		<u>(3,990)</u>	<u>(5,198)</u>
Net Current (Liabilities) / Assets		<u>(3,205)</u>	<u>45,246</u>
Total Net Assets		<u>£ 14,716,253</u>	<u>£ 14,344,690</u>
Charity Funds			
Unrestricted Funds		14,716,253	14,344,690
Total Charity Funds		<u>£ 14,716,253</u>	<u>£ 14,344,690</u>

Approved by the Trustees on

Date: 31st October 2022


Andrew John Sindall


John Spencer McCuin

THE ALBERT AND EUGENIE FROST MUSIC TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2022

Notes

I. Accounting Policies

The following accounting policies had been applied consistently in dealing with items which were considered material in relation to the financial statements.

Basis of Preparation

The financial statements were prepared under the historical cost convention except for investments which have been included at market value. The financial statements had been prepared in accordance with the Statement of Recommended Practice: 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 2019) issued in October 2019 and the Charities Act 2011.

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

The financial statements were presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

Investments and Investment Income

Investments are stated in the balance sheet at their market value at the balance sheet date. All movements in value arising from investment changes or revaluation were shown in the Statement of Financial Activities. Investment Income was the amount received during the period. Realised gains or losses on investments were calculated as the difference between the disposal proceeds and the market value at the beginning of the year or cost if purchased during the period. Unrealised gains or losses are derived from the movement in market values during the period.

Resources Expended

Resources expended were accounted for on an accruals basis. Grants payable in the period were charged to the Statement of Financial Activities in the period in which the Trustees resolved to make the grant.

Support costs comprise central overheads not directly attributable to the cost of generating funds. These relate to the management of the charity's funds, organisational, administration, professional fees and compliance with statutory requirements.

Musical Instruments

The value of the musical instruments (notes 7 and 11) have previously been estimated by the Trustees, who have access to extensive knowledge regarding valuations of and markets for instruments of this nature. The valuation at 23rd November 2020 is based on the proceeds of sale from the disposal of the violin and cases on 3rd June 2021.

Fund Accounting

The Charity's funds are unrestricted funds which are for use in the general charitable objectives of the Charity.

THE ALBERT AND EUGENIE FROST MUSIC TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2022

	2022
	£
2. Grants Payable	
Chamber Studio	17,000
Chetham's School of Music	6,000
East Neuk Festival	1,500
Foundation for Young Musicians	5,600
Future Talent	6,000
The Guildhall School Trust	20,800
IMS Prussia Cove	26,900
Magdalen Farm Strings	4,100
Making Music, Changing Lives	5,000
Music Works	14,000
Purcell School	6,000
Royal Academy of Music	20,000
Royal Northern College of Music	24,000
The Tunnell Trust for Young Musicians	5,500
Wells Cathedral School	4,200
Yehudi Menuhin School	5,000
	<u>171,600</u>
3. Management and Administration of the Charity	
Legal Fees – on establishment of the CIO	5,100
Audit Fees 2022	3,000
Investment Management Fees	35,677
Insurance (refund)	(198)
Administration Fee	2,540
Information Commissioner Registration Fee	35
Sundry Expenses	482
	<u>46,636</u>
4. Investment Income	
Interest received	58
Unit Trust distributions received	446,231
	<u>446,289</u>
5. Trustees Remuneration	

No Trustees received any remuneration as Trustee during the period or were reimbursed expenses.

THE ALBERT AND EUGENIE FROST MUSIC TRUST CIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2022

	2022 £	23.11.20 £
6. Investments listed on a recognised Stock Exchange		
Market Value at start of period	3,531,373	-
Transferred to CIO 23.11.20	-	3,531,373
Additions in the period	10,618,072	-
Increase in market value	182,815	-
	<u>14,332,260</u>	<u>3,531,373</u>
Market value at 31.03.22	14,332,260	3,531,373
Cazenove Income Account	387,198	-
	<u>14,719,458</u>	<u>3,531,373</u>
Total Investments	<u>14,719,458</u>	<u>3,531,373</u>

A fall in the value of the investments in the financial period 2022/23 up to October 2022 of £849,706 is a non-adjusting post balance sheet event that requires disclosure only.

7. Musical Instruments

Value at start of period	10,768,071	-
Transferred to CIO 23.11.20	-	10,768,071
Disposal proceeds	(10,728,566)	-
Loss on disposal	(39,305)	-
	<u>-</u>	<u>10,768,071</u>
Market value at 31.03.22	-	10,768,071

8. Cash at Bank

CAF Bank	785	13,857
Cazenove Income Account	-	36,587
	<u>785</u>	<u>50,444</u>

The Cazenove Income Account is for re-investment and is now reclassified within Fixed Asset Investments (Note 6).

9. Creditors

Couch Bright King & Co – 05.04.2020	-	2,100
Couch Bright King & Co – 23.11.2020	-	2,100
Couch Bright King & Co – Audit 2022	3,000	-
Administrator Fees & Expenses	990	998
	<u>3,990</u>	<u>5,198</u>

10. Related Party Transactions

A fee of \$800,000 was paid to Beare Violins Ltd for work done on the sale of the violin, cases and cover, of which Peter Beare is a director and shareholder. David Waterman provides a small amount of paid and unpaid coaching, teaching and masterclasses to students within the Chamber Studio, Chethams, The Guildhall School Trust, IMS Prussia Cove and Wells Cathedral School where grants are paid as shown in Note 2 on page 7.

THE ALBERT AND EUGENIE FROST MUSIC TRUST CIO

Schedule of Musical Instruments transferred from The Albert & Eugenie Frost Music Trust

Note 11

	Transferred 23 November 2020 £	Disposal Proceeds £	Gain/ (Loss) £	Value at 31st March 2022 £
Violin Case and cover	100	(100)	-	-
Case	100	(100)	-	-
Violin by Guarneri del Gesu 1734 "Gillot"	10,767,871	(10,728,566)	(39,305)	-
	<u>10,768,071</u>	<u>(10,728,766)</u>	<u>(39,305)</u>	<u>-</u>

The violin, cases and cover were sold on the 3rd June 2021 for gross proceeds of \$16,000,000 / net proceeds of £10,768,071 after deduction of a fee of \$800,000 paid to Beare Violins Ltd, of which Peter Beare is a director and shareholder. Legal fees of £39,304.80 were also subsequently paid to Charles Russell Speechlys LLP in connection with the sale and have reduced total disposal proceeds further to £10,728,766. A revaluation to agree to fair value was made before the transfer to the new CIO on the 23rd November 2020 on the basis that no material change in value was likely to have occurred between the two dates and so a small loss has now arisen.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ALBERT AND EUGENIE FROST MUSIC TRUST CIO

Opinion

We have audited the financial statements of The Albert and Eugenie Frost Music Trust CIO for the period ended 31st March 2022 which comprise the primary statements such as the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 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 31st March 2022 and of its incoming resources and application of resources 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'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 trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ALBERT AND EUGENIE FROST MUSIC TRUST CIO

(Continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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 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; or

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 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.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ALBERT AND EUGENIE
FROST MUSIC TRUST CIO**

(Continued)

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 is detailed below:

We have;

- Obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- Identified the laws and regulations that have significance in the context of the entity;
- Obtained an understanding of the entity's risk assessment process, including the risk of fraud;
- Assessed and evaluated the susceptibility of the entity's financial statements to material misstatement, through error and fraud;
- Reviewed the financial statements and tested the disclosures against supporting documentation;

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Dean Cates BA FCA (Senior Statutory Auditor)
For and on behalf of
Couch Bright King & Co

2 Tolherst Court, Turkey Mill Business Park
Ashford Road, Maidstone
Kent, ME14 5SF

Chartered Accountants &
Statutory Auditors

31st October 2022