

Company Registration No. 02821180 (England and Wales)

Frost and Reed Limited

**Annual report and financial statements
for the year ended 31 October 2019**

Frost and Reed Limited

Company information

Directors	Martyn Rose Hannah Urquhart
Company number	02821180
Registered office	7 Trebeck Street Mayfair London W1J 7LU
Independent auditor	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	National Westminster Bank plc 1 Princes Street London EC2R 8PA

Frost and Reed Limited

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Frost and Reed Limited

Directors' report

For the year ended 31 October 2019

The directors present their annual report and financial statements for the year ended 31 October 2019.

Principal activities

The principal activity of the company during the year was that of art dealer.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Martyn Rose
Hannah Urquhart

Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Frost and Reed Limited

Directors' report (continued)
For the year ended 31 October 2019

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £541,901 (2018: £545,330) which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Martyn Rose Limited who have indicated that for at least 12 months from the date of approval of these financial statements they will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on related entities for financial support, the directors acknowledge that there can be no certainty that this support will continue beyond the agreed 12 months although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Martyn Rose
Director

30 July 2020

Frost and Reed Limited

Independent auditor's report

To the members of Frost and Reed Limited

Opinion

We have audited the financial statements of Frost and Reed Limited (the 'company') for the year ended 31 October 2019 which comprise the income statement, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 company's affairs as at 31 October 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Frost and Reed Limited

Independent auditor's report (continued)

To the members of Frost and Reed Limited

Other information

The directors 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Frost and Reed Limited

Independent auditor's report (continued)

To the members of Frost and Reed Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Lucy Brennan (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

14 August 2020

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Frost and Reed Limited

Income statement

For the year ended 31 October 2019

	2019	2018
	£	£
Cost of sales	(2,120)	(1,747)
Administrative expenses	(7,535)	(20,793)
	<hr/>	<hr/>
Loss before taxation	(9,655)	(22,540)
Tax on loss	13,084	-
	<hr/>	<hr/>
Profit/(loss) for the financial year	<u>3,429</u>	<u>(22,540)</u>

Frost and Reed Limited**Statement of financial position****As at 31 October 2019**

		2019	2018
	Notes	£	£
Current assets			
Stocks		139,372	139,372
Debtors		135,239	122,975
Cash at bank and in hand		905	484
		<u>275,516</u>	<u>262,831</u>
Creditors: amounts falling due within one year	3	<u>(817,417)</u>	<u>(808,161)</u>
Net current liabilities		<u>(541,901)</u>	<u>(545,330)</u>
Capital and reserves			
Called up share capital	4	207	207
Share premium account		250,146	250,146
Profit and loss reserves		<u>(/92,254)</u>	<u>(/95,683)</u>
Total equity		<u>(541,901)</u>	<u>(545,330)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 30 July 2020 and are signed on its behalf by:

Martyn Rose
Director

Company Registration No. 02821180

Frost and Reed Limited

Notes to the financial statements For the year ended 31 October 2019

1 Accounting policies

Company information

Frost and Reed Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7 Trebeck Street, Mayfair, London, W1J 7LU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Frost and Reed Limited is a wholly owned subsidiary of Martyn Rose Limited and the results of Frost and Reed Limited are included in the consolidated financial statements of Martyn Rose Limited which are available from 7 Trebeck Street, Mayfair, London, W1J 7LU.

1.2 Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £ 541,901 (2018: £545,330) which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Martyn Rose Limited who have indicated that for at least 12 months from the date of approval of these financial statements they will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on related entities for financial support, the directors acknowledge that there can be no certainty that this support will continue beyond the agreed 12 months although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

1.3 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the stocks to their present location and condition.

1 Accounting policies (continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.4 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

1 Accounting policies (continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Frost and Reed Limited

Notes to the financial statements (continued)

For the year ended 31 October 2019

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is not discounted.

2 Going concern

At the year end the company held a number of pieces of art. Once the remaining pieces are sold the directors may plan to wind the company up, once all debts are settled.

There is uncertainty if this is likely to occur within the next 12 months, and given the information as detailed above the accounts are prepared on the going concern basis.

3 Creditors: amounts falling due within one year

	2019	2018
	£	£
Amounts owed to group undertakings	804,133	794,227
Other creditors	13,284	13,934
	<hr/>	<hr/>
	817,417	808,161
	<hr/>	<hr/>

4 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
207 Ordinary shares of £1 each	207	207
	<hr/>	<hr/>

Frost and Reed Limited

Notes to the financial statements (continued)

For the year ended 31 October 2019

5 Subsidiaries

Details of the company's subsidiaries at 31 October 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Frost and Reed Inc	United States	Dormant	Ordinary	100.00
The Blue Gallery Limited	England	Dormant	Ordinary	100.00

The historic purchase price of both subsidiaries is £38,138 however both investments have been fully provided for since year ended 31 October 2013.

Frost and Reed Limited

Notes to the financial statements (continued)

For the year ended 31 October 2019

6 Related party transactions

The company has taken advantage of the exemptions available under Financial Reporting Standard 102 Section 33 whereby it has not disclosed transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

7 Parent company

The ultimate controlling party is Martyn Rose.

The immediate parent company is Martyn Rose Limited. The consolidated financial statements of Martyn Rose Limited include Frost and Reed Limited and can be obtained from the registered office of Martyn Rose Limited, 71 Queen Victoria Street, London, EC4V 4BE.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.