

Registered Charity Number: 802684

**Trustees' Report and
Financial Statements for the Year Ended 31 March 2021
for
Fiori Musicali Charitable Trust**

Fiori Musicali Charitable Trust

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Trustees' Report

For the year ended 31 March 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

New trustees were appointed to the Charity in November 2020, when the existing trustees stood down. This was an agreed handover as the previous trustees felt that, given the difficulties caused by the financial irregularities carried out by Mr Bernard Rapson, new trustees would be better placed to take the Charity forward.

The new trustees have undertaken a thorough review of the governance and working practices of both the charity and its associated trading company Fiori Musicali Limited (FML), including a further detailed review of the accounting records and finances.

Following this review the trustees instigated a re-organisation of the activities and ownership of Fiori Musicali as a whole. The shares owned by Mr Bernard Rapson in FML, which represented 75% of the total, were transferred to FMCT, increasing its ownership to 85% of the total. The remaining 15% remains in the ownership of Dr P Rapson, who continues as our Artistic Director.

The current trustees wish to put on record their continuing support for Dr P Rapson, who has remained totally committed to the success of Fiori Musicali, despite the difficulties caused by Mr B Rapson's actions. We are satisfied that she played no part in the financial irregularities and has fully supported the trustees in their efforts to stabilise both the Charity and FML.

In addition, the trustees have implemented a thorough review of the Charity's trust deed and the articles of association of FML. This has been carried out with the assistance of lawyers and we anticipate that we will be filing revised documents early in 2022. These revised documents will strengthen the ties between the charity and FML and, specifically will redesignate FML as a non-profit making company, with any trading surplus to be donated back to the charity.

The charity was established on 1 December 1989 to educate the public in the art and science of music and especially to encourage and support the work of Fiori Musicali, a period instrument orchestra and choir.

The trustees believe that this is still the best way to achieve these objectives and that this is strengthened by its majority ownership of FML.

The year to 31 March 2021 was significantly adversely impacted by the Covid pandemic and this is reflected in the financial performance. Consequently, the charity has made a

Fiori Musicali Charitable Trust
Trustees' Report
For the year ended 31 March 2021

significant grant to FML (£20,000) during in the year to cover both the operating losses and costs associated with ongoing recording activities. As the charity had previously made loans to FML in excess of this amount, this grant was funded by conversion of the majority of these loans and did not require any further cash transfer from the Charity.

Financial Review

The income of the charity during the year was £43,261 and £47,038 was spent in support of its charitable objectives. During the review of the accounts and finances of both the Charity and FML, further information has come to light that has led to the conclusion that the accounts for the year to 31 March 2020 need to be amended. Whilst the overall difference is not great, the trustees believe that they will need to submit further revised accounts for both that and the preceding two years. We will endeavour to finalise these as soon as possible and we would anticipate that we will have completed this by the end of March 2022.

Structure, Governance and Management

The charity is controlled by its governing document, (a deed of trust) and constitutes an unincorporated charity.

The trustees have the power of appointment and meetings of trustees may be attended by officers of FML, who are not also trustees, but only in a non-voting capacity.

Reference and Administrative Details

Registered Charity Number: 802684

Principal Address:

Langdale
Old Forge Lane
Preston Capes
Daventry
NN11 3TD

Fiori Musicali Charitable Trust
Trustees' Report
For the year ended 31 March 2021

Trustees

Isabel Nisbet, Gail Arnott, Stephen Finn and Clive Goulden resigned during the year and David Laing, Jocelyn Hartland-Swann and Michael Eves were appointed.

Statement of Trustee's Responsibilities

Charity Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its financial activities for that year. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operational existence.

The trustees are responsible for keeping proper records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to comply with the Charities Act 2011. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Approved by order of the board of trustees on _____ and signed on its behalf by:

Michael Eves

Independent examiners report to the Trustees of Fiori Musicali Charitable Trust

I report on the accounts of the Fiori Musicali Charitable Trust for the year ended 31 March 2020 which are set out on pages 6 to 11.

Respective Responsibilities of Trustees and Examiner

The Trustees are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts (under section 145 of the 2011 Act);
- To follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 145(5)(b) of the 2011 Act); and
- To state whether particular matters have come to my attention.

Basis of Independent Examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission.

An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Certain amounts reported in the financial statements for the previous year have been revised as a result of investigations carried out in the current financial year. Note 8 to the accounts provides a detailed explanation of the changes made which are reflected in the comparative amounts for this current financial year.

In connection with my examination, no other matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act have not been

- met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

R. F. Baker
F.C.A.

Fiori Musicali Charitable Trust
Statement of Financial Activities
for the year ended 31 March 2021

	Notes	2021 Total Funds	2020 Total Funds (Restated)
		£	£
INCOME AND ENDOWMENTS FROM			
Donations and Legacies		43,261	59,340
EXPENDITURE ON			
Charitable activities:			
General		47,039	55,424
NET (DEFICIT)/INCOME RECONCILIATION OF FUNDS		(3,778)	3,916
Total funds brought forward		104,321	100,405
TOTAL FUNDS CARRIED FORWARD		<u>100,543</u>	<u>104,321</u>

All the funds of the Fiori Musical Charitable Trust are unrestricted and are available to support all the charitable activities of the Trust at the discretion of the Trustees. The

Trust has no restricted or endowment funds.

The notes form part of these financial statements.
Fiori Musicali Charitable Trust

Balance Sheet
31 March 2021

	Notes	2021 Total Funds £	2020 Total Funds (Restate d) £
Fixed Assets			
Investments	3	1	1
Current Assets			
Debtors: amounts falling due within one year	4	39,485	102,636
Cash at bank		<u>73,311</u>	<u>17,021</u>
		112,796	119,657
Current Liabilities			
Creditors: amounts falling due within one year	5	<u>12,254</u>	<u>15,337</u>
Total Net Current Assets		<u>100,542</u>	<u>104,320</u>
NET ASSETS		<u>100,543</u>	<u>104,321</u>
FUNDS			
Unrestricted funds		<u>100,543</u>	<u>104,321</u>

The financial statements were approved by the Board of Trustees and authorised for issue on

_____ and were signed on its
behalf by:

Fiori Musicali Charitable Trust
Notes to the Financial Statements
for the year ended 31 March 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS102, 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), and the Charities Act 2011. The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value.

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 cost cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

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. The charity currently has only unrestricted funds.

2. TRUSTEES REMUNERATION AND BENEFITS

There were no trustees' remuneration or benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses for the year ended 31 March 2021 or for the year ended 31 March 2020.

Fiori Musicali Charitable Trust

Notes to the Financial Statements for the year ended 31 March 2021

3. FIXED ASSETS INVESTMENTS

The Trust owns 4,250 (2020 - 500) of 5,000 ordinary shares in Fiori Musicali Limited a private limited company which is managed on a non-profit making basis. This company is used by the Trustees to undertake any necessary commercial activities, such as hiring performance venues, that are required to achieve the charitable objects of the Trust. See also Note 7 below.

	Unlisted Investment
MARKET VALUE	£
At 1 April 2020 and 31 March 2021	<u>1</u>
NET BOOK VALUE	
At 31 March 2020	<u>1</u>
At 31 March 2021	<u>1</u>
There were no investment assets outside the UK	

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
		(Restated)
Fiori Musicali Limited	5,795	14,740
Mr B Rapson	32,950	82,982
Big Give		
Pledge	0	1,060
Gift Aid Due	0	3,854
Prepayment	740	0
	<u>39,485</u>	<u>102,636</u>

The amount due from Mr B Rapson is in respect of unauthorised withdrawals made by him (see Trustees' Annual Report). He has repaid £50,032 during the year and has agreed that he is personally liable to repay the outstanding amount of £32,950 shown above.

5 **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
		(Restated)
HMRC - Gift Aid overclaimed (Note 7)	7,254	15,337
Honoraria due to Dr P Rapson	5,000	0
	<u>12,254</u>	<u>15,337</u>

Fiori Musicali Charitable Trust

**Notes to the Financial Statements
for the year ended 31 March 2021**

6 **RELATED PARTY TRANSACTIONS**

	2021	2020
	£	£
		(Restated)
The following identifies related parties and their transactions:		
Fiori Musicali Limited (see Note 3)	20,000	22,424
	(50,032	
Mr B Rapson (see Note 4))	82,982
Dr P Rapson (For services as Artistic Director)	9,500	33,000
	<u>(20,532</u>	
)	<u>138,406</u>

Figures in brackets denote income. At the year end amounts were due from Mr B Rapson and Fiori Musicali Limited and are shown in Note 4 above and amounts were due to Dr P Rapson and are shown in Note 5.

7 **HMRC GIFT AID PAYMENTS OVERCLAIMED**

HMRC Gift Aid payments have been claimed in the year on donations made in 2018/19, 2019/20 and 2020/21. HMRC has not paid these claims, but has offset the amount against the balance owing from previous overclaims. This has reduced the amount owing to HMRC from £15,337 at 31 March 2020 to £7,254 at 31 March 2021.

8 **PRIOR YEAR ADJUSTMENT**

	£
Total funds at beginning of year as previously reported	133,499
Prior year adjustment	(29,178)
Total funds at beginning of year as restated	<u><u>104,321</u></u>

The prior year adjustment comprises:

Increase in amounts due to HMRC (note 7)	(15,337)
Reduction in debtors	(13,841)
	<u><u>(29,179)</u></u>

As explained in the Trustees' Annual Report financial irregularities were discovered in the previous financial year. The accounts for that year were prepared using initial estimates of the impact of these irregularities following a preliminary investigation. Further detailed and comprehensive investigations have been carried out during the current financial year. As a result the initial estimates have been revised. In view of the underlying cause of these necessary changes they have been recorded as a prior year adjustment.

In addition to carrying out these investigations the Trustees have reviewed and changed procedures to strengthen internal controls and safeguard the charity's assets.

The Trustees have had regard to "Internal financial controls for charities (CC8)" published by the Charity Commission and also to outside legal advice received.

Fiori Musicali Charitable Trust

**Notes to the Financial Statements
for the year ended 31 March 2021**

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NEED FOR REVISED ACCOUNTS

As further information has come to light following detailed investigations, revised accounts will need to be prepared and submitted for the years ending 31 March 2017, 2018, 2019 and 2020.

These will take time to prepare but should be submitted by the end of March 2022.