

THE KAYE MUSIC TRUST

England & Wales · Charity number 1190648

Details

Status Registered

Legal form Trust

Registered 2020-07-30

Register [View on the Charity Commission register](#)

Contact

Address Stonehage Fleming
6 St. James's Square
London
SW1Y 4JU

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Activities

Objects: THE OBJECTS OF THE TRUST ("THE OBJECTS") ARE THE ADVANCEMENT OF THE ART OF MUSIC FOR THE BENEFIT OF THE PUBLIC AND IN PARTICULAR(A) MAINTAINING AND CONSERVING TO HIGH STANDARD A COLLECTION OF PERIOD AND MODERN MUSICAL INSTRUMENTS AND BOWS IN ORDER TO MAKE THE PERIOD INSTRUMENTS AND BOWS AVAILABLE ON LONG TERM LOAN TO PROFESSIONAL MUSICIANS FOR PRACTICE AND PUBLIC PERFORMANCE AND THE MODERN INSTRUMENTS ON SHORTER TERM LOAN TO STUDENTS WHO COULD NOT OTHERWISE AFFORD AN INSTRUMENT; AND(B) MAKING GRANTS AND GIVING OTHER ASSISTANCE TO MUSIC STUDENTS AND TO PERFORMERS AND FOR THE PUBLIC PERFORMANCE OF MUSIC.

Activities: The advancement of the art of music for the benefit of the public generally. Maintaining and conserving to a high standard a collection of instruments and bows available for loan to professional musicians.

Classification

- **How:** Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, The General Public/mankind

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-09-30	£11,304	£68,155	-	-
2024-09-30	£15,641	£77,362	-	-
2023-09-30	£143,167	£59,899	-	-
2022-09-30	£510,802	£157,854	£12,362,822	0
2021-09-30	£9,335,424	£48,161	£10,947,456	0

Trustees

Name	Role	Appointed
Louise Naomi Kaye	Chair	2020-03-17
ANTON STERNBERG		2020-03-17
Benjamin Baker		2020-03-17
Eleanor Miriam Kaye		2020-03-17
Laura Clara Teresa Van Der Heijden		2020-03-17

THE KAYE MUSIC TRUST

England & Wales - Charity number 1190648

Accounts

Charity registration number 1190648

THE KAYE MUSIC TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

THE KAYE MUSIC TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs L N Kaye Ms E M Kaye Ms L C T Van Der Heijden Mr B Baker Mr A Sternberg
Charity number	1190648
Registered office	Stonehage Fleming 6 St James's Square London SW1Y 4JU
Auditor	Azets Audit Services Ashcombe Court Woolsack Way Godalming Surrey GU7 1LQ
Investment managers	Stonehage Fleming Investment Management 6 St James's Square London SW1Y 4JU

THE KAYE MUSIC TRUST

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THE KAYE MUSIC TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The trustees present their annual report and financial statements for the year ended 30 September 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Declaration of Trust, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objects are the advancement of the art of music for the benefit of the public and in particular:

a) maintaining and conserving to a high standard a collection of period musical instruments and bows in order to make the period instruments and bows available on long term loan to professional musicians for practice and public performance; and

b) making grants and giving other assistance to music students and to performers and for the public performance of music.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The main activities in relation to the furtherance of these objects are the maintenance and conservation to a high standard of a collection of instruments and bows available for loan to professional musicians.

Policy on grant making

Grant making is not a primary objective of the Trust. From time to time, the trustees may identify a cause which, when supported, will achieve their objective of advancing the art of music for the benefit of the public generally.

Achievements and performance

The charity has made available high quality period instruments and bows to musicians who otherwise would be unable to access such instruments and bows.

The charity has used donations received to preserve and maintain the instruments and bows, and to fund additional assets which are in keeping with the charity's purpose.

The trustees receive regular updates from the beneficiaries as to the performances at which the Trust's assets are being used. All musicians in possession of an asset loaned to them by the Trust submit a schedule of performances in the prior twelve months where the Trust's asset was used. This is a condition of the standard format User Agreement that governs the assets' loan to the musicians.

During the year, the instruments were used in a wide variety of performances and workshops both nationally and internationally, including London's Wigmore Hall and the Concertgebouw in Amsterdam. Performers featured as soloists, as members of chamber ensembles, and in symphony orchestras, such as the London Philharmonic Orchestra and the Royal Philharmonic Orchestra. Performances included concerts, festivals, and masterclasses across a range of continents.

The Trust does not undertake fundraising activities. Discretionary donations are made to the Trust from time to time by benefactors known to the trustees.

The charity's investment portfolio is professionally managed. The regular reporting provided to the trustees demonstrates investment performance against agreed benchmarks.

THE KAYE MUSIC TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Financial review

During the period, the charity received donations totalling £125,000 (2022: £505,875). Unrealised gains on investments during the financial year totalled £77,948 (2022 unrealised losses: £288,317).

The trustees have reviewed the charity's financial position and are satisfied that the charity can continue as a going concern. At the period end, the charity had net assets of £13,046,234 (2022: £12,362,822).

The trustees will retain cash reserves sufficient to cover at least one year's operating costs, which amounts to around £50,000. Cash reserves held at the period end totalled £264,825 (2022: £672,463).

There are no planned public fundraising campaigns.

The charity's trustees have adopted a formal investment policy. The policy sets out the charity's attitude to risk, the investment time horizon, ethical policy, liquidity requirements and diversification of invested assets. The trustees review the policy on an annual basis.

The trustees regularly review the Trust's investment portfolio's performance, suitability and risk profile. They have determined that it remains appropriate for the trust's long-term purposes.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a charitable trust and was registered with the Charity Commission on 30 July 2020. It is governed by a Trust Deed dated 17 March 2020 and amended 27 November 2020.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mrs L N Kaye
Ms E M Kaye
Ms L C T Van Der Heijden
Mr B Baker
Mr A Sternberg

Trustees are appointed to help further the objects of the Trust and protect and maintain the value of the Trust's assets through their respective individual abilities. In accordance with the Trust's constitution, trustees have the power to appoint future trustees by resolution. Appointment may be determined by a simple majority.

No formal training plans have been established for the trustees. Trustees are selected on the basis that their existing skillset will be of benefit to the Trust, help the Trust achieve its objectives and complement the other trustees' abilities.

The trustees' other appointments and related parties interested are noted in the Trust's Register of Interests and in Note 18 of the Annual Financial Statements. Mr A Sternberg is an employee of the Stonehage Fleming Group and a director of Exmoor Fiduciary Limited. Stonehage Fleming Investment Management has been appointed to manage the Trust funds and Exmoor Fiduciary Limited is appointed to oversee Trust administration.

Mr A Sternberg was excluded in the decision making for these appointments.

Trustees Ms L C T Van Der Heijden and Mr B Baker have charity assets loaned to them in their capacity as professional musicians under 5 year agreements at no charge.

THE KAYE MUSIC TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

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 and 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 year.

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report was approved by the Board of Trustees.

Eleanor Kaye

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Ms E M Kaye
Trustee

Date: 27 April 2024

A Sternberg

.....
Mr A Sternberg
Trustee

THE KAYE MUSIC TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE KAYE MUSIC TRUST

Opinion

We have audited the financial statements of The Kaye Music Trust (the 'charity') for the year ended 30 September 2023 which comprise the statement of financial activities, the balance sheet, the 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 30 September 2023 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

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
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE KAYE MUSIC TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE KAYE MUSIC TRUST

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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 cease operations, or have no realistic alternative but to do so.

Auditor's 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 the Act and relevant regulations made or having effect thereunder.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

THE KAYE MUSIC TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE KAYE MUSIC TRUST

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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Debra Saunders Bsc FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

30 April 2024

.....

Ashcombe Court
Woolsack Way
Godalming
Surrey
United Kingdom
GU7 1LQ

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE KAYE MUSIC TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Income and endowments from:</u>			
Donations and legacies	3	125,000	505,875
Investments	4	18,167	4,774
Other income	5	-	153
Total income		<u>143,167</u>	<u>510,802</u>
<u>Expenditure on:</u>			
Charitable activities	6	59,899	157,854
Net gains/(losses) on investments	10	78,136	(288,317)
Net incoming resources		161,404	64,631
Other recognised gains and losses			
Revaluation of tangible fixed assets	12	522,008	1,350,735
Net movement in funds		683,412	1,415,366
Fund balances at 1 October 2022		12,362,822	10,947,456
Fund balances at 30 September 2023		<u><u>13,046,234</u></u>	<u><u>12,362,822</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE KAYE MUSIC TRUST

BALANCE SHEET

AS AT 30 SEPTEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	13		11,065,000		10,098,000
Investments	14		1,702,867		1,624,731
			<u>12,767,867</u>		<u>11,722,731</u>
Current assets					
Debtors	15	53,542		5,897	
Cash at bank and in hand		264,825		672,463	
		<u>318,367</u>		<u>678,360</u>	
Creditors: amounts falling due within one year	16	(40,000)		(38,269)	
Net current assets			<u>278,367</u>		<u>640,091</u>
Total assets less current liabilities			<u>13,046,234</u>		<u>12,362,822</u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		9,556,350		9,394,946	
Revaluation reserve		3,489,884		2,967,876	
			<u>13,046,234</u>		<u>12,362,822</u>
			<u>13,046,234</u>		<u>12,362,822</u>

The financial statements were approved by the Trustees on 27 April 2024

Eleanor Kaye

.....
Ms E M Kaye
Trustee



.....
Mr A Sternberg
Trustee

THE KAYE MUSIC TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	19		19,187		368,993
Investing activities					
Purchase of tangible fixed assets		(444,992)		-	
Proceeds from disposal of tangible fixed assets		-		160,153	
Purchase of investments		-		(27,000)	
Proceeds from disposal of investments		-		1,639	
Investment income received		18,167		4,774	
		<u>18,167</u>		<u>4,774</u>	
Net cash (used in)/generated from investing activities			(426,825)		139,566
Net cash used in financing activities			-		-
			<u>-</u>		<u>-</u>
Net (decrease)/increase in cash and cash equivalents			(407,638)		508,559
Cash and cash equivalents at beginning of year			672,463		163,904
			<u>672,463</u>		<u>163,904</u>
Cash and cash equivalents at end of year			<u>264,825</u>		<u>672,463</u>

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

Charity information

The Kaye Music Trust is a charitable trust governed by a deed dated 17 March 2020 and registered in England and Wales on 30 July 2020.

The registered office of the charity is c/o Stonehage Fleming, 6 St James's Square, London, SW1Y 4JU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of musical instruments and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Assets given for use by the charity are recognised when receivable, at a value determined by an expert in the sector.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

As the charity is currently undertaking only one charitable activity, all support and governance costs are allocated to that activity in full.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Musical instruments are not depreciated due to their historical value which is expected to appreciate over time. Appropriate repair and maintenance is undertaken to retain the condition required.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity 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 charity's balance sheet when the charity 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 and cash and bank balances, 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.

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations 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 charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the 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 that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Valuation of musical instruments

Musical instruments and bows are valued at fair value. This valuation is determined by an external expert, Florian Leonhard Fine Violins, who use their expertise in the sector to consider the condition, market and value of each instrument.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	-	505,875
Gift Aid receivable	125,000	-
	<u>125,000</u>	<u>505,875</u>

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4 Income from investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Dividend income	6,194	3,844
Interest receivable	11,973	930
	<u>18,167</u>	<u>4,774</u>

5 Other income

	Total Unrestricted funds	
	2023	2022
	£	£
Net gain on disposal of tangible fixed assets	-	153
	<u>-</u>	<u>153</u>

6 Charitable activities

	Advancement of music	Advancement of music
	2023	2022
	£	£
Musical instrument repair costs	-	583
Grant of funding activities	-	100,000
Share of support costs (see note 7)	51,136	50,071
Share of governance costs (see note 7)	8,763	7,200
	<u>59,899</u>	<u>157,854</u>

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

7 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Insurance	15,422	-	15,422	17,032	-	17,032
Trust administration fees	24,400	-	24,400	21,133	-	21,133
Investment management fees	10,676	-	10,676	11,410	-	11,410
Bank charges	625	-	625	427	-	427
Website costs	13	-	13	69	-	69
Audit fees	-	8,763	8,763	-	7,200	7,200
	<u>51,136</u>	<u>8,763</u>	<u>59,899</u>	<u>50,071</u>	<u>7,200</u>	<u>57,271</u>
Analysed between Charitable activities	<u>51,136</u>	<u>8,763</u>	<u>59,899</u>	<u>50,071</u>	<u>7,200</u>	<u>57,271</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year or previous year, other than the disclosures declared elsewhere and in the Related Party Transactions note (Note 18).

None of the trustees were reimbursed for expenses during the year or previous year.

9 Employees

The charity had no employees during the period.

10 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Revaluation of investments	78,136	(289,956)
Gain/(loss) on sale of investments	-	1,639
	<u>78,136</u>	<u>(288,317)</u>

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12 Revaluation of fixed assets

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Revaluation of tangible fixed assets	522,008	1,350,735

13 Tangible fixed assets

	Musical instruments
	£
Cost or valuation	
At 1 October 2022	10,098,000
Additions	444,992
Revaluation	522,008
At 30 September 2023	11,065,000
Carrying amount	
At 30 September 2023	11,065,000
At 30 September 2022	10,098,000

Musical instruments with a carrying amount of £11,065,000 (2022: £10,098,000) were revalued at 30 September 2023 by Florian Leonhard Fine Violins (independent valuers not connected with the charity) on the basis of replacement value.

At 30 September 2023, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £7,572,625 (2022: £7,127,633). The current year movement in the revaluation surplus is disclosed in note 12.

The musical instruments and bows are loaned to professional musicians for an initial 5 year term for no charge. The assets are leased on the basis that they will be used for regular public performances and are inspected annually. The musician is liable for any repair costs arising whilst the instrument is held in their care.

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

14 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 October 2022	1,624,731
Valuation changes	78,136
At 30 September 2023	<u>1,702,867</u>
Carrying amount	
At 30 September 2023	<u>1,702,867</u>
At 30 September 2022	<u>1,624,731</u>

	2023 £	2022 £
Investments at fair value comprise:		
Listed investments	<u>1,702,867</u>	<u>1,624,731</u>
Listed investments included above:	2023 £	2022 £
Listed investments carrying amount	<u>1,702,867</u>	<u>1,624,731</u>

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	50,000	5,897
Prepayments and accrued income	3,542	-
	<u>53,542</u>	<u>5,897</u>

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Other creditors	-	69
Accruals and deferred income	40,000	38,200
	<u>40,000</u>	<u>38,269</u>

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

17 Analysis of net assets between funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fund balances at 30 September 2023 are represented by:		
Tangible assets	11,065,000	10,098,000
Investments	1,702,867	1,624,731
Current assets/(liabilities)	278,367	640,091
	<u>13,046,234</u>	<u>12,362,822</u>

18 Related party transactions

Transactions with related parties

During the year, trustee, Mrs L N Kaye, donated £nil. During the prior year, trustee, Mrs L N Kaye, donated cash totalling £500,000 to the charity.

Trustees Ms L C T Van Der Heijden and Mr B Baker have charity assets loaned to them in their capacity as professional musicians under 5 year agreements at no charge.

Trustee Mr A Sternberg is an employee of Stonehage Fleming who are engaged by the other trustees as investment managers and to provide trust administrative support services. During the year, administration fees totalling £24,400 (2022: £21,133) and investment management fees of £10,676 (2022: £11,410) were paid to the group.

19 Cash generated from operations

	2023 £	2022 £
Surplus for the year	161,404	64,631
Adjustments for:		
Investment income recognised in statement of financial activities	(18,167)	(4,774)
Gain on disposal of tangible fixed assets	-	(153)
Gain on disposal of investments	-	(1,639)
Fair value gains and losses on investments	(78,136)	289,956
Movements in working capital:		
(Increase) in debtors	(47,645)	(5,897)
Increase in creditors	1,731	26,869
Cash generated from operations	<u>19,187</u>	<u>368,993</u>

20 Analysis of changes in net funds

The charity had no debt during the year.

THE KAYE MUSIC TRUST

England & Wales - Charity number 1190648

Accounts

Charity registration number 1190648

THE KAYE MUSIC TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

THE KAYE MUSIC TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs L N Kaye Ms E M Kaye Ms L C T Van Der Heijden Mr B Baker Mr A Sternberg
Charity number	1190648
Registered office	Stonehage Fleming 6 St James's Square London SW1Y 4JU
Auditor	Azets Audit Services Ashcombe Court Woolsack Way Godalming Surrey GU7 1LQ
Investment managers	Stonehage Fleming Investment Management 6 St James's Square London SW1Y 4JU

THE KAYE MUSIC TRUST

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Statement of cash flows	9
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THE KAYE MUSIC TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The trustees present their annual report and financial statements for the year ended 30 September 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Declaration of Trust, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objects are the advancement of the art of music for the benefit of the public and in particular:

a) maintaining and conserving to a high standard a collection of period musical instruments and bows in order to make the period instruments and bows available on long term loan to professional musicians for practice and public performance and the modern instruments on shorter term loan to students who could not otherwise afford an instrument; and

b) making grants and giving other assistance to music students and to performers and for the public performance of music.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The main activities in relation to the furtherance of these objects are the maintenance and conservation to a high standard of a collection of instruments and bows available for loan to professional musicians.

Policy on grant making

Grant making is not a primary objective of the Trust. From time to time, the trustees may identify a cause which, when supported, will achieve their objective of advancing the art of music for the benefit of the public generally.

Achievements and performance

The charity has made available high quality period instruments and bows to musicians who otherwise would be unable to access such instruments and bows.

The charity has used donations received to preserve and maintain the instruments and bows, and to fund additional assets which are in keeping with the charity's purpose.

The trustees receive regular updates from the beneficiaries as to the performances at which the Trust's assets are being used.

The Trust does not undertake fundraising activities. Discretionary donations are made to the Trust from time to time by benefactors known to the trustees.

The charity's investment portfolio is professionally managed. The regular reporting provided to the trustees demonstrates investment performance against agreed benchmarks. The trustees consider the portfolio's investment performance alongside the broader objectives of the charity.

Financial review

During the period, the charity received donations totalling £505,875 (2021: £9,322,600), of which £nil (2021: £6,595,859) were donated assets. In addition, unrealised losses on investments during the financial year totalled £288,317 (2021 unrealised gains: £60,938).

The trustees have reviewed the charity's financial position and are satisfied that the charity can continue as a going concern. At the period end, the charity had net assets of £12,361,183 (2021: £10,947,456).

THE KAYE MUSIC TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Reserves policy

The trustees will retain cash reserves sufficient to cover at least one year's operating costs, which amounts to around £50,000. Cash reserves held at the period end totalled £672,463 (2021: £163,904).

Fundraising

There are no planned public fundraising campaigns.

Investment policy

The charity's trustees have adopted a formal investment policy. The policy sets out the charity's attitude to risk, the investment time horizon, ethical policy, liquidity requirements and diversification of invested assets. The trustees review the policy on an annual basis.

Principal risks and uncertainties

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity is a charitable trust and was registered with the Charity Commission on 30 July 2020. It is governed by a Trust Deed dated 17 March 2020 and amended 27 November 2020.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mrs L N Kaye
Ms E M Kaye
Ms L C T Van Der Heijden
Mr B Baker
Mr A Sternberg

Trustees are appointed to help further the objects of the Trust and protect and maintain the value of the Trust's assets through their respective individual abilities. In accordance with the Trust's constitution, trustees have the power to appoint future trustees by resolution. Appointment may be determined by a simple majority.

No formal training plans have been established for the trustees. Trustees are selected on the basis that their existing skillset will be of benefit to the Trust, help the Trust achieve its objectives and complement the other trustees' abilities.

The trustees' other appointments and related parties interested are noted in the Trust's Register of Interests and in Note 19 of the Annual Financial Statements. Mr A Sternberg is an employee of the Stonehage Fleming Group and a director of Exmoor Fiduciary Limited. Stonehage Fleming Investment Management has been appointed to manage the Trust funds and Exmoor Fiduciary Limited is appointed to oversee Trust administration.

Mr A Sternberg was excluded in the decision making for these appointments.

THE KAYE MUSIC TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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 and 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 year.

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

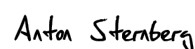
Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



.....
Mrs L N Kaye
Trustee
Dated: 13 April 2023



.....
Mr A Sternberg
Trustee
Dated: 13 April 2023

THE KAYE MUSIC TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE KAYE MUSIC TRUST

Opinion

We have audited the financial statements of The Kaye Music Trust (the 'charity') for the year ended 30 September 2022 which comprise the statement of financial activities, the balance sheet, the 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 30 September 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

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
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE KAYE MUSIC TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE KAYE MUSIC TRUST

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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 cease operations, or have no realistic alternative but to do so.

Auditor's 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 the Act and relevant regulations made or having effect thereunder.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

THE KAYE MUSIC TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE KAYE MUSIC TRUST

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 auditors' 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Robert Southey (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

14 April 2023

.....
Ashcombe Court
Woolsack Way
Godalming
Surrey
United Kingdom
GU7 1LQ

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE KAYE MUSIC TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Income and endowments from:</u>			
Donations and legacies	3	505,875	9,322,600
Investments	4	4,774	1,306
Other income	5	153	11,518
Total income		510,802	9,335,424
<u>Expenditure on:</u>			
Charitable activities	6	157,854	48,161
Net gains/(losses) on investments	11	(288,317)	43,052
Net incoming resources		64,631	9,330,315
<u>Other recognised gains and losses</u>			
Revaluation of tangible fixed assets	12	1,350,735	1,617,141
Net movement in funds		1,415,366	10,947,456
Fund balances at 1 October 2021		10,947,456	-
Fund balances at 30 September 2022		12,362,822	10,947,456

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

THE KAYE MUSIC TRUST

BALANCE SHEET

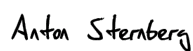
AS AT 30 SEPTEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	13	10,098,000		8,907,265	
Investments	14	1,624,731		1,887,687	
		<u>11,722,731</u>		<u>10,794,952</u>	
Current assets					
Debtors	16	5,897		-	
Cash at bank and in hand		672,463		163,904	
		<u>678,360</u>		<u>163,904</u>	
Creditors: amounts falling due within one year	17	<u>(38,269)</u>		<u>(11,400)</u>	
Net current assets			640,091		152,504
Total assets less current liabilities			<u>12,362,822</u>		<u>10,947,456</u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		9,394,946		9,330,315	
Revaluation reserve		<u>2,967,876</u>		<u>1,617,141</u>	
			<u>12,362,822</u>		<u>10,947,456</u>
			<u>12,362,822</u>		<u>10,947,456</u>

The financial statements were approved by the Trustees on 13 April 2023



Mrs L N Kaye
Trustee



Mr A Sternberg
Trustee

THE KAYE MUSIC TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	20		368,993		570,522
Investing activities					
Purchase of tangible fixed assets		-		(694,265)	
Proceeds on disposal of tangible fixed assets		160,153		-	
Purchase of investments		(27,000)		(1,966,827)	
Proceeds on disposal of investments		-		2,253,168	
Compensation received on disposal of investments		1,639		-	
Investment income received		4,774		1,306	
Net cash generated from/(used in) investing activities			139,566		(406,618)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			508,559		163,904
Cash and cash equivalents at beginning of year			163,904		-
Cash and cash equivalents at end of year			672,463		163,904

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Charity information

The Kaye Music Trust is a charitable trust governed by a deed dated 17 March 2020 and registered in England and Wales on 30 July 2020.

The registered office of the charity is c/o Stonehage Fleming, 6 St James's Square, London, SW1Y 4JU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of musical instruments and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Assets given for use by the charity are recognised when receivable, at a value determined by an expert in the sector.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

As the charity is currently undertaking only one charitable activity, all support and governance costs are allocated to that activity in full.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Musical instruments are not depreciated due to their historical value which is expected to appreciate over time. Appropriate repair and maintenance is undertaken to retain the condition required.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity 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 charity's balance sheet when the charity 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 and cash and bank balances, 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.

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations 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 charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the 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 that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Valuation of musical instruments

Musical instruments and bows are valued at fair value. This valuation is determined by an external expert, Florian Leonhard Fine Violins, who use their expertise in the sector to consider the condition, market and value of each instrument.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations	505,875	595,765
Donated musical instruments	-	6,595,859
Donated investment portfolio	-	2,130,976
	<u>505,875</u>	<u>9,322,600</u>

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

4 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Dividend income	3,844	1,277
Interest receivable	930	29
	<u>4,774</u>	<u>1,306</u>

5 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Net gain on disposal of tangible fixed assets	153	-
Other income	-	11,518
	<u>153</u>	<u>11,518</u>

6 Charitable activities

	Advancement of music 2022	Advancement of music 2021
	£	£
Musical instrument repair costs	583	12,018
Grant funding of activities (see note 7)	100,000	-
Share of support costs (see note 8)	50,071	29,243
Share of governance costs (see note 8)	7,200	6,900
	<u>157,854</u>	<u>48,161</u>

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

7 Grants payable

	Advancement of music 2022 £	Advancement of music 2021 £
Grants to institutions (1 grant):		
Ilumina	100,000	-

The grants payable during the year represents an amount of £100,000 payable to Ilumina, a music festival in Brazil that aims to unite talented young musicians from diverse backgrounds.

8 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Insurance	17,032	-	17,032	12,754	-	12,754
Valuation fees	-	-	-	600	-	600
Trust administration fees	21,133	-	21,133	15,207	-	15,207
Investment management fees	11,410	-	11,410	259	-	259
Bank charges	427	-	427	423	-	423
Website costs	69	-	69	-	-	-
Audit fees	-	7,200	7,200	-	6,900	6,900
	<u>50,071</u>	<u>7,200</u>	<u>57,271</u>	<u>29,243</u>	<u>6,900</u>	<u>36,143</u>
Analysed between Charitable activities	<u>50,071</u>	<u>7,200</u>	<u>57,271</u>	<u>29,243</u>	<u>6,900</u>	<u>36,143</u>

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year or previous year, other than the disclosures declared elsewhere and in the Related Party Transactions note (Note 19).

None of the trustees were reimbursed for expenses during the year or previous year.

10 Employees

The charity had no employees during the period.

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Unrealised gain/(loss) on revaluation of fixed asset investments	(289,956)	60,938
Realised gain/(loss) on sale of investments	1,639	(17,886)
	<u>(288,317)</u>	<u>43,052</u>

12 Revaluation of fixed assets

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Revaluation of tangible fixed assets	<u>1,350,735</u>	<u>1,617,141</u>

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

13 Tangible fixed assets

	Musical instruments £
Cost or valuation	
At 1 October 2021	8,907,265
Disposals	(160,000)
Revaluation	1,350,735
	<hr/>
At 30 September 2022	10,098,000
	<hr/>
Carrying amount	
At 30 September 2022	10,098,000
	<hr/> <hr/>
At 30 September 2021	8,907,265
	<hr/> <hr/>

Musical instruments with a carrying amount of £10,098,000 (2021: £8,907,265) were revalued at 30 September 2022 by Florian Leonhard Fine Violins (independent valuers not connected with the charity) on the basis of replacement value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar instruments.

At 30 September 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £7,127,633 (2021: £7,290,124). The revaluation surplus is disclosed in note 12.

The musical instruments and bows are loaned to professional musicians for an initial 5 year term for no charge. The assets are leased on the basis that they will be used for regular public performances and are inspected annually. The musician is liable for any repair costs arising whilst the instrument is held in their care.

14 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 October 2021	1,887,687
Additions	27,000
Valuation changes	(289,956)
	<hr/>
At 30 September 2022	1,624,731
	<hr/>
Carrying amount	
At 30 September 2022	1,624,731
	<hr/> <hr/>
At 30 September 2021	1,887,687
	<hr/> <hr/>

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

14 Fixed asset investments	(Continued)	
	2022 £	2021 £
Investments at fair value comprise:		
Listed investments	1,624,731	1,887,687
	<u>1,624,731</u>	<u>1,887,687</u>
Listed investments included above:	2022 £	2021 £
Listed investments carrying amount	1,624,731	1,887,685
	<u>1,624,731</u>	<u>1,887,685</u>
15 Financial instruments	2022 £	2021 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	1,624,731	1,887,687
	<u>1,624,731</u>	<u>1,887,687</u>
16 Debtors	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	5,897	-
	<u>5,897</u>	<u>-</u>
17 Creditors: amounts falling due within one year	2022 £	2021 £
Other creditors	69	-
Accruals and deferred income	38,200	11,400
	<u>38,269</u>	<u>11,400</u>
18 Analysis of net assets between funds	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Fund balances at 30 September 2022 are represented by:		
Tangible assets	10,098,000	8,907,265
Investments	1,624,731	1,887,687
Current assets/(liabilities)	640,091	152,504
	<u>12,362,822</u>	<u>10,947,456</u>

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

19 Related party transactions

Transactions with related parties

During the year, trustee, Mrs L N Kaye, donated cash totalling £500,000 to the charity. During the prior year, trustee, Mrs L N Kaye, donated musical instruments, listed investments and cash totalling £10,932,446 to the charity.

Trustees Ms L C T Van Der Heijen and Mr B Baker have charity assets loaned to them in their capacity as professional musicians under 5 year agreements at no charge.

Trustee Mr A Sternberg is an employee of Stonehage Fleming who are engaged by the other trustees as investment managers and to provide trust administrative support services. During the year, administration fees totalling £21,133 (2021: £15,207) and investment management fees of £11,410 (2021: £259) were paid to the group.

20	Cash generated from operations	2022 £	2021 £
	Surplus for the year	64,631	9,330,315
	Adjustments for:		
	Investment income recognised in statement of financial activities	(4,774)	(1,306)
	Donated fixed assets	-	(6,595,859)
	Donated fixed asset investments	-	(2,130,976)
	Gain on disposal of tangible fixed assets	(153)	-
	(Gain)/loss on disposal of investments	(1,639)	17,886
	Fair value gains and losses on investments	289,956	(60,938)
	Movements in working capital:		
	(Increase) in debtors	(5,897)	-
	Increase in creditors	26,869	11,400
	Cash generated from operations	368,993	570,522

21 Analysis of changes in net funds

The charity had no debt during the year.

THE KAYE MUSIC TRUST

England & Wales - Charity number 1190648

Accounts

Charity Registration No. 1190648

THE KAYE MUSIC TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

THE KAYE MUSIC TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs L N Kaye	(Appointed 30 July 2020)
	Ms E M Kaye	(Appointed 30 July 2020)
	Ms L C T Van Der Heijden	(Appointed 30 July 2020)
	Mr B Baker	(Appointed 30 July 2020)
	Mr A Sternberg	(Appointed 30 July 2020)

Charity number 1190648

Registered office Stonehage Fleming
15 Suffolk Street
London
SW1Y 4HG

Auditor Azets Audit Services
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Investment managers Stonehage Fleming Investment Management
15 Suffolk Street
London
SW1Y 4HG

THE KAYE MUSIC TRUST

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Statement of financial activities	8
Balance sheet	9
Statement of cash flows	10
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THE KAYE MUSIC TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

The trustees present their report and financial statements for the period ended 30 September 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Declaration of Trust, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objects are the advancement of the art of music for the benefit of the public and in particular:

a) maintaining and conserving to a high standard a collection of period and modern musical instruments and bows in order to make the period instruments and bows available on long term loan to professional musicians for practice and public performance and the modern instruments on shorter term loan to students who could not otherwise afford an instrument; and

b) making grants and giving other assistance to music students and to performers and for the public performance of music.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The main activities in relation to the furtherance of these objects are the maintenance and conservation to a high standard of a collection of instruments and bows available for loan to professional musicians.

Achievements and performance

The charity has made available high quality period instruments and bows to musicians who otherwise would be unable to access such instruments and bows.

The charity has used donations received to fund additional assets which are in keeping with the charity's purpose.

The charity's investment portfolio is professionally managed. The regular reporting provided to the trustees demonstrates investment performance against agreed benchmarks. The trustees consider the portfolio's investment performance alongside the broader objectives of the charity.

Financial review

During the period, the charity received donations totalling £9,322,600, of which £6,595,859 were donated assets. In addition, unrealised gains on investments totalled £60,938.

The trustees have reviewed the charity's financial position and are satisfied that the charity can continue as a going concern. At the period end, the charity had net assets of £10,947,456.

The trustees will retain cash reserves sufficient to cover at least one year's operating costs, which amounts to around £150,000. Cash reserves held at the period end totalled £163,904.

There are no planned public fundraising campaigns.

The charity's trustees have adopted a formal investment policy. The policy sets out the charity's attitude to risk, the investment time horizon, ethical policy, liquidity requirements and diversification of invested assets. The trustees review the policy on an annual basis.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

THE KAYE MUSIC TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Structure, governance and management

The charity is a charitable trust and was registered with the Charity Commission on 30 July 2020. It is governed by a Trust Deed dated 17 March 2020 and amended 27 November 2020.

The trustees who served during the period and up to the date of signature of the financial statements were:

Mrs L N Kaye	(Appointed 30 July 2020)
Ms E M Kaye	(Appointed 30 July 2020)
Ms L C T Van Der Heijden	(Appointed 30 July 2020)
Mr B Baker	(Appointed 30 July 2020)
Mr A Sternberg	(Appointed 30 July 2020)

The original trustees are all known to the Principal Donor. Each trustee brings relevant, specific experience to the board which helps the charity achieve its objectives. The trustees' capacity to provide adequate time to continue adequately serving the charity is under continual review.

Mr A Sternberg is an employee of the Stonehage Fleming Group. Subsidiary companies of the Group have been engaged by the trustees, excluding Mr. Sternberg, to provide investment management and administrative support services to the charity.

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

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE KAYE MUSIC TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

Louise Kaye

.....
Mrs L N Kaye

Trustee 20 July 2022

Dated:

Anton Sternberg

.....
Mr A Sternberg

Trustee 20 July 2022

Dated:.....

THE KAYE MUSIC TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE KAYE MUSIC TRUST

Opinion

We have audited the financial statements of The Kaye Music Trust (the 'charity') for the period ended 30 September 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 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 charity's affairs as at 30 September 2021 and of its incoming resources and application of resources, for the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

THE KAYE MUSIC TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE KAYE MUSIC TRUST

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
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, 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 cease operations, or have no realistic alternative but to do so.

Auditor's 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 the Act and relevant regulations made or having effect thereunder.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE KAYE MUSIC TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE KAYE MUSIC TRUST

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

THE KAYE MUSIC TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE KAYE MUSIC TRUST

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 auditors' 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 charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

**Robert Southey (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor**

20 July 2022

Ashcombe Court
Woolsack Way
Godalming
Surrey
United Kingdom
GU7 1LQ

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

THE KAYE MUSIC TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Notes	Unrestricted funds 2021 £
<u>Income and endowments from:</u>		
Donations and legacies	3	9,322,600
Investments	4	1,306
Other income	5	11,518
Total income		<u>9,335,424</u>
<u>Expenditure on:</u>		
Charitable activities	6	<u>48,161</u>
Net gains/(losses) on investments	10	<u>43,052</u>
Net incoming resources		9,330,315
<u>Other recognised gains and losses</u>		
Revaluation of tangible fixed assets	11	<u>1,617,141</u>
Net movement in funds		10,947,456
Fund balances at 30 July 2020		<u>-</u>
Fund balances at 30 September 2021		<u><u>10,947,456</u></u>

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

THE KAYE MUSIC TRUST

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£
Fixed assets			
Tangible assets	12	8,907,265	
Investments	13	1,887,687	
			<hr/>
			10,794,952
Current assets			
Cash at bank and in hand		163,904	
Creditors: amounts falling due within one year	15	(11,400)	
			<hr/>
Net current assets			152,504
Total assets less current liabilities			<hr/>
			10,947,456
			<hr/>
Income funds			
<u>Unrestricted funds</u>			
General unrestricted funds		9,330,315	
Revaluation reserve		1,617,141	
			<hr/>
			10,947,456
			<hr/>
			10,947,456
			<hr/>
			<hr/>

20 July 2022

The financial statements were approved by the Trustees on

Louise Kaye

.....
Mrs L N Kaye
Trustee

Anton Sternberg

.....
Mr A Sternberg
Trustee

THE KAYE MUSIC TRUST

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Notes	2021 £	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	18		570,522
Investing activities			
Purchase of tangible fixed assets		(694,265)	
Purchase of investments		(1,966,827)	
Proceeds on disposal of investments		2,253,168	
Investment income received		1,306	
		<hr/>	
Net cash used in investing activities			(406,618)
Net cash used in financing activities			-
			<hr/>
Net increase in cash and cash equivalents			163,904
Cash and cash equivalents at beginning of period			-
			<hr/>
Cash and cash equivalents at end of period			<u>163,904</u>

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

1 Accounting policies

Charity information

The Kaye Music Trust is a charitable trust governed by a deed dated 17 March 2020 and registered in England and Wales on 30 July 2020.

The registered office of the charity is c/o Stonehage Fleming, 15 Suffolk Street, London, SW1Y 4HG.

These financial statements are the first prepared for the charity and therefore cover the 14 month period from registration on 30 July 2020 to the period ended 30 September 2021.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's trust deed, the Charities Act 2011 and "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)". The charity is a Public Benefit Entity as defined by FRS 102.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of musical instruments and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Assets given for use by the charity are recognised when receivable, at a value determined by an expert in the sector.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

As the charity is currently undertaking only one charitable activity, all support and governance costs are allocated to that activity in full.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Musical instruments are not depreciated due to their historical value which is expected to appreciate over time. Appropriate repair and maintenance is undertaken to retain the condition required.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Musical instruments whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/(expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, 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.

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations 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 charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the 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 that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Valuation of musical instruments

Musical instruments and bows are valued at fair value. This valuation is determined by an external expert, Florian Leonhard Fine Violins, who use their expertise in the sector to consider the condition, market and value of each instrument.

3 Donations and legacies

	Unrestricted funds
	2021 £
Donations	595,765
Donated musical instruments	6,595,859
Donated investment portfolio	2,130,976
	<hr/>
	9,322,600
	<hr/> <hr/>

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

4 Investments

	Unrestricted funds
	2021 £
Dividend income	1,277
Interest receivable	29
	<u>1,306</u>

5 Other income

	Unrestricted funds
	2021 £
Other income	11,518
	<u>11,518</u>

6 Charitable activities

	Advancement of music
	2021 £
Musical instrument repair costs	12,018
Share of support costs (see note 7)	29,243
Share of governance costs (see note 7)	6,900
	<u>48,161</u>

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

7 Support costs

	Support costs	Governance costs	2021
	£	£	£
Insurance	12,754	-	12,754
Valuation fees	600	-	600
Trust administration fees	15,207	-	15,207
Investment transaction fees	259	-	259
Bank charges	423	-	423
Audit fees	-	6,900	6,900
	<u>29,243</u>	<u>6,900</u>	<u>36,143</u>
Analysed between Charitable activities	<u>29,243</u>	<u>6,900</u>	<u>36,143</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

9 Employees

The charity had no employees during the period.

10 Net gains/(losses) on investments

	Unrestricted funds
	2021
	£
Unrealised gains on revaluation of fixed asset investments	60,938
Realised loss on sale of investments	(17,886)
	<u>43,052</u>

11 Revaluation of fixed assets

	Unrestricted funds
	2021
	£
Revaluation of musical instruments	<u>(1,617,141)</u>

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

12 Tangible fixed assets

	Musical instruments £
Cost or valuation	
Additions	7,290,124
Revaluation	1,617,141
	<hr/>
At 30 September 2021	8,907,265
	<hr/>
Carrying amount	
At 30 September 2021	8,907,265
	<hr/> <hr/>

Musical instruments with a carrying amount of £8,907,265 were revalued at 30 September 2021 by Florian Leonhard Fine Violins, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar instruments.

At 30 September 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £7,290,124. The revaluation surplus is disclosed in note 11.

The musical instruments and bows are leased to professional musicians for an initial 5 year term for no charge. The assets are leased on the basis that they will be used for regular public performances and are inspected annually. The musician is liable for any repair costs arising whilst the instrument is held in their care.

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 30 July 2020	-
Additions	4,097,803
Valuation changes	43,052
Disposals	(2,253,168)
	<hr/>
At 30 September 2021	1,887,687
	<hr/>
Carrying amount	
At 30 September 2021	1,887,687
	<hr/> <hr/>
	 2021 £
Investments at fair value comprise:	
Listed investments	1,887,687
	<hr/> <hr/>

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

14	Financial instruments	2021
		£
	Carrying amount of financial assets	
	Instruments measured at fair value through profit or loss	1,887,687
		<u>1,887,687</u>
15	Creditors: amounts falling due within one year	2021
		£
	Accruals and deferred income	11,400
		<u>11,400</u>
16	Analysis of net assets between funds	Unrestricted funds
		2021
		£
	Fund balances at 30 September 2021 are represented by:	
	Tangible assets	8,907,265
	Investments	1,887,687
	Current assets/(liabilities)	152,504
		<u>10,947,456</u>
		<u>10,947,456</u>
17	Related party transactions	
	Transactions with related parties	
	During the year, trustee, Mrs L N Kaye, donated musical instruments, listed investments and cash totalling £10,932,446 to the charity.	
	Trustees Ms L C T Van Der Heijen and Mr B Baker have charity assets loaned to them in their capacity as professional musicians under 5 year agreements at no charge.	
	Trustee Mr A Sternberg is an employee of Stonehage Fleming who are engaged by the other trustees as investment managers and to provide trust administrative support services. During the year end, administration fees totalling £15,207 and transaction fees of £259 were paid to the group.	

THE KAYE MUSIC TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2021

18	Cash generated from operations	2021 £
	Surplus for the period	9,330,315
	Adjustments for:	
	Investment income recognised in statement of financial activities	(1,306)
	Donated fixed assets	(6,595,859)
	Donated fixed asset investments	(2,130,976)
	Loss on disposal of investments	17,886
	Fair value gains and losses on investments	(60,938)
	Movements in working capital:	
	Increase in creditors	11,400
	Cash generated from/(absorbed by) operations	<u>570,522</u>
19	Analysis of changes in net funds/(debt)	
	The charity had no debt during the year.	