

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

# THE KAYE MUSIC TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	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

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# THE KAYE MUSIC TRUST

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# THE KAYE MUSIC TRUST

## TRUSTEES' REPORT

### *FOR THE PERIOD ENDED 30 SEPTEMBER 2021*

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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

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#### 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**

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### 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

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#### 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

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### **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

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### **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

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

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

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

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	Notes	2021 £	£
<b>Cash flows from operating activities</b>			
Cash generated from/(absorbed by) operations	18		570,522
<b>Investing activities</b>			
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/>	
<b>Net cash used in investing activities</b>			(406,618)
<b>Net cash used in financing activities</b>			-
			<hr/>
<b>Net increase in cash and cash equivalents</b>			163,904
Cash and cash equivalents at beginning of period			-
			<hr/>
<b>Cash and cash equivalents at end of period</b>			<u>163,904</u>

# THE KAYE MUSIC TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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### 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

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### 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
	<u>9,322,600</u>

# 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

### 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 £
<b>Cost or valuation</b>	
Additions	7,290,124
Revaluation	1,617,141
	<hr/>
At 30 September 2021	8,907,265
	<hr/>
<b>Carrying amount</b>	
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 £
<b>Cost or valuation</b>	
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/>
<b>Carrying amount</b>	
At 30 September 2021	1,887,687
	<hr/> <hr/>
	 <b>2021</b> <b>£</b>
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

<b>14</b>	<b>Financial instruments</b>	<b>2021</b> <b>£</b>
	<b>Carrying amount of financial assets</b>	
	Instruments measured at fair value through profit or loss	1,887,687
<b>15</b>	<b>Creditors: amounts falling due within one year</b>	<b>2021</b> <b>£</b>
	Accruals and deferred income	11,400
<b>16</b>	<b>Analysis of net assets between funds</b>	<b>Unrestricted funds</b> <b>2021</b> <b>£</b>
	Fund balances at 30 September 2021 are represented by:	
	Tangible assets	8,907,265
	Investments	1,887,687
	Current assets/(liabilities)	152,504
		10,947,456
<b>17</b>	<b>Related party transactions</b>	
	<b>Transactions with related parties</b>	
	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

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<b>18</b>	<b>Cash generated from operations</b>	<b>2021 £</b>
	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
	<b>Cash generated from/(absorbed by) operations</b>	<b>570,522</b>
<b>19</b>	<b>Analysis of changes in net funds/(debt)</b>	
	The charity had no debt during the year.	