

Charity number SC021739

THE TUNNELL TRUST

ANNUAL REPORT & ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2016

**THE TUNNELL TRUST
ANNUAL REPORT
YEAR ENDED 30 SEPTEMBER 2016**

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**THE TUNNELL TRUST
ANNUAL REPORT
YEAR ENDED 30 SEPTEMBER 2016**

LEGAL AND ADMINISTRATIVE INFORMATION

Registered charity number	SC021739
Registered office	The Tunnell Trust 64 Brunswick Street Edinburgh EH7 5HU
Independent Examiner	Andrew Scott, MA, ACA Swinton 76 New Road Little Kingshill Buckinghamshire HP16 0EU
Bankers	Bank of Scotland PO Box 1000 BX2 1LB
Brokers	Brewin Dolphin Sixth Floor Atria One 144 Morrison Street Edinburgh EH3 8EX

**THE TUNNELL TRUST
TRUSTEES' REPORT
YEAR ENDED 30 SEPTEMBER 2016**

The Trustees have pleasure in presenting their Annual Report and Accounts for the year ended 30 September 2016, which comply with the requirements of the Charities & Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice "Accounting and Reporting by Charities 2005", and are in accordance with the Trust's governing document.

The Trustees took the decision during the previous period to change the accounting year end from 30 June to 30 September to match the accounting year more closely to the annual cycle of the Trust's activities. The 2016 accounts presented in financial statements therefore cover a period of twelve months, whereas the 2015 comparatives cover a period of fifteen months.

Constitution

The Tunnell Trust was formed by the merger on 2 June 1999 of the former John Tunnell Trust and the former Young Musicians Trust. It is governed by a trust deed.

The trust is intended to be a permanent tribute to the memory of the late John Tunnell, O.B.E. and his wife the late Mrs. Wendy Tunnell.

Objectives and organisation

The main objectives of the Trust are to promote music, to advance the education of young musicians and to develop and improve the knowledge, understanding and practice of music through the recognition and development of music in the United Kingdom and elsewhere. As part of these objectives the Trustees intend to maintain a fund to apply the income in support of young professional chamber music groups at the outset of their careers. There have been no changes to the objectives since the last annual report.

The Trustees meet at least three times a year and decisions are referred to the appropriate Trustee for action.

The Trust is registered with the Office of the Scottish Charity Regulator as a charitable trust.

Policies adopted to further the objects

Each year the Trust holds auditions for young musicians and makes awards. Public performances are arranged for the successful groups. It also holds a Chamber Music Course on the Isle of Coll where musicians are coached by internationally acclaimed professors and perform at public concerts promoted by the Trust.

Trustees

The Trustees at the date of this report year are :

Patrick Cadell (chairman)

David McLellan

Christopher J Packard

Philippa Tunnell

Tom Chadwick (secretary)

William Tunnell

David W S Todd (treasurer)

Reserves policy

The activities of the charity are funded by donations from individuals and companies, based on annual budgets established by the Trustees. The annual income of the Trust is normally utilised in the activities of the year.

Risk management

The Trustees have considered the major risks to which the charity is exposed and has established systems to manage those risks.

**THE TUNNELL TRUST
TRUSTEES' REPORT
YEAR ENDED 30 SEPTEMBER 2016**

Review of activities 2015/2016

The Trust made awards to the following young professional chamber music groups during the season 2015/2016 – 8 concerts each for the Atea Wind Quintet and The Ferio Saxophone Quartet. In making these awards the Trust sponsored a total of 16 concerts (21 in 2014/2015) in 16 different Music Clubs and Societies throughout Scotland. This represents a slight decrease in spending on the Awards Scheme concerts for the 2014/2015 season at £15,840 (£16,940).

At the annual auditions in September of 2015 an unprecedented number of groups were selected as Award Winners for performances during the 2016/2017 season: Attard Zerafa Duo, Icaria Duo, Maxwell Quartet, Ridout Ma Duo, Ruisi Quartet and the Ter-Berg Nicholson Duo. Spending on the Awards Scheme concerts increased by £1,660 on the 2015/2016 season to £17,500. The level of concerts for the 2016/17 season was agreed at 25.

Our Annual Chamber Music Course had a highly successful fourth visit to the Isle of Coll in July 2016. Four young groups attended, 14 musicians in total: the Manon String Quartet, Louko Trio (*piano trio*), Attard Zerafa Duo (*saxophone & piano*) and the Cavendish Winds (*wind quintet*). They enjoyed coaching sessions with our 4 tutors as well as performance in the 3 public recitals. The groups also delivered a free workshop and concert to local youngsters. Costs for the Course amounted to £19,627.

Future plans and commitments

Awards will be made under the Music Club Awards Scheme for 2017/18 season totaling approximately £17,500. Auditions took place for the scheme in September 2016 when the total number of 25 concerts was awarded. The Trust also hopes to promote its Annual Course on the Isle of Coll from 1 - 10 July 2017. It is expected that the cost of promoting this event will be in line with 2015 at approximately £19,500. In line with the Trustees' policy, any other events promoted by the Trust during 2015/16 will only be undertaken where no deficit will be incurred.

Fund Raising

The Trust seeks to support its core activities and other promotions by raising funds from three major sources: National Charities, Commercial Sponsorship and Donations from individuals. In 2015/16 generous donations were received from 14 Charities. Numerous donations were received from generous individuals during the year. It is the policy of the Trust to continue to raise funds from these sources and other grant making bodies in the future in support of its activities.

Review of financial position

The Trust's direct spending on Young Musicians remained very similar to the previous year: 2016 - £48,995 (2015 - 15 months - £47,128). The Income of the Trust during the 12 month period amounted to £41,779 (2015 - 15 months - £64,114). This is principally accounted for by the extension of the last financial year to fifteen months. The Trust's main investments consist of fixed interest British Government Stocks, with additional investment in UK Investment Trusts and General Equities managed on the advice of its Brokers, Brewin Dolphin. Investment income for the 12 month period was to £11,538 (2015 - 15 months - £15,363). The valuation of investments at 30 September 2016 was £323,283 (30 September 2015 £302,898) with cash in the bank of £13,838 (30 September 2015 £24,993). The net assets at the end of the period amounted to £334,614 compared to the net assets at the beginning of the period of £323,091.

This report was approved by the Trustees on and signed on their behalf by

Patrick Cadell
Chairman

**THE TUNNELL TRUST
TRUSTEES' REPORT
YEAR ENDED 30 SEPTEMBER 2016**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are required by the Charities & Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Trust Deed to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the results of the Trust for that period.

The Trustees confirm that suitable accounting policies have been used and applied consistently, in accordance with the methods and principles set out in the SORP, and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the period ended 30 September 2015. The Trustees also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Trustees are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities.

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF
THE TUNNELL TRUST**

I report on the accounts of the charity for the twelve months ended 30 September 2016 which are set out on pages 6 to 12.

Respective responsibilities of trustees and examiner

The Charity's Trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1)(d) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent examiner's statement

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 44(1)(a) of the Act and Regulation 4 of the 2006 Accounts Regulations (as amended), and
 - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations (as amended)

have not been met, or

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

Signed

Date

Andrew Scott, MA, ACA
Swinton
76 New Road
Little Kingshill
Buckinghamshire HP16 0EU

THE TUNNELL TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income & Expenditure Account)
YEAR ENDED 30 SEPTEMBER 2016

	<u>Note</u>	Total Funds <u>Unrestricted</u> Year Ended 30 September <u>2016</u> £	Total Funds <u>Unrestricted</u> 15 months ended 30 September <u>2015</u> £
Incoming resources			
Incoming resources from generated funds			
Voluntary income	2	11,124	29,428
Investment income	3	11,538	15,364
		22,662	44,792
Incoming resources from charitable activities	4	19,117	19,322
		Total incoming resources	64,114
Resources expended			
Costs of generating voluntary income			
	5	3,379	5,275
Charitable activities	6	48,995	47,128
Governance costs	7	3,491	3,054
		Total resources expended	55,866
		Net outgoing resources before other recognised gains and losses	8,657
		(14,086)	8,657
Other recognised gains / (losses)			
Gains / (losses) on investment assets			
	10	25,610	(8,622)
		Net movement in funds	35
		11,523	35
Reconciliation of Funds			
Total funds brought forward			
		323,091	323,056
		Total funds carried forward	323,091
		334,614	323,091

The Trust Fund reserves have accumulated through operating activities over the life of the fund and, in the opinion of the Trustees, these funds are unrestricted.

**THE TUNNELL TRUST
BALANCE SHEET
30 SEPTEMBER 2016**

	<u>Note</u>	<u>2016</u> £	<u>2015</u> £
Investments	10	323,283	302,898
		<hr/> 323,283	<hr/> 302,898
<i>Total fixed assets</i>			
CURRENT ASSETS:			
Debtors	11	1,215	89
Cash at bank		<hr/> 13,838	<hr/> 24,993
		<hr/> 15,053	<hr/> 25,082
<i>Total current assets</i>			
Creditors: amounts falling due within one year	12	<hr/> 3,721	<hr/> 4,889
		<hr/> 11,332	<hr/> 20,193
<i>Net current assets</i>			
		<hr/> 334,614	<hr/> 323,091
<i>Net assets</i>			
The funds of the charity:			
Unrestricted income funds		<hr/> 334,614	<hr/> 323,091
		<hr/> 334,614	<hr/> 323,091
<i>Total charity funds</i>			

Approved by the Trustees on
and signed on their behalf by :

2017

Trustee _____

Trustee _____

**THE TUNNELL TRUST
NOTES TO THE ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2016**

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, the Charities & Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and in compliance with Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005).

Awards made to music groups are included in the accounts in the year in which they are paid, on the basis that even where awards for the following year have been decided before the accounting date, they will be made from future income.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, except for investments, which are included at market value.

Incoming Resources

All income is accounted for on an accruals basis.

Expenditure

Income of the Trust is applied towards the support of professional young chamber music ensembles, Music Clubs and Arts Guilds in Scotland in accordance with the objects and purposes of the Trust Deed.

Expenditure is accounted for on an accruals basis, and is classified under the principal categories of charitable and other expenditure in order to provide more useful information to users of the financial statements. Charitable expenditure, governance costs and publicity comprise direct expenditure attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with use of the resources.

Governance costs consists of those costs associated with the governance arrangements of the Trust which relate to the general running of the Trust.

Irrecoverable VAT is included with the relevant expenditure.

Investment Assets

Investments are made at the discretion of the Trustees in accordance with investment powers in the Trust Deed.

Investment assets are stated at their market value, and surpluses or deficits arising on revaluation are taken to general trust reserves. Brokers' commission and other costs of acquisition are written off in the year of purchase.

Fund Accounting

The Trust fund comprises the accumulated surplus on the statement of financial activities. It is available for use at the discretion of the Trustees in furtherance of the objects and purposes of the Trust as stated in the Trust Deed.

Cash Flow Statement

The Trust qualifies as a small entity under the terms of FRS 1 and as a consequence it is exempt from the requirements to publish a cash flow statement.

THE TUNNELL TRUST
NOTES TO THE ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2016

	<u>2016</u>	<u>2015</u>
	£	£
2		
VOLUNTARY INCOME		
Garfield Weston Charitable Trust	3,000	0
Radcliffe Trust	0	4,000
D'Oyly Carte Charitable Trust	3,000	4,000
Samuel Gardner Memorial Trust	1,000	2,000
The Binks Trust	500	1,000
Cruden Foundation	500	1,000
Albert & Eugenie Frost Music Trust	0	7,500
Moffat Charitable Trust	0	6,000
	<hr/>	<hr/>
	8,000	25,500
Sundry small donations	1,212	890
Gift aid donations including tax recovered	1,912	3,038
	<hr/>	<hr/>
	11,124	29,428
	<hr/> <hr/>	<hr/> <hr/>
3		
INVESTMENT INCOME		
UK Equities	8,131	12,405
Asia Pacific Equities	595	714
Emerging Market Equities	208	881
Global Investments	0	931
Japanese Equities	0	432
Other Investment Income	2,604	0
Other Bank Interest received	0	1
	<hr/>	<hr/>
	11,538	15,364
	<hr/> <hr/>	<hr/> <hr/>
4		
INCOMING RESOURCES FROM CHARITABLE ACTIVITIES		
<u>Music Coll 2016</u>		
PF Charitable Trust	2,000	2,000
The Misses Barrie Trust	2,000	2,000
Hope Scott Trust	0	1,000
N Smith Charitable Settlement	900	0
Hyne Trust	250	0
Bernard Sunley Charitable Trust	2,000	2,000
The Binks Trust	0	500
Mrs Rowena Goffin's Charitable Trust	2,000	0
Moffat Charitable Trust	0	3,000
Albert & Eugenie Frost Music Trust	4,400	2,500
Martin Connell Trust	0	1,000
Fidelio Charitable Trust	2,000	2,000
Hayward Sanderson	1,500	0
Other donations	1,378	2,819
Other Music Coll 2016 income	689	503
	<hr/>	<hr/>
	19,117	19,322
	<hr/> <hr/>	<hr/> <hr/>

THE TUNNELL TRUST
NOTES TO THE ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2016

	<u>2016</u>	<u>2015</u>
	£	£
5	COST OF GENERATING VOLUNTARY INCOME	
	Commission	4,875
	Fundraising expenses	400
	<hr/>	<hr/>
	3,024	4,875
	355	400
	<hr/>	<hr/>
	3,379	5,275
6	CHARITABLE ACTIVITIES	
	<u>Awards to music groups</u>	
	Ferio Saxophone Quartet	0
	Atea Wind Quintet	0
	Total Brass	7,700
	Kaleidoscope Saxophone Quartet	6,160
	Ishizuka Duo	3,080
	<hr/>	<hr/>
	15,840	16,940
	Music Coll 2016 costs	16,829
	Auditions	592
	<u>Support costs</u>	
	Administration fees & expenses	8,250
	Bank & broker's charges	4,282
	Advertising	60
	Sundry expenses	175
	<hr/>	<hr/>
	48,995	47,128
7	GOVERNANCE COSTS	
	Consultants' fees and expenses	3,000
	Sundry charges	54
	<hr/>	<hr/>
	2,400	3,000
	1,091	54
	<hr/>	<hr/>
	3,491	3,054

- 8 The Trust does not have any employees.
No Trustees received any remuneration. Jonathan Tunnell, Artistic Director, and Charles Tunnell, Artistic Advisor, are related parties to three of the Trustees and received remuneration for professional services rendered to the Trust.
During the year the following Trustee received reimbursement for expenses incurred on travel for the charity: T Chadwick. No other Trustee had individual expenses met by the charity in return for services provided to the charity.

THE TUNNELL TRUST
NOTES TO THE ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2016

9	COMMITMENTS - FUTURE AWARDS	<u>2016</u> £	<u>2015</u> £
	The awards are to be made out of future income.		
	<u>Season 2017-18</u>		
	The Hermes Experiment	6,000	0
	Cavendish Winds	7,500	0
	Solem String Quartet	4,000	0
	<u>Season 2016-17</u>		
	Attard Zerafa Duo	0	1,500
	Icaria Duo	0	1,500
	Maxwell Quartet	0	5,000
	Ridout Ma Duo	0	2,500
	Ruisi Quartet	0	5,000
	Ter-Berg Nicholson Duo	0	2,000
	<u>Season 2015-16</u>		
	Atea Wind Quintet	0	8,800
	Ferio Saxophone Quartet	0	7,040
		17,500	33,340
		17,500	33,340
10	INVESTMENTS		
	Market value as at 1 October 2015	303,707	314,395
	Acquisitions	101,203	53,534
	Disposals	(104,909)	(61,343)
	Net gain on revaluation at 30 September 2016	22,338	(2,879)
		322,339	303,707
	Market value at 30 September 2016	322,339	303,707
	Un-invested funds with stockbroker	944	(809)
		944	(809)
		323,283	302,898
	Historical cost at 30 September 2016	248,649	228,345
	<u>Net (loss) / gain on disposal of investments</u>		
	Proceeds	108,180	55,600
	Book value	(104,909)	(61,343)
		3,272	(5,743)
	Net realised gain / (loss) in year	3,272	(5,743)
	<u>Net gain / (loss) on revaluation at 30 September 2016</u>	22,338	(2,879)
		22,338	(2,879)
	Total gains / (losses) on investment assets	25,610	(8,622)

THE TUNNELL TRUST
NOTES TO THE ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2016

Holdings which are greater than 5% of the portfolio

Investments which comprise more than 5% of the portfolio

Kames Capital PLC	16,388
Unilever PLC	17,336
Prudential	17,136
Acorn Income Fund	18,500
JP Morgan UK LTD	16,535

11	DEBTORS AND PREPAYMENTS DUE IN LESS THAN ONE YEAR	<u>2016</u> £	<u>2015</u> £
	VAT recoverable	1,215	89
		<u>1,215</u>	<u>89</u>
12	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Sundry creditors & accruals	3,801	4,875
	VAT payable	(80)	14
		<u>3,721</u>	<u>4,889</u>
13	TRUST FUND		

The Trust's investments are in fixed interest British Government stocks, investment trusts, unit trusts and equities, all of which are listed on the UK Stock Exchange. The investments are managed by Brewin Dolphin Limited.

The Trust Fund reserves have accumulated through operating activities over the life of the fund and, in the opinion of the Trustees, these funds are unrestricted.