

THE  
TUNNELL  
TRUST  
FOR YOUNG MUSICIANS

**ANNUAL REPORT**

**& ACCOUNTS**

**Year to 30 September 2017**

**Charity SCO21739**

**THE TUNNELL TRUST  
ANNUAL REPORT  
YEAR ENDED 30 SEPTEMBER 2017**

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**THE TUNNELL TRUST  
ANNUAL REPORT  
YEAR ENDED 30 SEPTEMBER 2017**

**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 2017**

The Trustees have pleasure in presenting their Annual Report and Accounts for the year ended 30 September 2017, 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.

**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)

Jeremy Young (appointed 21 September 2017)

**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 2017**

**Review of activities 2016/2017**

The Trust made awards to the following young professional chamber music groups during the season 2016/2017 – Attard Zerafa Duo (3 concerts), Icaria Duo (3 concerts), Maxwell Quartet (5 concerts), Ridout Ma Duo (5 concerts), Ruisi Quartet (5 concerts) and the Ter-Berg Nicholson Duo (4 concerts). In making these awards the Trust sponsored a total of 25 concerts (16 in 2015/2016) in 25 different Music Clubs and Societies throughout Scotland. This represents a 10% increase in spending on the Awards Scheme concerts for the 2016/2017 season at £17,500 (£15,840).

At the annual auditions in September of 2016 three groups were selected as Award Winners for performances during the 2017/2018 season: Cavendish Winds, The Hermes Experiment, and the Solem Quartet. Spending on the Awards Scheme concerts for 2017/2018 season was set at £17,500. The number of concerts for the 2017/18 season was agreed at 16, fewer than in the previous year whilst spending remains the same, due to groups having more personnel.

Our Annual Chamber Music Course had a highly successful fifth visit to the Isle of Coll in July 2017. Four young groups attended, 15 musicians in total: the Manon String Quartet, Brodick String Quartet, A Deux Duo (*flute & harp*) 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 £14,433 (£19,627 in 2016).

**Future plans and commitments**

Awards will be made under the Music Club Awards Scheme for 2018/19 season totaling approximately £17,500. Auditions took place for the scheme in September 2017 when the total number of 20 concerts was awarded. The Trust also hopes to promote its Annual Course on the Isle of Coll from 30<sup>th</sup> June – 8<sup>th</sup> July 2018. It is expected that the cost of promoting this event will be in line with 2017 at approximately £15,000. In line with the Trustees' policy, any other events promoted by the Trust during 2017/18 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 2016/17 generous donations were received from 11 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 was slightly lower than the previous year: 2017 - £44,825 (2016 - £48,995). The Income of the Trust during the 12 month period increased slightly to £42,721 (2016 - £41,779). 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 increased slightly for the 12 month period to £13,483 (2015 - £11,538). The valuation of investments at 30 September 2017 was £341,647 (30 September 2015 £323,283) with cash in the bank of £10,586 (2016 - £13,838). The net assets at the end of the period amounted to £352,965 compared to the net assets at the beginning of the period of £334,614.

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 2017**

**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 2017 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 2017**

	<u>Note</u>	Total Funds <u>Unrestricted</u> Year ended 30 September <u>2017</u> £	Total Funds <u>Unrestricted</u> Year ended 30 September <u>2016</u> £
<b>Incoming resources</b>			
Incoming resources from generated funds			
Voluntary income	2	14,581	11,124
Investment income	3	13,483	11,538
		<hr/>	<hr/>
Incoming resources from charitable activities	4	28,064 14,657	22,662 19,117
		<hr/>	<hr/>
<b>Total incoming resources</b>		42,721	41,779
<b>Resources expended</b>			
Costs of generating voluntary income	5	355	3,379
Charitable activities	6	44,825	48,995
Governance costs	7	2,400	3,491
		<hr/>	<hr/>
<b>Total resources expended</b>		47,580	55,866
		<hr/>	<hr/>
<b>Net outgoing resources before other recognised gains and losses</b>		(4,859)	(14,086)
<b>Other recognised gains / (losses)</b>			
Gains / (losses) on investment assets	10	23,210	25,610
		<hr/>	<hr/>
<b>Net movement in funds</b>		18,351	11,523
<b>Reconciliation of Funds</b>			
<b>Total funds brought forward</b>		334,614	323,091
		<hr/>	<hr/>
<b>Total funds carried forward</b>		352,965	334,614
		<hr/>	<hr/>

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 2017**

	<u>Note</u>	<u>2017</u> £	<u>2016</u> £
Investments	10	341,647	323,283
		<hr/>	<hr/>
<b>Total fixed assets</b>		341,647	323,283
<b>CURRENT ASSETS:</b>			
Debtors	11	727	1,215
Cash at bank		10,586	13,838
		<hr/>	<hr/>
<b>Total current assets</b>		11,313	15,053
Creditors: amounts falling due within one year	12	(5)	3,721
		<hr/>	<hr/>
<b>Net current assets</b>		11,318	11,332
<b>Net assets</b>		<hr/>	<hr/>
		352,965	334,614
<b>The funds of the charity:</b>			
Unrestricted income funds		<hr/>	<hr/>
		352,965	334,614
		<hr/>	<hr/>
<b>Total charity funds</b>		352,965	334,614

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

2018

Trustee \_\_\_\_\_

Trustee \_\_\_\_\_

**THE TUNNELL TRUST**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 30 SEPTEMBER 2017**

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 2017**

	<u>2017</u>	<u>2016</u>
	£	£
2	VOLUNTARY INCOME	
	0	3,000
	4,000	0
	0	3,000
	0	1,000
	0	500
	0	500
	3,000	0
	1,500	0
	2,000	0
	1,000	0
	500	0
	<hr/>	<hr/>
	12,000	8,000
	1,014	1,212
	1,567	1,912
	<hr/>	<hr/>
	14,581	11,124
	<hr/> <hr/>	<hr/> <hr/>
3	INVESTMENT INCOME	
	7,672	8,131
	648	595
	490	208
	309	0
	459	209
	1,060	573
	307	154
	1,505	681
	500	343
	533	744
	<hr/>	<hr/>
	13,483	11,538
	<hr/> <hr/>	<hr/> <hr/>
4	INCOMING RESOURCES FROM CHARITABLE ACTIVITIES	
	<u>Music Coll 2017</u>	
	2,000	2,000
	2,000	2,000
	2,000	0
	500	0
	0	900
	0	250
	0	2,000
	0	2,000
	3,000	4,400
	2,500	2,000
	0	1,500
	2,657	2,067
	<hr/>	<hr/>
	14,657	19,117
	<hr/> <hr/>	<hr/> <hr/>

**THE TUNNELL TRUST**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 30 SEPTEMBER 2017**

	<u>2017</u>	<u>2016</u>
	£	£
5 COST OF GENERATING VOLUNTARY INCOME		
Commission	0	3,024
Fundraising expenses	355	355
	<hr/>	<hr/>
	355	3,379
	<hr/> <hr/>	<hr/> <hr/>
6 CHARITABLE ACTIVITIES		
<u>Awards to music groups</u>		
Attard Zerafa Duo	1,500	0
Icaria Duo	1,500	0
Maxwell Quartet	5,000	0
Ridout Ma Duo	2,500	0
Ruisi Quartet	5,000	0
Ter-Berg Nicholson Duo	2,000	0
Ferio Saxophone Quartet	0	7,040
Atea Wind Quintet	0	8,800
	<hr/>	<hr/>
	17,500	15,840
Music Coll 2017 costs	14,433	19,627
Auditions	500	784
<u>Support costs</u>		
Administration fees & expenses	6,600	6,600
Bank & broker's charges	5,532	5,042
Advertising	145	81
Sundry expenses	115	1,021
	<hr/>	<hr/>
	44,825	48,995
	<hr/> <hr/>	<hr/> <hr/>
7 GOVERNANCE COSTS		
Consultants' fees and expenses	2,400	2,400
Sundry charges	0	1,091
	<hr/>	<hr/>
	2,400	3,491
	<hr/> <hr/>	<hr/> <hr/>

- 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 2017**

9	COMMITMENTS - FUTURE AWARDS	<u>2017</u>	<u>2016</u>
		£	£
	The awards are to be made out of future income.		
	<u>Season 2018-19</u>		
	A4 Brass Quartet	5,000	0
	Pelleas Ensemble	3,750	0
	Magnard Ensemble	6,250	0
	Grier/Uttley Duo	2,500	0
	<u>Season 2017-18</u>		
	The Hermes Experiment	6,000	6,000
	Cavendish Winds	7,500	7,500
	Solem String Quartet	4,000	4,000
		<hr/>	<hr/>
		35,000	17,500
		<hr/>	<hr/>
10	INVESTMENTS		
	Market value as at 1 October 2016	322,339	303,707
	Acquisitions	103,583	101,203
	Disposals	(109,124)	(104,909)
	Net gain on revaluation at 30 September 2017	22,779	22,338
		<hr/>	<hr/>
	Market value at 30 September 2017	339,577	322,339
	Un-invested funds with stockbroker	2,070	944
		<hr/>	<hr/>
		341,647	323,283
		<hr/>	<hr/>
	Historical cost at 30 September 2017	287,432	248,649
	<u>Net (loss) / gain on disposal of investments</u>		
	Proceeds	109,555	108,180
	Book value	(109,124)	(104,909)
		<hr/>	<hr/>
	Net realised gain / (loss) in year	431	3,272
	<u>Net gain / (loss) on revaluation at 30 September 2017</u>	22,779	22,338
		<hr/>	<hr/>
	Total gains / (losses) on investment assets	23,210	25,610
		<hr/>	<hr/>

**THE TUNNELL TRUST**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 30 SEPTEMBER 2017**

Holdings which are greater than 5% of the portfolio

Investments which comprise more than 5% of the portfolio

JP Morgan UK Ltd

£18,472

11	DEBTORS AND PREPAYMENTS DUE IN LESS THAN ONE YEAR	<u>2017</u> £	<u>2016</u> £
	VAT recoverable	727	1,215
		<u>727</u>	<u>1,215</u>
12	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Sundry creditors & accruals	44	3,801
	VAT payable	(49)	(80)
		<u>(5)</u>	<u>3,721</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.