

Charity number SC021739

THE TUNNELL TRUST

ANNUAL REPORT & ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2019

**THE TUNNELL TRUST
ANNUAL REPORT
YEAR ENDED 30 SEPTEMBER 2019**

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**THE TUNNELL TRUST
ANNUAL REPORT
YEAR ENDED 30 SEPTEMBER 2019**

LEGAL AND ADMINISTRATIVE INFORMATION

Registered charity number	SC021739
Registered office	The Tunnell Trust 64 Brunswick Street Edinburgh EH7 5HU
Independent Examiner	Andrew Scott, MA, FCA 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 2019**

The Trustees have pleasure in presenting their Annual Report and Accounts for the year ended 30 September 2019, 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, Scotland, 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 – resigned 8th September 2019)

Christopher J Packard

Tom Chadwick (secretary)

David W S Todd (treasurer)

David McLellan

Philippa Tunnell

William Tunnell (chairman from 8th September 2019)

Jeremy Young

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 2019**

Review of activities 2018/2019

The Trust made awards to the following young professional chamber music groups during the season 2018/2019 – A4 Brass , Grier Uttley Duo, Magnard Ensemble and Pelléas Ensemble, each performing 5 concerts. In making these awards the Trust sponsored a total of 20 concerts (18 in 2017/2018) in 20 different Music Clubs and Societies throughout Scotland. This represents identical spending on the Awards Scheme concerts for the 2018/2019 season as in the previous year at £17,500.

At the annual auditions in September of 2018 four groups were selected as Award Winners for performances during the 2019/2020 season: the Fitzroy Quartet, Maharaj Degavino Duo, Palisander and Radford Kornas Duo. Spending on the Awards Scheme concerts for 2019/2020 season was set at £17,000. The number of concerts for the 2019/20 season was agreed at 22.

Our Annual Chamber Music Course had a highly successful sixth visit to the Isle of Coll in July 2019. Four young groups attended, 12 musicians in total: the Clark Michie Duo (*flute & harp*), Bowker Myslek Duo (*flute & piano*), London Panufnik Piano Trio and Festivo Winds (*wind quintet*). They enjoyed coaching sessions with our 6 tutors as well as performance in the 3 public recitals. The groups also delivered a free workshop and demonstration to the local community. Costs for the Course amounted to £17,824 (£16,706 in 2018), a slight increase on the previous year.

Future plans and commitments

Awards will be made under the Music Club Awards Scheme for 2020/21 season totaling approximately £16,100. Auditions took place for the scheme in September 2019 when a total number of 20 concerts was awarded. The Trust also hopes to promote its Annual Course on the Isle of Coll from 28th June – 6th July 2020. It is expected that the cost of promoting this event will be in line with 2019 at approximately £17,000. In line with the Trustees' policy, any other events promoted by the Trust during 2019/20 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 2018/19 generous donations were received from 12 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 and other 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 almost exactly the same as the previous year: £45,806 (2018 - £44,422). The Income of the Trust during the 12 month period was (down slightly) to £37,169 (2018 - £38,548). 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 was up slightly for the 12 month period to £12,427 (2018 - £11,525). The valuation of investments at 30 September 2019 was £329,825 (2018 -- £331,237) partly due to releasing £7,500 of capital to cash in March 2019. Cash in the bank at 30 September 2019 was £12,376 (2018 - £12,683). The net assets at the end of the period amounted to £342,706 compared to the net assets at the beginning of the period of £344,467.

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

William Tunnell

**THE TUNNELL TRUST
TRUSTEES' REPORT
YEAR ENDED 30 SEPTEMBER 2019**

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 2019. 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 2019 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 2020

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

THE TUNNELL TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income & Expenditure Account)
YEAR ENDED 30 SEPTEMBER 2019

	<u>Note</u>	Total Funds <u>Unrestricted</u> Year ended 30 September <u>2019</u> £	Total Funds <u>Unrestricted</u> Year ended 30 September <u>2018</u> £
Incoming resources			
Incoming resources from generated funds			
Voluntary income	2	11,615	11,948
Investment income	3	12,423	11,525
Bank Interest		4	0
		<hr/> 24,042	<hr/> 23,473
Incoming resources from charitable activities	4	13,127	15,076
		<hr/> 37,169	<hr/> 38,548
Total incoming resources			
Resources expended			
Costs of generating voluntary income	5	(279)	(279)
Charitable activities	6	(45,806)	(44,422)
Governance costs	7	(2,400)	(2,400)
		<hr/> (48,485)	<hr/> (47,101)
Total resources expended			
Net outgoing resources before other recognised gains and losses		(11,316)	(8,552)
Other recognised gains / (losses)			
Gains / (losses) on investment assets	10	9,571	30
		<hr/> (1,745)	<hr/> (8,552)
Net movement in funds			
Reconciliation of Funds			
Total funds brought forward		344,443	352,965
		<hr/> 342,698	<hr/> 344,443
Total funds carried forward			

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 2019**

	<u>Note</u>	<u>2019</u> £	<u>2018</u> £
Investments	10	329,825	331,237
		<hr/>	<hr/>
		329,825	331,237
		<hr/>	<hr/>
<i>Total fixed assets</i>			
CURRENT ASSETS:			
Debtors	11	0	576
Cash at bank		12,376	12,683
		<hr/>	<hr/>
		12,376	13,259
		<hr/>	<hr/>
<i>Total current assets</i>			
Creditors: amounts falling due within one year	12	496	(52)
		<hr/>	<hr/>
		12,873	13,206
		<hr/>	<hr/>
<i>Net current assets</i>			
		<hr/>	<hr/>
		342,698	344,443
		<hr/>	<hr/>
<i>Net assets</i>			
The funds of the charity:			
Unrestricted income funds		342,698	344,443
		<hr/>	<hr/>
		342,698	344,443
		<hr/>	<hr/>
<i>Total charity funds</i>			

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

..... 2020

Trustee

William Tunnell

Trustee

David W. S. Todd

**THE TUNNELL TRUST
NOTES TO THE ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2019**

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 2019

	<u>2019</u>	<u>2018</u>
	£	£
2	VOLUNTARY INCOME	
	0	500
	0	4,000
	0	1,000
	0	500
	0	1,000
	0	2,000
	1,750	0
	3,000	0
	2,000	0
	2,000	0
	8,750	9,000
	1,336	1,456
	1,529	1,492
	<u>11,615</u>	<u>11,948</u>
3	INVESTMENT INCOME	
	5,651	5,152
	641	630
	363	355
	338	258
	407	514
	1,689	1,427
	250	221
	488	488
	1,555	1,575
	481	489
	560	416
	<u>12,423</u>	<u>11,525</u>
4	INCOMING RESOURCES FROM CHARITABLE ACTIVITIES	
	<u>Music Coll</u>	
	0	2,000
	0	1,000
	2,000	2,000
	1,000	0
	750	0
	0	1,000
	3,000	2,000
	0	4,000
	0	1,000
	3,000	0
	1,000	0
	2,377	2,076
	<u>13,127</u>	<u>15,076</u>

THE TUNNELL TRUST
NOTES TO THE ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2019

	<u>2019</u>	<u>2018</u>
	£	£
5	COST OF GENERATING VOLUNTARY INCOME	
	0	0
Commission	279	279
Fundraising expenses	279	279
	<hr/>	<hr/>
	279	279
	<hr/>	<hr/>
6	CHARITABLE ACTIVITIES	
	<u>Awards to music groups</u>	
The Hermes Experiment	0	6,000
Cavendish Winds	0	7,500
Solem String Quartet	0	4,000
Magnard Ensemble	6,250	0
Pelleas Ensemble	3,750	0
Grier/Uttley Duo	2,500	0
A4 Brass Quartet	5,000	0
	<hr/>	<hr/>
	17,500	17,500
Music Coll 2019 costs	17,824	16,706
Auditions	524	673
	<u>Support costs</u>	
Administration fees & expenses	6,600	6,600
Bank & broker's charges	3,061	2,612
Advertising	240	38
Sundry expenses	58	293
	<hr/>	<hr/>
	45,806	44,422
	<hr/>	<hr/>
7	GOVERNANCE COSTS	
Consultants' fees and expenses	2,400	2,400
Sundry charges	0	0
	<hr/>	<hr/>
	2,400	2,400
	<hr/>	<hr/>

- 8 The Trust does not have any employees.
 No Trustees received any remuneration. Jonathan Tunnell, Artistic Director, Philippa Tunnell and Charles Tunnell, Artistic Advisors, 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 2019

9	COMMITMENTS - FUTURE AWARDS	<u>2019</u>	<u>2018</u>
		£	£
	The awards are to be made out of future income.		
	<u>Season 2018-19</u>		
	A4 Brass Quartet	0	5,000
	Pelleas Ensemble	0	3,750
	Magnard Ensemble	0	6,250
	Grier/Uttley Duo	0	2,500
	<u>Season 2019-20</u>		
	Palisander	6,000	6,000
	Fitzroy String Quartet	6,000	6,000
	Radford Kornas Duo	2,500	2,500
	Maharah Degovino Duo	2,500	2,500
	<u>Season 2020-21</u>		
	Broen Ensemble	5,600	0
	Bowker Myslek Duo	3,000	0
	Alkyona String Quartet	5,000	0
	Prodanova Ritivoiu Duo	2,500	0
		<hr/>	<hr/>
		33,100	34,500
		<hr/> <hr/>	<hr/> <hr/>
10	INVESTMENTS		
	Market value as at 1 October 2018	329,200	339,577
	Acquisitions	27,372	18,839
	Disposals	(39,299)	(26,296)
	Net gain on revaluation at 30 September 2019	10,002	(2,947)
		<hr/>	<hr/>
	Market value at 30 September 2019	327,274	329,200
	Un-invested funds with stockbroker	2,551	2,037
		<hr/>	<hr/>
		329,825	331,237
		<hr/> <hr/>	<hr/> <hr/>
	Historical cost at 30 September 2019	281,573	281,965
	<u>Net (loss) / gain on disposal of investments</u>		
	Proceeds	38,868	29,247
	Book value	(39,299)	(26,296)
		<hr/>	<hr/>
	Net realised gain / (loss) in year	(431)	2,978
		<hr/>	<hr/>
		10,002	(2,947)
		<hr/> <hr/>	<hr/> <hr/>
		9,571	30

THE TUNNELL TRUST
NOTES TO THE ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2019

Holdings which are greater than 5% of the portfolio

Investments which comprise more than 5% of the portfolio

Kames Capital plc	£16,617
Aviva Investors UK US Equity	£17,238
JP Morgan Funds Ltd	£22,177
SSGA SPDR ETFS E I SPDR S&P US Div Aristocrats	£23,142
North American Inc	£17,850

11	DEBTORS AND PREPAYMENTS DUE IN LESS THAN ONE YEAR	<u>2019</u> £	<u>2018</u> £
	VAT recoverable	0	576
		<hr/>	<hr/>
		0	576
		<hr/>	<hr/>
12	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Sundry creditors & accruals	80	(295)
	VAT payable	425	243
		<hr/>	<hr/>
		505	(52)
		<hr/>	<hr/>
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.