

THE
TUNNELL
TRUST
FOR YOUNG MUSICIANS

ANNUAL REPORT

& ACCOUNTS

Year to 30 September 2020

Charity SCO21739

**THE TUNNELL TRUST
ANNUAL REPORT
YEAR ENDED 30 SEPTEMBER 2020**

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**THE TUNNELL TRUST
ANNUAL REPORT
YEAR ENDED 30 SEPTEMBER 2020**

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 2020**

The Trustees have pleasure in presenting their Annual Report and Accounts for the year ended 30 September 2020, 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:

Christopher J Packard

Tom Chadwick (secretary)

David W S Todd (treasurer)

David McLellan

Philippa Tunnell

William Tunnell (chairman)

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. The charity has designated funds totaling £13,500 for Awards and Music Coll that could not be spent this year because of the Coronavirus pandemic.

Risk management

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

Review of activities 2019/2020

The Trust made awards to the following young professional chamber music groups during the season 2019/2020 – the Fitzroy Quartet (6 concerts), Maharaj Degavino Duo (5 concerts), Palisander (6 concerts) and Radford Kornas Duo (5 concerts). In making these awards the Trust sponsored a total of 22 concerts (20 in 2018/2019) in 22 different Music Clubs and Societies throughout Scotland. This represents similar spending on the Awards Scheme concerts for the 2018/2019 season to the previous year at £17,000 (£17,500 in 2018/2019).

**THE TUNNELL TRUST
TRUSTEES' REPORT
YEAR ENDED 30 SEPTEMBER 2020**

Review of activities 2019/2020 continued

The concerts given by Palisander and the Radford Kornas Duo took place before the Coronavirus pandemic, we hope to see the other 11 concerts rescheduled as soon as the situation allows. Funds have been set aside as designated in order to fund these concerts when they do take place.

At the annual auditions in September of 2019 four groups were selected as Award Winners for performances during the 2020/2021 season: the Alkyona Quartet (5 concerts), the Bowker Myslek Duo (*flute & piano*) (6 concerts), the Broen Ensemble (*string ensemble*) (4 concerts) and the Prodonova Ritivoiu Duo (*cello & piano*) (5 concerts). Spending on the Awards Scheme concerts for 2020/2021 season was set at £16,100. The number of concerts for the 2020/21 season was agreed at 20.

Our eighth Annual Chamber Music Course on the Isle of Coll sadly had to be cancelled due to the Coronavirus pandemic in 2020.

In order to assist our young musicians during this difficult year, we established a series of online concerts - *Tuesday Teatime LIVE at 6*. Nine concerts took place during the summer and autumn of 2020 providing our groups with a vital paid online performance opportunity.

Future plans and commitments

Awards will be made under the Music Club Awards Scheme for 2021/22 season totaling approximately £19,800. We were delighted to be able to host our London auditions after a very difficult year for musicians in October 2020 when a total number of 24 concerts was awarded for the 2021/22 season. All funds raised for these events will be set aside as designated for when the concerts take place should there be further delays due to the Coronavirus pandemic. It is the Trust's policy to ensure these engagements are rescheduled and fulfilled by our young musicians in order for them to continue to receive these vital performing opportunities.

The Trust also hopes to promote its eighth Annual Course on the Isle of Coll from 26th June – 4th July 2021. 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 2020/21 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 2019/20 generous donations were received from 9 Charities.

In response to the Coronavirus pandemic, the Trust initiated its 30th Anniversary Appeal succeeding in raising £8,893. 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 down on the previous year as the Coronavirus pandemic meant the cancellation of concerts and Music Coll 2020: £22,007 (2019 - £45,806). The Income of the Trust during the 12 month period increased to £55,421 (2019 - £37,169), inflated by a legacy of £19,930 and the Thirtieth Anniversary Appeal which raised £8,893. 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.

**THE TUNNELL TRUST
TRUSTEES' REPORT
YEAR ENDED 30 SEPTEMBER 2020**

Review of financial position continued

Investment income was down slightly for the 12 month period to £10,508 (2019 - £12,423). The valuation of investments at 30 September 2020 was £320,868 (2019 -- £329,825) affected by the fall of the value of the stock exchange with the Coronavirus pandemic and an investment of £22,000 to make up for withdrawals of the same amount over the previous three years. Cash in the bank at 30 September 2020 was £25,387 (2019 - £12,376). The net assets at the end of the period amounted to £346,596 compared to the net assets at the beginning of the period of £342,698.

Designated funds

The net assets include £13,500 designated for Awards and Music Coll that could not be spent this year because of the Coronavirus pandemic.

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

A handwritten signature in black ink, appearing to read 'W Tunnell', written over a horizontal line.

William Tunnell
Chairman

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 2020. 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 2020 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: 9th March 2021

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 2020

		Total Funds <u>Unrestricted</u> Year ended 30 September <u>2020</u> £	Total Funds <u>Unrestricted</u> Year ended 30 September <u>2019</u> £
	<u>Note</u>		
Incoming resources			
Incoming resources from generated funds			
Voluntary income	2	39,907	11,615
Investment income	3	10,508	12,423
Bank Interest		6	4
		<hr/>	<hr/>
Incoming resources from charitable activities	4	5,000	13,127
		<hr/>	<hr/>
Total incoming resources		55,421	37,169
Resources expended			
Costs of generating voluntary income	5	(279)	(279)
Charitable activities	6	(22,007)	(45,806)
Governance costs	7	(2,400)	(2,400)
		<hr/>	<hr/>
Total resources expended		(24,686)	(48,485)
Net outgoing resources before other recognised gains and losses		30,736	(11,316)
Other recognised gains / (losses)			
Gains / (losses) on investment assets	10	(26,838)	9,571
		<hr/>	<hr/>
Net movement in funds		3,898	(1,745)
Reconciliation of Funds			
Total funds brought forward		342,698	344,443
		<hr/>	<hr/>
Total funds carried forward		346,596	342,698

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 2020**

	<u>Note</u>	<u>2020</u> £	<u>2019</u> £
Investments	10	320,868	329,825
		<hr/>	<hr/>
		320,868	329,825
Total fixed assets			
CURRENT ASSETS:			
Debtors	11	341	0
Cash at bank		25,387	12,376
		<hr/>	<hr/>
		25,728	12,376
Total current assets			
Creditors: amounts falling due within one year	12	0	497
		<hr/>	<hr/>
		25,728	12,873
Net current assets			
		<hr/>	<hr/>
		346,596	342,698
Net assets			
The funds of the charity:			
Unrestricted income funds		333,096	342,698
Designated funds – Awards Scheme	13	8,500	0
Designated funds – Music Coll	13	5,000	0
		<hr/>	<hr/>
		346,596	342,698
Total charity funds			

Approved by the Trustees on

8th March 2021



and signed on their behalf by:

Trustee

William Tunnell



Trustee

David W. S. Todd

THE TUNNELL TRUST
NOTES TO THE ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2020

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 2020

	<u>2020</u>	<u>2019</u>
	£	£
2	VOLUNTARY INCOME	
	2,000	0
	4,000	0
	1,000	0
	750	0
	1,000	0
	0	1,750
	0	3,000
	0	2,000
	0	2,000
	<hr/> 8,750	<hr/> 8,750
	553	1,336
	1,781	1,529
	8,893	0
	19,930	0
	<hr/> <hr/> 39,907	<hr/> <hr/> 11,615
3	INVESTMENT INCOME	
	3,289	5,651
	648	641
	370	363
	183	338
	429	407
	2,273	1,689
	386	250
	511	488
	1,239	1,555
	456	481
	18	0
	706	560
	<hr/> 10,508	<hr/> 12,423
4	INCOMING RESOURCES FROM CHARITABLE ACTIVITIES	
	<u>Music Coll</u>	
	0	2,000
	0	1,000
	0	750
	0	3,000
	0	3,000
	0	1,000
	0	2,377
	3,000	0
	2,000	0
	<hr/> 5,000	<hr/> 13,127

Music Coll was cancelled in 2020 due to the Coronavirus pandemic – see note 13

THE TUNNELL TRUST
NOTES TO THE ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2020

	<u>2020</u>	<u>2019</u>
	£	£
5	COST OF GENERATING VOLUNTARY INCOME	
	Commission	0
	Fundraising expenses	279
	<hr/>	<hr/>
	279	279
	<hr/> <hr/>	<hr/> <hr/>
6	CHARITABLE ACTIVITIES	
	<u>Awards to music groups</u>	
	Magnard Ensemble	6,250
	Pelleas Ensemble	3,750
	Grier/Uttley Duo	2,500
	A4 Brass Quartet	5,000
	Radford Kornas Duo	0
	Pallisander	0
	Tuesday Teatimes	0
	<hr/>	<hr/>
	11,100	17,500
	Music Coll 2020 costs	17,824
	Auditions	524
	<u>Support costs</u>	
	Administration fees & expenses	6,600
	Bank & broker's charges	3,061
	Advertising	240
	Sundry expenses	58
	<hr/>	<hr/>
	22,007	45,806
	<hr/> <hr/>	<hr/> <hr/>
7	GOVERNANCE COSTS	
	Consultants' fees and expenses	2,400
	Sundry charges	0
	<hr/>	<hr/>
	2,400	2,400
	<hr/> <hr/>	<hr/> <hr/>

- 8 The Trust does not have any employees.
 No Trustees received any remuneration. Jonathan Tunnell, Artistic Director, is a related party to three of the Trustees and received remuneration for professional services rendered to the Trust.
 During the year no Trustees received reimbursement for expenses incurred.

THE TUNNELL TRUST
NOTES TO THE ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2020

9	COMMITMENTS – FUTURE AWARDS	<u>2020</u> £	<u>2019</u> £
	The awards are to be made out of future income.		
	<u>Season 2019-20</u>		
	Palisander	0	6,000
	Fitzroy String Quartet	6,000	6,000
	Radford Kornas Duo	0	2,500
	Maharah Degovino Duo	2,500	2,500
	<u>Season 2020-21</u>		
	Broen Ensemble	5,600	5,600
	Bowker Myslek Duo	3,000	3,000
	Alkyona String Quartet	5,000	5,000
	Prodanova Ritivoiu Duo	2,500	2,500
	<u>Season 2021-22</u>		
	Bona Fide	6,600	0
	Freeman Quartet	6,600	0
	Kapoor/Leung Duo	3,300	0
	Kwon/Lim Duo	3,300	0
	<i>Fitzroy String Quartet and Maharah Degovino Duo were unable to perform in 2019-20 due to the Coronavirus pandemic – see note 13</i>		
		44,400	33,100
		44,400	33,100
10	INVESTMENTS		
	Market value as at 1 October 2019	327,274	329,200
	Acquisitions	61,571	27,372
	Disposals	(59,503)	(39,299)
	Net gain/loss on revaluation at 30 September 2020	(16,186)	10,002
		313,156	327,274
	Market value at 30 September 2020	313,156	327,274
	Un-invested funds with stockbroker	7,712	2,551
		320,868	329,825
		320,868	329,825
	Historical cost at 30 September 2020	289,773	281,573
	<u>Net gain/loss on disposal of investments</u>		
	Proceeds	48,851	38,868
	Book value	(59,503)	(39,299)
		(10,652)	(431)
	Net realized gain/loss in year	(10,652)	(431)
	Net gain/loss on revaluation at 30 September 2020	(16,186)	10,002
		(26,838)	9,571
	Total gains / (losses) on Investment assets	(26,838)	9,571

THE TUNNELL TRUST
NOTES TO THE ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2020

Holdings which are greater than 5% of the portfolio

Investments which comprise more than 5% of the portfolio

Aegon Asset Management	£16,981
JP Morgan Funds	£20,652
SSGA SPDR ETFS E 1 SPDR S&P US	£20,409

11	DEBTORS AND PREPAYMENTS DUE IN LESS THAN ONE YEAR	<u>2020</u> £	<u>2019</u> £
	VAT recoverable	341	0
		<hr/> 341	<hr/> 0
12	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Sundry creditors & accruals	0	72
	VAT payable	0	425
		<hr/> 0	<hr/> 497
13	DESIGNATED FUNDS		
	Awards (not spent in 2020 because of Coronavirus)	8,500	0
	Music Coll (not spent in 2020 because of Coronavirus)	5,000	0
		<hr/> 13,500	<hr/> 0
14	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.