

Company Registration No 2195707
Charity Registration No 298098

**THE BRITISH NEUROLOGICAL RESEARCH TRUST
(A COMPANY LIMITED BY GUARANTEE)**

COUNCIL OF MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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THE BRITISH NEUROLOGICAL RESEARCH TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Council of Management	Caroline Banzky, FCA James Taylor
Charity number	298098
Company number	2195707
Registered address	Acre House 11-15 William Road London NW1 3ER
Accountants	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
Bankers	Coutts & Co 440 Strand London WC2R 0QS

THE BRITISH NEUROLOGICAL RESEARCH TRUST

CONTENTS

	Page
Council of Management report	1
Statement of Council of Management's responsibilities	5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes	9-13

THE BRITISH NEUROLOGICAL RESEARCH TRUST

COUNCIL OF MANAGEMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The members of the Council of Management of the British Neurological Research Trust ("BNRT"), who act as directors for the purposes of company law, have pleasure in presenting the annual report for the year ended 31 December 2011

Aims of BNRT

BNRT was established in 1987 on the initiative of the late Mr Norman H Lee to support the research needed to find a method of repairing damage to the brain and spinal cord in patients suffering from the crippling effects of spinal cord injury (paraplegia and tetraplegia), birth injuries, stroke, head injuries, multiple sclerosis and degenerative conditions such as Parkinson's and Alzheimer's diseases

BNRT is a company limited under guarantee and is a registered charity (no 298098). The governing document is the memorandum and articles of association

The Project

The project supported by BNRT is under the direction of Professor Geoffrey Raisman FRS, who originally described, in 1985, a unique arrangement of specialised olfactory ensheathing glial cells that accompany the olfactory nerves all the way to their entry into the brain. After over 20 years of experimental work, Professor Raisman and his team have developed all the techniques associated with analysis of injuries, culturing the cells, transferring them and studying the functional consequences and patterns of regeneration of nerve fibres. This represents a major concentration of practical experience.

The purpose of the project is to find a method of repairing injuries in which nerve fibres are severed in the brain (e.g. certain types of major stroke), spinal cord and the nerves of sight and hearing. The method of repair is to transplant reparative cells which will form a pathway enabling the nerve fibres to regenerate and re-establish functional connections. The current type of cell being studied is the olfactory ensheathing cell, which can be derived by culture of tissues containing specialised stem cells in the specialised olfactory section of the adult nasal lining. Other cell sources are also being sought. The purpose of the project is to develop models of procedures which can be translated to clinical situations, initially in patients with spinal cord or spinal root injuries at the National Hospital for Neurology and Neurosurgery, Queen Square, and patients with glaucoma at Moorfields Eye Hospital, London.

Current Laboratory Research Work

The research supported by the Trust is directed towards providing the information needed for repair of spinal cord injuries, with a view that the principles involved will in future be extended to repair of stroke, blindness and deafness. The work is based on the assumption that severed nerve fibres retain throughout life the ability to regenerate and re-establish functional contacts which will repair disabilities. For this to occur the fibres must be provided with a bridge of tissue which establishes a pathway across the injury. The team supported by the Trust discovered a special type of cell, called the olfactory ensheathing cell (OEC), which is derived from an adult stem cell. Transplantation of OECs was shown in experimental situations to repair injuries to the spinal cord and spinal roots.

To translate this to clinical repair, Dr Tabakow and his team at the University of Wrocław have constructed stereotaxic equipment for microinjection of a culture of the patient's own cells into spinal injuries and shown this to be feasible and safe in an FDA registered Phase I clinical trial in 3 patients. The next stages are (1) to determine at what level in the olfactory system the most effective cells can be obtained and (2) to construct a living prosthesis of OECs grown on nanofibres and enwrapped in an angiogenic hydrogel and fabricate a catheter carried injector to be used in conjunction with Dr Tabakow's stereotaxic system to enable the cells to be injected through a skin incision under imaging. We are planning to involve 3 centres in the UK in an extension of this trial.

With the guidance of Professor Peng Khaw, Moorfields Eye Hospital, we have examined the optic nerve head. We have shown that the tissue in this region consists of a hitherto unrecognised type of specialised cell, whose arrangement makes them the target of the raised pressure which causes glaucoma, and which we have called fortified astrocytes. We have shown that the damage to optic nerve fibres in glaucoma is due to withdrawal of the processes of the fortified astrocytes. We are examining the ability of transplants of autologous OECs into the optic nerve head to protect the optic nerve fibres from the progression of glaucoma. We anticipate that this paradigm will be the basis for future clinical treatment of patients with impending blindness.

THE BRITISH NEUROLOGICAL RESEARCH TRUST

COUNCIL OF MANAGEMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011 (*cont'd*)

Relationship with UK Stem Cell Foundation

Throughout the year, the BNRT maintained close contact with the UK Stem Cell Foundation ("UKSCF") following the 2009 agreement by the UKSCF to match funds transferred to the UKSCF for the benefit of Professor Raisman's research. This has led to strategic negotiations with the UKSCF following which it has been agreed, in order better to continue the work of the Founders, to merge the management of the charity with UKSCF in early 2012. BNRT will remain as a separate charity but will benefit from the administrative efficiencies of being part of a larger organisation. In this way, the fund raising work of BNRT over the past twenty four years in support of the projects led by Professor Raisman will continue and have a greater influence as research continues into repair of the spinal cord.

During the year BNRT kept in touch with the Norman and Sadie Lee Foundation in California, where the late Norman and Sadie Lee had been the original and long-term supporters and funders of the BNRT, but no further funding was received from the Foundation during the year. Direct links were maintained between the Institute of Neurology's Spinal Repair Unit and earlier donors to the programme, especially the Nicholls Spinal Injury Foundation, and discussion was opened and revived with other previous and prospective new donors. Income during this year came largely from the proceeds of a Ball held in November 2011. This splendid event, organised so ably by Katherine Taylor and friends and supported by many generous individuals and companies, raised in excess of £100,000 for BNRT. The Council of Management of BNRT was delighted by the success of the Ball and is most grateful for the substantial funds raised.

It remains the aim of the Council of Management, in conjunction with UKSCF, to continue to support the work of the team at the Spinal Injury Unit, Institute of Neurology currently led by Professor Geoffrey Raisman. From early 2012, leadership of the team will pass to Dr David Choi following many years of ground breaking and distinguished research by Professor Raisman. Fund-raising will continue to cover both short-term needs and the requirement for funds beyond that committed to January 2012.

Funding, expenditure and reserves

At 31 December 2011, BNRT had funds designated for future expenditure amounting to £nil (2010 £21,603) and other funds of £237,264 (2010 £145,221).

Taking account of the significant progress in the project and the planned merger referred to above, it remains the aim of the Council of Management to maximise reserves to allow BNRT to meet future reasonable and appropriate requests for funding. The Council of Management believe that the reserves of BNRT are sufficient to fulfil current obligations and wish to continue to support the work of the team at the Institute of Neurology UCL, currently led by Professor Raisman. No amount will be committed by the Council of Management of BNRT beyond the resources known to be available.

New donations are welcome and should be addressed in favour of the British Neurological Research Trust, care of Acre House, 11-15 William Road, London NW1 3ER.

THE BRITISH NEUROLOGICAL RESEARCH TRUST

COUNCIL OF MANAGEMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

Members of the Council of Management

In anticipation of the merger with UKSCF, five members of the Council of Management resigned at a meeting of the Council on 8 November 2011. UKSCF has nominated new members of the Council of Management who will be appointed in 2012.

The members who served during the year were as follows

Caroline Banszky, FCA (Chairman)

Professor Alan Crockard, DSc, FRCS, FRCP, FDS RCS (resigned 8 November 2011)

Professor Hans Ludwig Frankel, OBE, MB, FRCP (resigned 8 November 2011)

Tim Hancock, MA (resigned 8 November 2011)

Professor Peter Richardson FRCS (c) (resigned 8 November 2011)

David D Sullivan FCA, ATII (resigned 8 November 2011)

James Taylor

The Council of Management would like to thank those members who resigned on 8 November 2011 for their great service to BNRT over many years.

Appointment of new Members of Council

It is the aim of the Council of Management to include members with knowledge of medical and scientific research as well as business, finance, public administration and law. New appointments to the Council of Management are proposed and approved by the existing members of the Council and future appointees will be subject to appropriate induction and training in order to understand the scientific aims and financial position of BNRT. No other body or individual has the right of proposal or appointment.

All decisions relating to the governance and direction of BNRT are discussed and approved by the Council of Management. In principle, the Council follows the desire of the founders of the charity, Norman and Sadie Lee, to support research into the repair of spinal injuries. From inception to date that support has been directed to the work of Professor Geoffrey Raisman and his team. Day to day management is supervised by Nigel Platts who reports regularly to the Council and, in particular, to Caroline Banszky (Chairman). Regular scientific reports are provided to the Council by Professor Raisman.

Administrative Adviser:

Nigel Platts MA FCA

Share capital and Dividends.

As the Trust is a company limited by guarantee, there is no share capital in which the members can hold beneficial interests. On a winding up each person who is a member at that date is liable to contribute a sum not exceeding £1 towards the assets of the company. As at 31 December 2011 the company had two members.

The company is limited by guarantee and, in accordance with the Articles of Association, the payment of a dividend is not appropriate.

Accounting policies

The Trust's accounting policies have been applied on a basis consistent with the prior year, comply with current statutory requirements and the requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities (2005) and are compatible with the requirements of the Memorandum and Articles of Association of the Trust.

Public Benefit

The Trustees have complied with their duty in section 4 of the Charities Act 2006 to have due regard to guidance published by the Charity Commission.

THE BRITISH NEUROLOGICAL RESEARCH TRUST

COUNCIL OF MANAGEMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

Risk Management

At least annually the Council includes in its discussions a consideration of risk whether financial, scientific or to reputation. It is the stated aim of the Council that no financial commitment should be made beyond the current resources of BNRT and this is central to control of financial risk. Fund raising is carefully monitored and, although funds are actively sought, it is not the practice of BNRT to make public collections. Scientific risk is considered to arise principally from failure of research to provide successful results. Although the success of scientific research cannot be guaranteed, the progress of work which is supported by BNRT is subject to regular peer review as part of the statutory peer review arrangements for all activities of the Institute of Neurology, UCL. No scientific researchers are employed by BNRT. Any risk whether financial or to reputation arising from operational failure lies with the research team and the Institute of Neurology UCL which has responsibility for managing the project.

Disclosure of information to auditors

The members of the Council of Management who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the trust's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member to make himself aware of any relevant audit information and to establish that the trust's auditors are aware of that information.

By order of the Council of Management

Caroline Banskzy
Chairman



Dated:

15 March 2012

THE BRITISH NEUROLOGICAL RESEARCH TRUST

STATEMENT OF COUNCIL OF MANAGEMENT'S RESPONSIBILITIES IN RESPECT OF THE COUNCIL OF MANAGEMENT'S REPORT AND THE FINANCIAL STATEMENTS

The Council of Management are responsible for preparing the Council of Management report and the financial statements in accordance with applicable law and regulations

Company law requires the Council of Management to prepare financial statements for each financial year

The financial statements are required by law to give a true and fair view of the state of affairs of the Trust and of the surplus or deficit of the Trust for that period

In preparing these financial statements, the Council of Management are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK 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 Trust will continue its activities

The Council of Management are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Trust and to prevent and detect fraud and other irregularities

Under applicable law the Council of Management are also responsible for preparing a Council of Management's Report that complies with that law

THE BRITISH NEUROLOGICAL RESEARCH TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE BRITISH NEUROLOGICAL RESEARCH TRUST

I report on the accounts of the charity for the year ended 31 December 2011, which are set out on pages 7 to 13

Respective responsibilities of trustees and examiner

The trustees, who are also directors of The British Neurological Research Trust, for the purposes of company law, are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011, the 2011 Act, and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- (i) examine the accounts under section 145 of the 2011 Act,
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act, and
- (iii) to state whether particular matters have come to my attention

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. 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 seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention

- (i) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities

have not been met, or

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

Sailesh P. Mohita
BSC (Econ) ACA FRSA
H W Fisher & Company
Chartered Accountants
Acre House
11-15 Wilton Road
London NW1 3ER

Dated

22 March 2012

THE BRITISH NEUROLOGICAL RESEARCH TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2011

	<i>Note</i>	Unrestricted Funds £	Designated Funds £	Total 2011 £	Total 2010 £
Income and expenditure					
Incoming resources from generated funds					
Voluntary income	2	136,017	-	136,017	21,411
Investment income	3	524	-	524	556
Total incoming resources		136,541	-	136,541	21,967
Resources expended	4				
Cost of generating voluntary income	5	(11,703)	-	(11,703)	(24,780)
Cost of charitable activities	6	(17,538)	(21,603)	(39,141)	(52,525)
Governance costs	7	(15,257)	-	(15,257)	(18,417)
Total resources expended		(44,498)	(21,603)	(66,101)	(95,722)
Net incoming/(outgoing) resources		92,043	(21,603)	70,440	(73,755)
				-	-
Fund balances brought forward		145,221	21,603	166,824	240,579
Fund balances carried forward		237,264	-	237,264	166,824

There is no material difference between the historical cost result and the reported result

The incoming resources and resulting net movement in funds arise from continuing operations

The Trust has no recognised gains or losses in either period other than the net movement in funds for the year

The notes on pages 9 to 13 form part of these financial statements

THE BRITISH NEUROLOGICAL RESEARCH TRUST

BALANCE SHEET

AT 31 DECEMBER 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible fixed assets	11	-	-
Current assets			
Debtors	12	75,800	-
Cash at bank and in hand		173,464	179,261
		<u>249,264</u>	<u>179,261</u>
Creditors amounts falling due within one year	13	(12,000)	(12,437)
Net current assets		<u>237,264</u>	<u>166,824</u>
Net assets		<u>237,264</u>	<u>166,824</u>
The funds of the charity:	16		
Designated funds		-	21,603
Unrestricted funds		237,264	145,221
		<u>237,264</u>	<u>166,824</u>

The notes on pages 9 to 13 form part of these financial statements

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2011. No member of the charitable company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

These financial statements were approved by the Council of Management on 15 March 2012 and were signed on its behalf by



Caroline Banszky
Chairman of the Council of Management

THE BRITISH NEUROLOGICAL RESEARCH TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

- 1 Accounting policies**
The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Trust's financial statements
- 1.1 Basis of preparation**
The financial statements have been prepared in accordance with the Charities Act 1993, The Companies Act 2006, and Accounting and Reporting by Charities Statement of Recommended Practice (2005), with applicable accounting standards and under the historical cost accounting rules. Income and expenditure are accounted for on an accruals basis
- 1.2 Accounting format**
The format of the accounts complies with the requirements of the Accounting and Reporting by Charities Statement of Recommended Practice (2005). This sets out recommendations for the way in which a charity should report annually on the resources entrusted to it and the activities it undertakes
- 1.3 Incoming resources**
All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy

Donations are included in incoming resources when these are receivable

Interest consists of interest income and is included when receivable by the charity
- 1.4 Resources expended**
All outgoing resources are included in Statement of Financial Activities (SOFA) on an accruals basis inclusive of any VAT
- 1.5 Purpose of funds**
Designated funds consist of amounts allocated to meet specific research projects

Undesignated funds consist of other amounts available for the use of the Trust

All expenses are reviewed as and when they are incurred and are subsequently categorised by their nature and shown in the Statement of Financial Activities as necessary
- 1.6 Fixed assets and depreciation**
Depreciation is provided to write off the cost of tangible fixed assets on a straight line basis over the expected useful lives of the assets as follows

Fixtures, fittings and equipment - 3 years
- 1.7 Statement of cash flows**
The Trust has taken advantage of the exemption available to small companies not to prepare a statement of cash flows

THE BRITISH NEUROLOGICAL RESEARCH TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

2 Voluntary income

	2011	2010
	£	£
Donations	136,017	21,411

The principal sources of voluntary income in 2011 were amounts raised by the BNRT Ball, an anonymous donation and by the receipt of further donations by individuals in support of Oli Broom's 2010 "Cycling to the Ashes" bike ride. In addition, donations were received in memory of Mr Peter Taylor and Mr Neil Eaves.

3 Investment income

	2011	2010
	£	£
Bank interest	524	556

4 Total resources expended

	Staff Costs £	Other costs £	Grant funding £	Total 2011 £	Total 2010 £
Costs of generating funds					
Fundraising and publicity	11,388	315	-	11,703	24,780
Charitable activities					
Research	9,996	3,917	25,228	39,141	52,525
Governance costs	9,997	5,260	-	15,257	18,417
	31,381	9,492	25,228	66,101	95,722

The Research grant was awarded to the Institute of Neurology for £25,228 (2010 £38,898)

Governance costs include payments to the auditors of £4,250 (2010 £6,000) for audit fees

5 The cost of generating voluntary income

The cost of generating funds comprises the relevant element of the costs of the fund development officer and such other costs as may be incurred in attracting funding.

6 The cost of charitable activities

The cost of charitable activities comprises reimbursements and consumable expenses directly relating to the objectives of the Trust.

7 Governance costs

Governance costs comprise the relevant costs of the administrator, audit fees and legal costs.

THE BRITISH NEUROLOGICAL RESEARCH TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

8 Staff numbers and costs

The average number of persons employed by the company during the year analysed by category was as follows

	Number of employees	
	2011	2010
Administration	1	1
Fund development	1	1
	<u>2</u>	<u>2</u>

The aggregate payroll costs of these persons were as follows

	2011	2010
	£	£
Wages and salaries	28,333	40,000
Social security costs	2,548	3,603
Employer pension costs	500	1,000
	<u>31,381</u>	<u>44,603</u>

The cost of administration persons are apportioned across governance costs and cost of charitable activities on the basis of time spent

No member of staff received remuneration in excess of £60,000 during the year (2010 nil)

9 Taxation

The Trust is entitled to exemption from taxation under S 505 (1) ICTA 1988 on income from its charitable activities

10 Expenses and remuneration paid to trustees

No member of the Council of Management received any remuneration or claimed any expenses (2010 nil)

THE BRITISH NEUROLOGICAL RESEARCH TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

11 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
At beginning and end of year	428,292

Depreciation

At beginning and end of year	(428,292)
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Net book value

At 31 December 2011 and 31 December 2010	-
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All fixed assets are held for charitable purposes

12 Debtors

	2011 £	2010 £
Accrued income	75,800	-

Debtors relate to amounts received in January 2012 in respect of the BNR F Ball held in November 2011

13 Creditors

	2011 £	2010 £
Trade creditors	7,750	6,437
Accruals and deferred income	4,250	6,000
	<u>12,000</u>	<u>12,437</u>

14 Analysis of net assets between funds

	Tangible Fixed assets £	Net current assets £	2011 Total £
Designated funds	-	-	-
Unrestricted funds	-	237,264	237,264
	<u>-</u>	<u>237,264</u>	<u>237,264</u>

15 Capital commitments

The Trust has no amounts contracted for capital expenditure (2010 £nil)

THE BRITISH NEUROLOGICAL RESEARCH TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011 (cont'd)

16 Funds of the charity

The funds of the charity include funds designated to meet future commitments to support

	Balance at 1 January 2011 £	Incoming resources £	Expenditure £	Balance at 31 December 2011 £
Designated funds	21,603	-	(21,603)	-
Unrestricted funds	145,221	136,541	(44,498)	237,264
	<u>166,824</u>	<u>136,541</u>	<u>(66,101)</u>	<u>237,264</u>

Designated funds consist of amounts allocated to meet specific projects for ongoing research at the unit, including the purchase of essential equipment and the retention of key scientific staff

In the opinion of the members of the Council of Management sufficient resources are held in an appropriate form for each fund to be applied in accordance with any restrictions imposed