
THE BRITISH NEUROLOGICAL RESEARCH TRUST
(A company limited by guarantee)

COUNCIL OF MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

THURSDAY



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THE BRITISH NEUROLOGICAL RESEARCH TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Council of Management's report	2 - 5
Independent auditors' report	6 - 7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 15

THE BRITISH NEUROLOGICAL RESEARCH TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2012**

Council of Management

Ms C Banszky
Mr James Taylor
Professor T Jones (appointed 18 May 2012)
Professor C Mason (appointed 18 May 2012)
Lord R Winston (appointed 18 May 2012)
Professor J S Jones (appointed 18 May 2012)
Dame M Archer (appointed 18 May 2012)
Mr N Ross (appointed 18 May 2012)
Mr J Moulton (appointed 18 May 2012)
Mr B Noble (appointed 18 May 2012)
Sir R Sykes, Chairman (appointed 18 May 2012)

Company registered number

2195707

Charity registered number

298098

Registered office

Acre House
11-15 William Road
London
NW1 3ER

Company secretary

Mitre Secretaries Limited

Chief executive officer

Miss L Shortland

Independent auditors

French Duncan LLP
Chartered Accountants and Statutory Auditors
375 West George Street
Glasgow
G2 4LW

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

THE BRITISH NEUROLOGICAL RESEARCH TRUST
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**COUNCIL OF MANAGEMENT'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**

The Council of Management (Trustees) (who are also directors of the charity for the purposes of the Companies Act) presents their annual report together with the audited financial statements of The British Neurological Research Trust (the company) for the year ended 31 December 2012. The Council of Management confirms that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

● **CONSTITUTION**

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.

● **METHOD OF APPOINTMENT OR ELECTION OF COUNCIL OF MANAGEMENT**

The management of the company is the responsibility of the Council of Management who are elected and co-opted under the terms of the Articles of Association.

● **POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF COUNCIL OF MANAGEMENT**

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.

● **ORGANISATIONAL STRUCTURE AND DECISION MAKING**

All decisions relating to governance and direction of BNRT are discussed and approved by the Council of Management. In principle, the Council follows the desires 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 Lil Shortland who reports regularly to the Council of Management. Regular scientific reports are provided to the Council by Professor Raisman.

● **RISK MANAGEMENT**

At least annually the Council includes in its discussions a consideration of risk whether financial, scientific or 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 the 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.

THE BRITISH NEUROLOGICAL RESEARCH TRUST
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COUNCIL OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

Objectives and Activities

• **PUBLIC BENEFIT**

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

Achievements and performance

• **GOING CONCERN**

After making appropriate enquiries, the Council of Management has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements

• **REVIEW OF ACTIVITIES**

The British Neurological Research Trust (BNRT) has concluded its discussions with the Nicholls Spinal Injury Foundation and The UK Stem Cell Foundation and agreed to enter into a co-funding arrangement to further fund the work of Professor Geoffrey Raisman of UCL London. The project entitled "Repair of Spinal Cord Injuries and Prevention of Glaucoma Blindness By Transplantation of Pathway Cells Derived from Stem Cells in the Patient's Own Tissues" has been awarded £1.598m over 3 years.

Prof. Raisman has pioneered the use of olfactory ensheathing cells to repair damage to the spinal cord. These stem cells are taken from the patient's own upper nasal passages and are used to help regrow nerve fibres in the damaged spinal cord. An initial study by the team has shown that this procedure is feasible and safe in spinal injured patients. More recently, the team has been searching for the best source of olfactory ensheathing cells in human tissue as millions of stem cells are needed to bridge a gap in the spinal cord. They also are developing prototype nanofibre biomaterials, which will provide the bridge on which transplanted OECs can grow to repair human spinal injuries. The next stage to this project is to raise sufficient funds for a clinical trial.

This year BNRT has seen the merge of its operations with that of the UK Stem Cell Foundation. The merger has taken place in order to better continue the work of the two charities operationally, although both remain entirely separate entities. Sir Richard Sykes was appointed Chairman on 18th May 2012 and Caroline Banszky former Chair of BNRT and James Taylor continue to support the charity as trustees. The Board has a further 8 trustees and are as named on page 1 of this report.

Financial review

• **RESERVES POLICY**

The Council of Management has a reserves policy aimed at maintaining the ability of the charity to deliver its charitable objectives.

• **PRINCIPAL FUNDING**

The results for the year, and the Charity's financial position at the end of the year are shown in the attached report and financial statements.

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COUNCIL OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

Plans for the future

• **FUTURE DEVELOPMENTS**

BNRT's goals for the coming year continue to be to support the research community

COUNCIL OF MANAGEMENT' RESPONSIBILITIES STATEMENT

The Council of Management (who are also directors of The British Neurological Research Trust for the purposes of company law) are responsible for preparing the Council of Management's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Council of Management to prepare financial statements for each financial year. Under company law the Council of Management must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Council of Management are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The Council of Management are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Council of Management at the time when this Council of Management's report is approved has confirmed that

- so far as that Council of Management is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Council of Management has taken all the steps that ought to have been taken as a Council of Management in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information

THE BRITISH NEUROLOGICAL RESEARCH TRUST
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COUNCIL OF MANAGEMENT'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

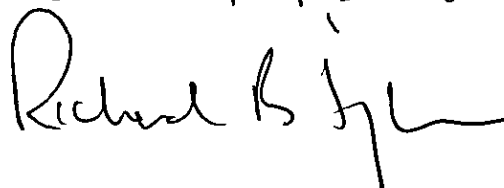
AUDITORS

The previous auditors HW Fisher & Co resigned in the prior year and French Duncan LLP were appointed as the new auditors. The auditors, French Duncan LLP, have indicated their willingness to continue in office. The Designated Council of Management will propose a motion re-appointing the auditors at a meeting of the Council of Management.

In preparing this report, the Council of Management have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Council of Management on 18/09/13 and signed on their behalf by

Sir R Sykes
Chairman



THE BRITISH NEUROLOGICAL RESEARCH TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BRITISH NEUROLOGICAL RESEARCH TRUST

We have audited the financial statements of The British Neurological Research Trust for the year ended 31 December 2012 set out on pages 8 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF COUNCIL OF MANAGEMENT AND AUDITORS

As explained more fully in the Council of Management's responsibilities statement, the Council of Management (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Council of Management, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Council of Management's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Council of Management's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

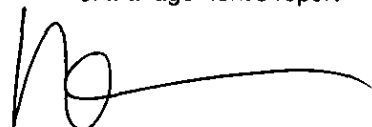
THE BRITISH NEUROLOGICAL RESEARCH TRUST
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BRITISH NEUROLOGICAL RESEARCH TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Council of Management were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Council of Management's report



A J Sinclair (Senior statutory auditor)

for and on behalf of

French Duncan LLP

Chartered Accountants and Statutory Auditors

375 West George Street

Glasgow

G2 4LW

Date

23/09/2013.

THE BRITISH NEUROLOGICAL RESEARCH TRUST
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STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
INCOMING RESOURCES				
Incoming resources from generated funds				
Voluntary income	2	66,669	66,669	136,017
Investment income	3	63	63	524
TOTAL INCOMING RESOURCES		66,732	66,732	136,541
RESOURCES EXPENDED				
Costs of generating funds				
Costs of generating voluntary income	4	7,605	7,605	11,703
Charitable activities	8	250,000	250,000	39,142
Governance costs	6	4,998	4,998	15,256
TOTAL RESOURCES EXPENDED	7	262,603	262,603	66,101
MOVEMENT IN TOTAL FUNDS FOR THE YEAR - (NET EXPENDITURE) /NET INCOME FOR THE YEAR		(195,871)	(195,871)	70,440
<i>Total funds at 1 January 2012</i>		<i>237,264</i>	<i>237,264</i>	<i>166,824</i>
TOTAL FUNDS AT 31 DECEMBER 2012		41,393	41,393	237,264

The notes on pages 10 to 15 form part of these financial statements

THE BRITISH NEUROLOGICAL RESEARCH TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 2195707

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
CURRENT ASSETS					
Debtors	13	-		75,800	
Cash at bank		47,574		173,464	
		<u>47,574</u>		<u>249,264</u>	
CREDITORS: amounts falling due within one year	14	(6,181)		(12,000)	
NET CURRENT ASSETS			<u>41,393</u>		<u>237,264</u>
NET ASSETS			<u>41,393</u>		<u>237,264</u>
CHARITY FUNDS					
Unrestricted funds	15		<u>41,393</u>		<u>237,264</u>
TOTAL FUNDS			<u>41,393</u>		<u>237,264</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Council of Management on 18/09/2013 and signed on their behalf, by

Sir R Sykes, Chairman

The notes on pages 10 to 15 form part of these financial statements

THE BRITISH NEUROLOGICAL RESEARCH TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The company is a company limited by guarantee. The members of the company are the Council of Management named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 Fund accounting

Designated funds consist of amounts allocated to meet specific research projects.

Undesignated funds consist of 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.

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities 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 it is included when receivable by the charity.

1.5 Resources expended

All outgoing resources are included in the Statement of Financial Activities (SOFA) on an accruals basis inclusive of any VAT.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1.6 Tangible fixed assets and depreciation

Fixtures and fittings - 3 years

2 VOLUNTARY INCOME

	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Donations	66,669	66,669	136,017

The principal sources of voluntary income in 2012 were donations received from the Dargen Legacy and the Sinnot Donation

3 INVESTMENT INCOME

	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Bank interest	63	63	524
	<u>63</u>	<u>63</u>	<u>524</u>

4. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Fundraising costs	7,416	7,416	-
Bank charges	189	189	315
Wages & Salaries	-	-	11,388
	<u>7,605</u>	<u>7,605</u>	<u>11,703</u>

Page 11

THE BRITISH NEUROLOGICAL RESEARCH TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

5. GRANTS TO INDIVIDUALS

	Number	Total 2012 £	Number	Total 2011 £
Research	<u>1</u>	<u>250,000</u>	<u>1</u>	<u>25,228</u>

The research grant was awarded to the Institute of Neurology for £250,000 (2011 £25,228)

6. GOVERNANCE COSTS

	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Legal & professional fees	4,998	4,998	5,260
Wages and salaries	-	-	9,996
	<u>4,998</u>	<u>4,998</u>	<u>15,256</u>

Governance costs comprise the relevant costs of audit fees and legal costs payments to the auditors of £4,100 (2011 £4,250) Governance costs include

7 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Other costs 2012 £	Total 2011 £
Costs of generating voluntary income	7,605	11,703
Costs of generating funds	<u>7,605</u>	<u>11,703</u>
Charitable activities	250,000	39,142
Governance	4,998	15,256
	<u>262,603</u>	<u>66,101</u>

THE BRITISH NEUROLOGICAL RESEARCH TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

8. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Grant funding of activities 2012 £	Support costs 2012 £	Total 2012 £	Total 2011 £
Charitable activities	250,000	-	250,000	39,142

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

9. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

During the year, no member of the Council of Management received any remuneration (2011 - £NIL)
During the year, no member of the Council of Management received any benefits in kind (2011 - £NIL)
During the year, no member of the Council of Management received any reimbursement of expenses (2011 - £NIL)

10. STAFF COSTS

Staff costs were as follows

	2012 £	2011 £
Wages and salaries	-	31,381

The average monthly number of employees during the year was as follows

	2012 No.	2011 No
Administration	0	1
Fund development	0	1
	0	2

No employee received remuneration amounting to more than £60,000 in either year

11. COUNCIL OF MANAGEMENT'S REMUNERATION

No member of the Council of Management received any remuneration or claimed any expenses during the year (2011 nil)

THE BRITISH NEUROLOGICAL RESEARCH TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
Cost	
At 1 January 2012 and 31 December 2012	428,292
Depreciation	
At 1 January 2012 and 31 December 2012	428,292
Net book value	
At 31 December 2012	-
At 31 December 2011	-

13. DEBTORS

	2012 £	2011 £
Other debtors	-	75,800

**14. CREDITORS:
Amounts falling due within one year**

	2012 £	2011 £
Trade creditors	2,081	7,750
Accruals and deferred income	4,100	4,250
	6,181	12,000

THE BRITISH NEUROLOGICAL RESEARCH TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

15. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
Unrestricted funds				
General funds	237,264	66,732	(262,603)	41,393

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
General funds	237,264	66,732	(262,603)	41,393