

**The British Neurological Research Trust**  
*(a company limited by guarantee)*

Council of Management's report and  
financial statements

Company registered number 2195707

Charity registered number 298098

31 December 2000



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## **Council of Management report**

*for the year ended 31 December 2000*

The members of the Council of Management of the British Neurological Research Trust, who act as directors for the purposes of company law, have pleasure in presenting the annual report.

### **Aims of the Trust**

The Trust was established in 1987 on the initiative of 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. For this purpose, the Trust entered into an agreement with the Medical Research Council ("MRC") to set up the Norman and Sadie Lee Research Centre ("the Centre") at the National Institute of Medical Research ("NIMR") in Mill Hill, London.

The unique programme of research being undertaken at the Centre is designed to follow up the discovery by its Scientific Director, Dr Geoffrey Raisman, that, contrary to earlier belief, the damaged nerve tissues of the brain are capable of forming new connections and that transplanted cells can be integrated into the brain tissue. This discovery and recent developments in tissue culture and the availability of purified cells present a new opportunity for progress and new hope for those suffering from spinal injury. The research work is concentrating on how to reintroduce cultured cells in such a way as to activate the genes which were originally used to build the spinal cord of the newborn child and thereby enable the adult to repair itself by the reinstatement of natural healing processes.

### **Organisation**

The Centre is administered by the Scientific Director of the Centre acting in conjunction with the senior scientists of the Centre, under the overall scientific direction of the Director of the NIMR. The Centre has a core of MRC supported scientific and technical staff into which are integrated the Fellows and Assistants financed by the British Neurological Research Trust ("BNRT"), the International Spinal Research Trust ("ISRT") and other charitable bodies. The Management Council is particularly grateful for the continuing very generous support of the Barnwood House Trust and the Henry Smith Charity.

Donations should be addressed to Dr G Raisman, British Neurological Research Trust, c/o The Division of Neurobiology, NIMR, The Ridgeway, Mill Hill, London NW7 1AA.

The progress of the research is monitored by the peer review process of the MRC and is published in competitive, peer-reviewed international scientific journals.

## Council of Management report

*for the year ended 31 December 2000 (continued)*

### Progress of research

Up to now there has been no way of repairing injuries to the human brain and spinal cord. This means that conditions such as spinal cord damage, stroke, birth injuries and degenerative diseases cannot be cured. The aim of the Centre's research is to work out how to restore nervous connections which have been severed.

Dr Raisman's was the first group in the world to show that parts of the central nervous system which have lost their connections can be efficiently reconnected by immediately adjacent nerve cells and, subsequently, also by tissue grafted directly into the deprived area. The problem for the patient is that these are very short-range effects (operating over no more than small fractions of a millimetre) and that distant nerve fibres are not able to grow to the places where they are needed.

It is known that grafts of peripheral nerve can act as conduits or bridges for re-growing nerve fibres. These grafts, however, are too complex and difficult for controlled application and suffer from the limitation that while they can induce fibres to re-grow, they do not direct them to the correct places. To develop a controllable system in which this limitation can be overcome, the Centre is now screening a number of individual cell types which have the same growth-promoting effects on cut nerve fibres as do whole peripheral nerve grafts.

An important component of the Centre's programme is its development of a technique for 'micro-transplantation' of extremely small numbers of purified cells in a controlled way into undamaged host tissue areas. This can be carried out without open surgery, merely by injection through a glass micro-pipette of such fine diameter as to be invisible to the naked eye. Such micro-injections can be used to lay tracts of living cells which can guide re-growing nerve fibres to their destinations.

It has been shown that cut nerve fibres remain viable for long periods after injury, suggesting that even chronic conditions may respond to treatment.

The team has found that cells which can be obtained from the olfactory system are capable of inducing the reparative growth of cut spinal nerve fibres. The restoration of nervous connections in the damaged spinal cord is effective at restoring fine control of movements lost as a result of the original injury. **This is the first documented example of repair of structure and function in the adult spinal cord.**

The team is now planning the stages which will lead to a position where it is able to apply this knowledge clinically.

Transplantation of reparative cells may have many applications, not only for spinal cord injury, but also damage to sensory optical roots, optic nerve lesions (loss of sight), eighth nerve lesions (hearing difficulties), and the severely disabling forms of stroke caused by damage to the descending cortical efferent pathways. The remyelinating potential of transplanted cells promises to be beneficial in demyelinating diseases such as multiple sclerosis.

Current work shows that repair cells can be cultured from adult human tissue samples. This opens the possibility of the patient him/herself acting as the source of material for repair of nervous system injuries. The team has identified a number of specific injuries, such as brachial plexus avulsion, which provide instances of localised damage of a type which would be amenable to current transplantation approaches. A neurosurgeon from the Southern General Hospital in Glasgow, is working on a model for the improvement of repair of facial nerve injuries.

## **Council of Management report**

*for the year ended 31 December 2000 (continued)*

### **Progress of research (continued)**

One of the main areas of investigation is to increase the number of available repair cells, both by looking for additional tissue sources or biomaterials able to enhance the effectiveness of small numbers of repair cells.

Collaborations arranged with leading neurosurgical units will provide access to appropriately selected human patients as soon as the procedures are ready.

### **Collaborations and international links**

The Centre maintains international links which provide scientific recruits, financial support, access to expertise and new ideas and vital materials such as cells, monoclonal antibodies or genes.

It is likely that the first applications of repair procedures to human patients will require highly specialised technical knowledge. It is the Trust's intention that scientists, once having trained at the Centre, will return to their own countries to maintain linked research programmes and thus, when the time comes, the expertise for future human applications will be available at a number of international centres.

Dr David Weinstein of the Albert Einstein University in New York is providing genetically modified Schwann cells from transgenic animals he has prepared.

Under a collaboration with the Institut pour la Recherche sur la Moelle Epinière, Dr Patrick Decherchi (Marseille) has initiated a new model system which is being developed for use in the restoration of breathing following injury.

Professor Wolfram Neiss (Cologne) is collaborating on a model for repair of facial nerve injury.

The team of Professor Michael Frotscher of the University of Freiburg is providing support in the analysis of the anatomical reconstruction of spinal injury.

Mr David Choi, a neurosurgeon from the Southern General Hospital in Glasgow, is working on a model for the improvement of repair of facial nerve injuries.

Mr Tom Carlstedt of the Peripheral Nerve Injury Unit of the Royal National Orthopaedic Hospital in Stanmore and Professor Peter Richardson, the Chairman of Neurosurgery at the Royal London Hospital, are collaborating in the present laboratory research programme.

Professor Ray Lund and Dr Yves Sauve of the Institute of Ophthalmology, London are collaborating in a project to repair nerve fibres in the visual system.

Professor Evan Snyder of the University of Harvard is providing stem cells to be tested for repair of spinal cord.

Dr Masayuki Yamato of the Tokyo Women's Medical University, Dr Joerg Mayer of the Swiss Federal Institute of Technology, and Dr Kevin Shakesheff of the University of Nottingham are providing biomaterials to be tested for their ability to enhance the reparative properties of transplanted cells.

## Council of Management report

*for the year ended 31 December 2000 (continued)*

### **Collaborations and international links (continued)**

Professor Claes-Henric Berthold of the University of Göteborg is collaborating on the repair of avulsed spinal roots.

Professor Xiongli Yang and Mr Laiwen Fu of the Shanghai Institute of Physiology are providing support for the histological analysis of material.

In collaboration with the Royal National Throat, Nose and Ear Hospital the Centre is investigating methods of obtaining human olfactory ensheathing cells.

The American Support Group established in California in late 1994 ("The American Friends of BNRT") provides on-going support for the research work at the Centre and from time to time assists in the acquisition of essential equipment.

### **Funding and expenditure**

The project currently requires ten scientists and their support staff. Each research fellowship currently costs £100,000 per annum which requires an overall annual income from all sources of about £1m. The MRC provides the accommodation for the Centre at the NIMR and meets the cost of six scientists, six technicians and a secretary. At 31 December 2000 there was £822,548 of unrestricted funds available for the project with BNRT and £473,236 with ISRT.

In the opinion of the Council of Management the charitable company's assets are sufficient to fulfil the current obligations of the charity.

### **Fund raising and future estimated financial commitments 2001-2003**

Fund raising activity produced £244,462 (including interest) in the year ended 31 December 2000. The Trust has the following estimated financial commitments over the next three years:

***Dr Ying Li (Research Associate): Microtransplantation into the spinal cord.*** Dr Li works on the microtransplantation of cells into the damaged spinal cord. Contract to December 2003 will involve an estimated expenditure of £154,614. Any shortfall beyond the funds provided by Smith's Charity will be made up from the BNRT general funds. **(Henry Smith's Charity-funded)**

***Dr Berend Rah (Research Associate): Assay of spinal cells.*** Remainder of three-year contract from August 1999. Shortfall beyond funds provided by The Corporate Action Trust (CAT) amounts initially to £41,276 (including consumables and travel). **(Barnwood-funded)**

***Dr Yinglai Huang (Research Associate): Spinal Root Surgery.*** Contract to December 2003 amounts to £159,136. **(Barnwood-funded)**

## Council of Management report

*for the year ended 31 December 2000 (continued)*

***Dr Patrick Decherchi (Research Associate): Developing new electrophysiological approaches to investigate the restoration of functional connections in spinal cord repair.*** Collaboration with Marseille will be continued for a further two years, involving an estimated expenditure of £20,000. **(Barnwood-funded)**

***Professor Claes-Henric Berthold (Research Associate), with supporting technician: Repair of avulsed spinal roots.*** Ongoing collaborative project costing approximately £30,000 pa. **(Barnwood-funded)**

***Ms Claire Roulstone (Research Assistant to Dr Li): Repair of spinal cord.*** Contract to December 2003 amounts to £97,376. **(Henry Smith's Charity-funded)**

***Mr Grant Roalfe (Research Assistant): Tissue culture facility*** - prepares cells for experimental use in transplantation. Part-time contract to December 2003. BNRT share amounts to £66,688. **(Barnwood-funded)**

***The Shanghai Institute of Physiology will make available Mr Fu Laiwen (Research Assistant) to coordinate the planning, execution and analysis of results, and to transfer technology.*** Balance of 12-month collaborative project from February 2000 amounts to £2,500. Provision for possible two-year contract from May 2001 amounts to: £85,416 **(Barnwood-funded)**

***Miss Naghmeh Keyvan-Fouladi (PhD Student): Repair of spinal cord.*** Remainder of three-year scholarship from January 2000 amounts £48,936. **(Barnwood-funded)**

### To be appointed:

***Molecular Biologist (Research Associate) to find the genes for nerve fibre growth.*** An estimated three year commitment from summer 2001 based on a mean salary of £37,538 plus consumables/travel, would amount to £154,614.

Further neurosurgical collaborations involving root surgery, facial nerve and ophthalmology are under consideration, for which BNRT will be required to provide funding of approximately £300,000.

## **Council of Management report**

*for the year ended 31 December 2000 (continued)*

### **Equipment**

During 2000 the following items of essential equipment were purchased:

#### **a) From restricted funds :**

Mosaic Image Control System: £16,300 Trusthouse Charitable Foundation; £4,995 (Barnwood)

Zeiss Stemi SVII Stereo microscope: £11,034 (The David and Frederick Barclay Foundation; Hugh Fraser Foundation)

Leica Spectrophotometry System for Confocal Microscope: £69,000 (Sir Samuel Scott of Yews Trust; Hugh Fraser Foundation; Buckland Charitable Trust; Steel Charitable Trust; PF Charitable Trust; American Friends; N Smith Charitable Settlement)

Zeiss Operating Microscope: £22,041 (Barnwood)

#### **b) From unrestricted funds:**

HCPL APO 20X0.70 Microscope : £2,208

#### **Equipment ordered and delivered in 1999, to be paid for in 2001**

Nicon Supercoolscan LS2000: £1,305 (Barnwood House Trust)

#### **Equipment ordered in Year 2000, to be delivered and paid for in 2001:**

2X Sony Vaio F309 and Multiscan Laptops £2,838.

Zeiss Digital Camera System: £15,575 + £2,000 approx for associated computer (American Friends).

Respiratory Function Computer: £5,856 (Barnwood House Trust).

#### **To be ordered during 2001:**

Digital Camera: approximately £6,000.



## Council of Management report

for the year ended 31 December 2000 (continued)

### Summary of estimated commitments by BNRT (2001-2003)

	£
Research Associate (Dr Y Li)	154,614
Research Associate (Dr B Rah)	41,276
Research Associate (Dr Y Huang)	159,136
Research Associate (Dr P Decherchi)	20,000
Research Associate (Prof C-H Berthold)	30,000
Research Assistant (Ms C Roulstone)	97,376
Research Assistant (Mr G Roalfe)	66,688
Research Assistant (Mr L Fu)	85,416
PhD Student (Ms N Keyvan-Fouladi)	48,936
Research Associate (to be appointed)	154,614
	<hr/>
Sub total	858,056
<b>Further clinical collaborations:</b>	
Estimated BNRT initial funding commitment	300,000
	<hr/>
<b>Total</b>	<b>1,158,056</b>
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## **Council of Management report**

*for the year ended 31 December 2000 (continued)*

### **Members of the Council of Management**

The members who served during the year were as follows:

Sir Antony Acland, GCMG GCVO	
Caroline Banzky, FCA	(appointed October 2000)
The Rt Hon Sir Frank Cooper, PC GCB CMG	
Professor Hans Ludwig Frankel, OBE MB FRCP	
Sir Francis Roger Hurn	(appointed Chairman March 2000)
Sir Trevor Holdsworth CVO (Chairman)	(retired March 2000)
Norman H Lee, CBE (Chairman Emeritus)	
Lord Roger Carol Michael Nathan	
Professor Peter Richardson FRCS (c)	(appointed October 2000)
Mr David Dimitri Sullivan FCA ATII	
Sir Rodney Sweetnam KCVO CBE MA FRCS	(appointed October 2000)

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. Following visits to the centre to become acquainted with the research programme and to meet the scientists, Caroline Banzky, former Finance Director, Professor Peter Richardson, Consultant Neurologist, and Sir Rodney Sweetnam, Consultant Physician, accepted invitations to join the Management Council during the year.

### **Administrative Adviser:**

George Finlayson CMG CVO

As the Trust is a company limited by guarantee, there is no share capital in which the members can hold beneficial interests. On 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 2000 the company had ten members.

### **Dividends**

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 charitable company's accounting policies have been applied on a basis consistent with the prior year.

### **Bankers**

The charitable company's bankers are:

Coutts & Co  
440 Strand  
London  
WC2 0QS

## **Council of Management report**

*for the year ended 31 December 2000 (continued)*

### **Auditors**

In accordance with Section 386 of the Companies Act 1985, a resolution to dispense with the obligation to appoint auditors annually has been passed and therefore KPMG are automatically reappointed as auditors of the company.

By order of the Council of Management

  
.....  
For Mincing Lane Corporate Services Ltd

**Mincing Lane Corporate Services Limited**  
*Secretary*

Pickfords Wharf  
Clink Street  
London  
SE1 9DG

23 July 2001

## Statement of Council of Management's responsibilities

Law applicable to incorporated charities in England and Wales requires the Council of Management to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Council of Management should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Council of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable it to ascertain the financial position of the charity and which enable it to ensure that the financial statements comply with applicable law. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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London  
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## **Report of the auditors to the members of the British Neurological Research Trust**

We have audited the financial statements on pages 12 to 19.

### *Respective responsibilities of the Council of Management and auditors*

As described on page 1 the Council of Management, who are also the directors of The British Neurological Research Trust for the purposes of company law, are responsible for preparing the Council of Management report and, as described on page 10, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Council of Management's report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

### *Basis of opinion*

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council of Management in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### *Opinion*

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31 December 2000 and of its net incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG**  
Chartered Accountants  
Registered Auditors

23 July 2001

## Statement of financial activities

for the year ended 31 December 2000

	Note	Unrestricted funds £	Restricted funds £	2000 Total £	1999 Total £
<b>Income and expenditure</b>					
<b>Incoming resources</b>					
Donations	2	12,197	95,772	107,969	99,804
Grants receivable		-	85,000	85,000	79,000
Interest receivable	3	51,493	-	51,493	49,659
Income tax recoverable		-	-	-	265
Total incoming resources		63,690	180,772	244,462	228,728
<b>Resources expended</b>					
Direct charitable expenditure	4	3,815	201,793	205,608	157,078
Depreciation		2,275	69,137	71,412	86,612
Other expenditure:					
Fundraising and publicity costs		17,204	-	17,204	14,841
Management and administration	5	10,060	-	10,060	9,997
Total resources expended		33,354	270,930	304,284	268,528
<b>Net incoming/(outgoing) resources for the year and net movement in funds</b>					
	6	30,336	(90,158)	(59,822)	(39,800)
Fund balances brought forward		792,212	278,708	1,070,920	1,110,720
<b>Fund balances carried Forward</b>					
		822,548	188,550	1,011,098	1,070,920

There is no material difference between the historical cost profit and the reported profit.

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

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

The notes on pages 14 to 19 form part of these financial statements.

## Balance sheet

at 31 December 2000

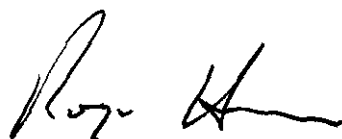
	Note	2000 £	1999 £
<b>Fixed assets</b>			
Tangible fixed assets	9	140,459	82,728
<b>Current assets</b>			
Debtors	10	32,570	13,082
Cash at bank and in hand		975,044	1,027,585
		<u>1,007,614</u>	<u>1,040,667</u>
<b>Creditors: amounts falling due within one year</b>	11	(136,975)	(52,475)
<b>Net current assets</b>		<u>870,639</u>	<u>988,192</u>
<b>Net assets</b>	12	<u>1,011,098</u>	<u>1,070,920</u>
<b>Restricted funds</b>			
- Barnwood House Trust	16	52,942	140,354
- Charity of Henry Smith	16	28,580	37,404
- American Friends of BNRT	16	28,805	3,126
- Garfield Weston Foundation	16	4,704	8,037
- Other		73,519	89,787
<b>Unrestricted funds</b>		<u>822,548</u>	<u>792,212</u>
		<u>1,011,098</u>	<u>1,070,920</u>

The notes on pages 14 to 19 form part of these financial statements.

These financial statements were approved by the Council of Management on 23 July 2001 and were signed on its behalf by:

**Sir Francis Roger Hurn**

*Member of the Council of Management*



## Notes

*(forming part of the financial statements)*

### 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:

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. Income and expenditure are accounted for on an accruals basis.

#### *Accounting format*

The format of the accounts complies with the requirements of revised Statement of Recommended Practice: Accounting by Charities. This sets out recommendations of the way in which a charity should report annually on the resources entrusted to it and the activities it undertakes.

#### *Purpose of funds*

Restricted funds consist of donations made for specific research projects.

Unrestricted funds consist of donations for general use by the charity.

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.

#### *Taxation*

As a registered charity, the company is not liable to taxation on its income or on surpluses on disposals of fixed assets. Recovery is therefore made of available tax credits.

#### *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:

Fixture, fittings and equipment	-	3 years
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**Notes (continued)**

**2 Donations and grants receivable**

	Unrestricted funds £	Restricted funds £	2000 Total £	1999 Total £
Donations	12,197	95,772	107,969	99,804
Grants	-	85,000	85,000	79,000

Donations were made by:

American Friends of BNRT  
The Sylvia Aitken Charitable Trust  
Barnwood House Trust  
The Buckland Charitable Trust  
The Gilbert Edgar Trust  
James Ellis Charitable Trust  
Hamilton Wallace Trust  
Mrs N Jennings  
G Kelvin  
GM Morrison Charitable Trust  
PF Charitable Trust  
Mr SJ and Mrs B Suswin

Grants were made by:

Charity of Henry Smith

**3 Interest receivable - unrestricted funds**

	2000 £	1999 £
Bank interest	51,493	49,659

## Notes (continued)

### 4 Direct charitable expenditure

Direct charitable expenditure comprises reimbursements and consumable expenses directly relating to the objects of the charity.

### 5 Management and administration

The Trust has no employees. Staff are employed by the Medical Research Council, who invoice the charity for those researchers whose costs the charity has agreed to cover.

### 6 Net outgoing resources for the year

	2000	1999
	£	£
<i>Net outgoing resources for the year are stated after charging:</i>		
Depreciation	71,412	86,612
Medical Research Council	140,096	151,491
	<u>          </u>	<u>          </u>

### 7 Taxation

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

### 8 Expenses and remuneration paid to trustees

No member of the Council of Management nor the auditors received any remuneration (1999: £nil).

## Notes (continued)

### 9 Tangible fixed assets

	Fixtures, fittings and equipment £
<i>Cost</i>	
At beginning of year	386,080
Additions (new equipment – see page 6)	129,143
	<hr/>
At end of year	515,223
	<hr/>
<i>Depreciation</i>	
At beginning of year	303,352
Charge for year	71,412
	<hr/>
At end of year	374,764
	<hr/>
<i>Net book value</i>	
At 31 December 2000	140,459
	<hr/>
At 31 December 1999	82,728
	<hr/>

All fixed assets are for direct charitable purposes.

### 10 Debtors

	2000 £	1999 £
Other debtors	25,000	10,384
Accrued income	7,570	2,698
	<hr/>	<hr/>
	32,570	13,082
	<hr/>	<hr/>

### 11 Creditors

	2000 £	1999 £
Trade creditors	638	27
Accruals and deferred income	136,337	52,448
	<hr/>	<hr/>
	136,975	52,475
	<hr/>	<hr/>

## Notes (continued)

### 12 Analysis of net assets between funds

	Tangible fixed assets £	Net current assets £	2000 Total £
Restricted funds	133,629	54,921	188,550
Unrestricted funds	6,830	815,718	822,548
	<hr/> 140,459 <hr/>	<hr/> 870,639 <hr/>	<hr/> 1,011,098 <hr/>

### 13 Capital commitments

The Trust has contracted for capital expenditure of £26,269 for which no provision has been made in the accounts.

Further capital expenditure of £6,000 is anticipated but is not contracted for.

### 14 Guarantee of future commitments

The Trust has contractually guaranteed to finance the expenditure of current sponsorships, some of which run until 2003. The amount committed in respect of 2001, as at 31 December 2000, is £260,136 (1999: £184,706) and in respect of the remaining terms of the contracts (including 2001) is £858,056.

### 15 Statement of cash flows

The Trust has taken advantage of the exemption available to small companies not to prepare a statement of cash flows.

## Notes (continued)

### 16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations to be applied for specific purposes:

	Balance at 31 December 1999 £	Movement in funds		Balance at 31 December 2000 £
		Incoming resources £	Expenditure £	
Barnwood House Trust	140,354	6,396	93,808	52,942
Charity of Henry Smith	37,404	85,000	93,824	28,580
American Friends of BNRT	3,126	89,376	63,697	28,805
Garfield Weston Foundation	8,037	-	3,333	4,704
Other restricted	89,787	-	16,268	73,519
	<u>278,708</u>	<u>180,772</u>	<u>270,930</u>	<u>188,550</u>

The Barnwood House Trust Fund will be used over the next year to finance research into the reconstruction of damaged nerve fibre pathways. In addition, £32,452 of the fund will be expensed over the next two years as existing scientific equipment is depreciated.

The Charity of Henry Smith Fund will be used over the next year to finance research into microtransplantation into the spinal cord. In addition, £333 of the fund will be expensed over the next year as existing scientific equipment is depreciated.

The American Friends of BNRT provide funds for general ongoing research at the centre, including the purchase of essential equipment and the retention of key scientific staff.

The Garfield Weston Foundation donation was used to cover half the cost of a Lesion Generator purchased in 1999. £4,704 of the fund will be expensed over the next 2 years as this asset is depreciated.

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.