

BRAIN RESEARCH TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

Registered Charity Number: 1137560
Registered Company Number: 07345516



Brain Research Trust is determined to do as much possible to support neurological research across the spectrum of 250 neurological conditions, which affect one in five people in the UK.

Our vision

Our vision is for a world where neurological disease is diagnosed swiftly, treated effectively, prevented and ultimately cured.

Our mission

- fund ground-breaking basic and clinical research into neurological disease;
- translate research discoveries into better treatments for patients;
- support the next generation of neuroscientists and their discoveries.

In December 2015 we broadened our charitable objects to allow us to fund the best neurological research at any centre of excellence throughout the UK. This will take us from being a single site funder at UCL Institute of Neurology to a funder of world-class research at centres of excellence throughout the UK.

Our income and research funding

During the year under review we awarded £2,110k (2015: £1,120k) of research funding to UCL Institute of Neurology and in total spent £2,340k (2015: £1,451k) on research. Funds received during the year came from donations of £2,036k (2015: £1,565k) and income from our investment portfolio of £574k (2015: £587k).

Future

In 2016/17 we will launch our first national grant rounds for both PhD studentships and research projects.

Neurological research

- This year we funded three new PhD studentships at UCL Institute of Neurology.
- In September 2016 we were delighted that the Brain Research Trust Chair of Neurosurgery Professor Rob Brownstone, a world-leading neurosurgeon with an exceptionally strong background in research, opened his laboratory also at UCL Institute of Neurology.
- We invested in what is set to be the world's leading translational neuroscience facility to replace Queen Square House at UCL Institute of Neurology. Approximately 40 per cent of the building will be devoted to dementia research while the remainder will cover all other major and rare neurological diseases.

Our continued thanks go to all our supporters for their vital and generous contributions towards achieving our goals and in our continuing campaign towards a world where neurological disease is diagnosed swiftly, treated effectively, prevented and ultimately cured.

Jonathan Kropman
Chair of Trustees

Introduction

Brain Research Trust is a company limited by guarantee (registration number 07345516; incorporated 13 August 2010) and a registered charity (registration number 1137560) regulated by the Charity Commission. It is governed by a Board of Trustees, chaired by Jonathan Kropman, under powers defined in the Memorandum and Articles of Association amended 21 December 2015.

Objects of the charity

In December 2015, Brain Research Trust's charitable objects were updated as highlighted below. This change allows the charity to broaden its reach and fund the best research at any centre of excellence in the UK.

Charitable objects:

- To promote and support by all available means for the public benefit research and investigation into and study of diseases of the nervous system and allied subjects, and particularly the causes, means of prevention, diagnosis, method of treatment and cure of such diseases and publication of such research, study and investigation which term shall include the promotion and support of University College London Institute of Neurology (Queen Square) and such other institutions in which such research investigation or study is or is to be pursued.

The charity's research strategy, approved by the Trustee Board in 2015 focuses on three key themes, as listed below.

- Research to develop new diagnostics and treatments (innovative therapies)
- Research that improves tissue regeneration and patient recovery
- Research into rare neurological conditions and diseases

Trustees have agreed to invest considerable resources into growing sustainable, long-term fundraising income. The charity has a donor recruitment and retention programme focused on increasing individual giving by direct debit and encouraging supporters to leave a legacy. Activity includes 'face-to-face' fundraising, direct mail appeal letters and telephone fundraising. The charity also receives support from a number of grant-making trusts. Brain Research Trust raises funds via a series of challenge events including marathons, triathlons, bike rides and running events. The charity is a member of the Fundraising Standards Board, the Public Fundraising Regulatory Association and the Institute of Fundraising complying with the respective codes of practice required by each body.

Public benefit

The Trustees confirm that they have complied with the Charities Act 2011 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the charity. Research funded by the charity and carried out by the Institute meets the Charity Commission's test for Public Benefit. In addition, although only a small percentage of the population may suffer from a particular neurological disease, the application of the results of the Institute's research are not restricted by gender, ethnicity, religion or ability to pay and in that respect the public at large benefit.

Achievements and performance

During 2015/16, as planned, we invested in the growth of our supporter donor base to develop sustainable, regular giving income, the benefits of which will continue to impact over the coming years. In addition, trust income increased steadily and we undertook preliminary activities to develop a framework for a major donor programme; legacy income continued at a respectable level.

Objectives for 2016/17:

Our objectives for research activities in 2016/17 are:

- To increase the amount of research and the impact of the research we fund;
- To develop our research investment in centres of excellence throughout the UK
- To launch our first national research call for PhD studentships

Our objectives for fundraising in 2016/17 are:

- To invest in growth of our regular supporter donor base to help ensure sustainable long term income
- To diversify our fundraising streams
- To develop our fundraising activities from charitable trusts and foundations
- To develop and implement a major donor programme

- To launch our first national research call for project grants

Our objectives for awareness raising activities in 2016/17 are:

- To undertake a review of the effectiveness of our brand and positioning in the market

The Trustees understand that neurological research is long-term but believe that the knowledge gained from each research project funded is a step towards understanding how these diseases happen and how to treat them. Trustees also understand that measuring the impact of their donations is an important consideration for those who give so generously to support the charity's work.

Results and review of the year under review	2015-16 £'000	Restated 2014-15 £'000
Total income	2,610	2,152
Expenditure on raising funds	(1,724)	(1,790)
	<u>886</u>	<u>362</u>
Expenditure on Research	(2,340)	(1,451)
Expenditure on Information & Awareness	(116)	-
Increase/(decrease) in investment values	1,589	(247)
	<u>19</u>	<u>(1,336)</u>

Donations

Donations in 2015-16 of £2,036k comprised individual giving of £824k, event income of £229k, legacies of £631k and trust, corporate and major donor income of £351k. We are grateful to all the trusts that gave so generously to support the research effort and to all other donors for their support of our vital work.

Investment performance

The investment portfolio increased in value to £16,708k at 30 September 2016 (2015: £16,299k). There were unrealised gains of £1,640k (2015: £(319k)) included within the portfolio valuation and reflected in the income and expenditure account. Investment income was £574k (2015: £587k) for the year in line with the policy disclosed on page 6. Returns on the portfolio are expected to continue to meet the long-term performance benchmarks outlined in the investment policy.

Grant awarding policy

As a national, pan-neurology and neuroscience funder, it is the Trustees' policy to maximise research investment, as supported by the broadening of charitable objects in December 2015 to enable the funding of research not only at the UCL Institute of Neurology (Queen Square) but also at any other such centre of excellence nationwide.

Brain Research Trust funds research into neurological conditions. As a member of the Association of Medical Research Charities, our policy is only to fund research that has been rigorously peer-reviewed and assessed by members of our Scientific Advisory Panel, with the assistance of other leading experts from around the world. Currently, we anticipate the funding of two national funding calls, one for PhD Studentships and the other for Project Grants; it is our intention to develop these two streams and introduce additional streams over the coming years.

Research funded

During the year under review, the charity funded research at the internationally recognised centre of excellence, UCL Institute of Neurology (the Institute). The Institute is a specialist postgraduate research institute which works closely with the National Hospital for Neurology & Neurosurgery. In combination these two institutions form 'Queen Square' a national and international centre for teaching, training and research in neurology and allied clinical and basic neurosciences, taking research literally from the test-tube to the bedside.

The Institute plays a major role in postgraduate teaching and training, nurturing the talent of the leading young research scientists for the future. There are some 150 graduate students at Queen Square.

During the year Brain Research Trust awarded £330k to fund three new four year PhD Studentships in clinical neuroscience (2015: £343k; 3); as such, we continue to fund 12 graduate students at the Institute.

A further £839k (2015: £964k) was provided to support ongoing research at the Institute.

In addition, we invested in what is set to be the world's leading translational neuroscience facility to replace Queen Square House at UCL Institute of Neurology. Approximately 40 per cent of the building will be devoted to dementia research while the remainder will cover all other major and rare neurological diseases.

Note 18 on page 28 details the extensive programme of research funded by the charity during 2015/16.

Information and awareness

During 2016 it was recognised that improvements could be made to the way the charity communicates information and awareness of its work and the neurological conditions it seeks to alleviate through the research funded. The results of the expenditure this year of £116k, (2015: £Nil), will be seen in 2017.

Financial review

Financial performance

Income increased during the year by £458k due to growth in donations and legacies, and this was accompanied by a £66k decrease in expenditure on raising funds. However overall spending on fundraising remains high (2016: £1,653k, 2015: £1,710k) as the charity continues to invest in building the donor base to secure future income. The charity benefitted from a resurgent stock market to achieve net gains on investments of £1,589k (2015: loss £247k). The award of a £1m capital grant brought charitable expenditure up to £2,456k (2015: £1,455) but this was offset by the gains in income and investments leaving total funds to increase by £19k (2015: loss £1,336k).

Reserves policy

Total charity's funds as at 30th September 2016 were £14,865k; comprising general funds of £753k, designated funds of £7,576k, restricted funds of £138k, and expendable endowments of £6,398k that are held for specific purposes. Free reserves are the general fund excluding the value of tangible fixed assets, £13k, and total £740k at 30th September 2016.

The charity has developed a policy that fully justifies and clearly explains why the charity is keeping reserves; it identifies and plans for the maintenance of essential activities and reflects the risks associated with the charity's business model, spending commitments, potential liabilities and financial forecasts.

The Board reviews the reserves policy every 12 months, at a minimum.

Unrestricted funds

The Trustees agreed to hold a minimum reserve, the General fund, of £753k (2015: Nil) representing nine months of the next year's overheads costs.

Designated funds

The Trustees have designated two funds from unrestricted reserves. The Grants fund at £1,490k (2015: £865k) represents two years of future unrestricted research awards.

The charity currently benefits from the income generated by its investment portfolio for a significant proportion of total income. Consequently the Trustees have decided that the balance of the Unrestricted Funds, after the General and Grants funds, are treated as a designated fund called the Investment Fund. At 30 September 2016 the balance on the Investment fund was £6,086k (2015: £7,565k).

Restricted funds

Restricted funds have been donated for specific projects or research activities. They are reviewed on an ongoing basis, to ensure restricted funds are utilised in accordance with the donors' wishes as soon as is practicable. At 30 September 2016 the balance of restricted funds was £138k (2015: £457k).

Endowment funds

Endowment funds have been endowed for use on specific projects or research activities at the Institute of Neurology. All the endowment funds are expendable. At 30 September 2016 the balance of endowment funds was £6,398k (2015: £5,959k).

Balances and movements on funds is detailed in Note 13.

Going concern

The charity has a strong reserve position and has sufficient available resources, as demonstrated by the reserve policy above. We have adequate financial resources and are well placed to manage the business risks. Our planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. Our cash deposits could easily be drawn down should working capital be required. We believe that there are no material uncertainties that call into doubt the charity's ability to continue. The accounts have therefore been prepared on the basis that the charity is a going concern.

Risk assessment

The Trustees review the risks facing the charity and the steps needed to mitigate them. The Board receives an annual report of identified risks and the control systems designed to respond to them. The principal risks for the charity and actions taken to mitigate them are,

- Failure to meet fundraising objectives. Mitigated by:
 - ensuring the competent management and control of fundraising activities
 - diversifying income sources
 - building long term donor relationships
- Uncontrolled loss of investment portfolio value. Mitigated by:
 - Placing the management of the portfolio with professional asset managers, overseen by the Trustee's Finance and Investment sub-committee.

Investment policy

The articles of association provide the Trustees with the power to invest funds not immediately required. Given the long-term nature of the charity's commitment to fund research, the Board aims to invest reserves so as to protect capital from inflation and generate additional returns for future disbursement. The investment portfolio, which is managed by Sarasin & Partners LLP, is a diversified portfolio of UK and overseas equities, gilts, corporate bonds, property, hedge funds, commodities and cash deposits. The Finance and Investment Committee monitors the performance of investments and reviews social, environmental and ethical considerations on a quarterly basis.

Our intention is to achieve average returns over the long term of 4% per annum above UK RPI; in addition, to protect capital reserves from inflation and generate funds for disbursement in support of BRT's mission. Over the 12 months to 30th September 2016 a return of 13.4% was achieved against a composite benchmark of 16.4%.

Structure, governance and management

Name	Brain Research Trust
Charity registration number	1137560
Company registration number	07345516
Registered office	Dutch House 307-308 High Holborn London WC1V 7LL
Trustees	Jonathan Kropman, Chair of Trustees Jim Gollan, Deputy Chair of Trustees Graham Coles, Treasurer Andy Cole OBE Kevin Geeson (resigned 10 th October 2016) Dr Charmaine Griffiths Professor John Pickard MA, MChir, FRCS, FRCSEd, FMedSci Sally Shire Professor Doug Turnbull, MBBS, MD, PhD, FRCP, FMedSci Dr Allister Wilson
Scientific advisory panel	Professor James Fawcett PhD, FRCP, Chair of Scientific Advisory Panel Head of Department of Clinical Neurosciences, John van Geest Centre for Brain Repair, University of Cambridge Professor Rob Brownstone MD, PhD, FRCSC, FCAHS Brain Research Trust Chair of Neurosurgery, UCL Institute of Neurology, London Professor Alasdair Coles BM BCH, PhD, FRCP Professor of Neuroimmunology, Department of Clinical Neuroscience, University of Cambridge; Consultant Neurologist, Addenbrooke's Hospital, Cambridge Professor Oliver Hanemann MD, PhD, FRCP Director, Institute of Translational and Stratified Medicine and Chair in Clinical Neurobiology, University of Plymouth; Neurology Consultant, Plymouth Hospital NHS Trust Professor Henry Houlden MBBS, PhD Professor of Neurology, UCL Institute of Neurology; Consultant Neurologist, National Hospital for Neurology and Neurosurgery, London Professor Kevin Talbot MBBS, DPhil, FRCP Head of Clinical Neurology and Professor of Motor Neuron Biology, Nuffield Department of Clinical Neurosciences, University of Oxford; Consultant Neurologist, Oxford University Hospitals NHS Foundation Trust Dr Nick Ward MD, FRCP Reader in Clinical Neurology, UCL Institute of Neurology; Honorary Consultant Neurologist, National Hospital for Neurology and Neurosurgery, London
Senior management	Lindsay Easton, Chief Executive (resigned 8 th April 2016); Caroline Blakely, Chief Executive (appointed 8 th April 2016) Martin Jeffery, Interim Head of Finance and Administration Dan Beacon, Head of Individual Giving Kellie Stewart, Head of Communications & Public Affairs

Professional advisors

Auditors	Solicitors
haysmacintyre	Bates Wells & Braithwaite
26 Red Lion Square	London LLP
London	2-6 Cannon Street
WC1R 4AG	London EC4M 6YH
Investment Managers	Bankers
Sarasin & Partners LLP	Clydesdale Bank PLC
Juxon House	30 St. Vincent Place
100 St Paul's Churchyard	Glasgow
London EC4M 8BU	G1 2HL

Governance and management

The charity's memorandum and articles of association are the primary governing documents. In the year under review the management of the charity was as follows:

- The Board of Trustees, who are also directors of the charity for the purposes of the Companies Act, currently comprises ten members and meets quarterly. The Board is responsible for determining the overall strategy of the charity and is accountable for its operational, financial and managerial performance. Trustee indemnity insurance is in place together with a conflicts of interest policy.
- There is one standing Committee of the Board that meets quarterly.
 - The Finance and Investment Committee monitors the charity's finances, its investment policy and portfolio recommending any changes in strategy to the Trustee Board.
 - The terms of reference for this committee is regularly monitored and updated accordingly.
- A Scientific Advisory Panel (SAP) meets periodically and also communicates via email, to evaluate and rank research grant applications recommending to the Trustees which projects should be funded. The members of the SAP are independent, drawn from various neurological disciplines, and are actively involved in neurological research. SAP members for 2015/16 are listed on page 7.
- The charity is a member of the Association of Medical Research Charities (AMRC), an umbrella organisation of the leading medical and health research charities in the UK. AMRC members aim to follow the highest standards of accountability in medical and health research funding. Membership of AMRC requires the use of independent peer review in the allocation of all grants for research.
- Day-to-day running of the charity is undertaken by the Chief Executive assisted by a senior management team comprising Heads of Finance and Administration, Communications, and Individual Giving, together with three other permanent staff members and five contracted and temporary staff.
- IT and telephony services are provided by an external consultancy.

Appointment of trustees

- Trustees are appointed by either invitation or recruitment to ensure the right balance of skills and experience on the Board and to stimulate the growth and development of the charity. Selection is based on the ability to contribute charity management, business, scientific, financial, investment, legal, fundraising, campaigning and marketing skills.
- The term of appointment is three years, renewable twice.
- New trustees receive a thorough induction into the work of the charity.
- No new trustees were appointed during 2015/16.

Management

The Trustees exercise executive responsibility for the governance of the charity and, through the Chairman, supervise the management of the charity by the Chief Executive and the senior management team. The Chairman and Chief Executive also task the Board with decision-making on strategic management issues as well as overseeing the research grants application process and monitoring the progress of awarded grants. The senior management carry out the operational running of the charity and the coordinating of fundraising appeals.

Remuneration

The salaries of Brain Research Trust staff, including the senior management team, are periodically benchmarked against other charities to ensure that salary levels are in line with industry averages and sufficient to attract and retain staff of the appropriate calibre. All staff posts are periodically evaluated to ensure that salary levels are reflective of the industry and organisational needs, as well as individual and charity performance. During 2015, the charity did not make any general salary increases; the only increases to individual salaries were based on changes in roles and responsibilities. In recruitment of a new post, an assessment is made of the requirements of the role in terms of skills, experience, competency and urgency. The salary is then determined on the basis of this assessment and the current market conditions. During 2015 the charity has been compliant with the Hutton Fair

Pay Review with the salary of the highest paid employee being no more than four times the median salary of the organisation.

Statement of Trustees' responsibilities:

The Trustees (who are also directors of Brain Research Trust for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year which 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 Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of 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.

In so far as we are aware:

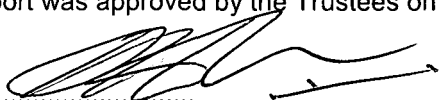
- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, haysmacintyre, were re-appointed during the year in accordance with Section 485 of the Companies Act 2006.

The report of the Trustees has 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.

This report was approved by the Trustees on 8 December 2016 and signed on its behalf, by:



Jonathan Kropman (Chair of Trustees)

We have audited the financial statements of Brain Research Trust for the year ended 30 September 2016, which comprise of the Statement of Financial Activities, the Balance Sheet, Statement of Cashflows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees (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.

We have been appointed auditor under the Companies Act 2006. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 30 September 2016 and of its net movement of funds, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 trustees were not entitled to take advantage of the small companies exemption in preparing the Trustees' Annual Report and incorporating the Strategic Report.



Richard Weaver (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditors

8 December 2016

26 Red Lion Square
London
WC1R 4AG

haysmacintyre is eligible to act as an auditor in terms of section 1212 of Companies Act 2006.

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2016 £'000	2015 £'000
Income and endowments						
Donations and legacies	2	1,863	173	-	2,036	1,565
Investments	3	271	303	-	574	587
Total income		<u>2,134</u>	<u>476</u>	<u>-</u>	<u>2,610</u>	<u>2,152</u>
Expenditure on						
<i>Raising funds:</i>						
Investment management costs	4	34	37	-	71	80
Fundraising	4	1,652	1	-	1,653	1,710
Total expenditure on raising funds	4	<u>1,686</u>	<u>38</u>	<u>-</u>	<u>1,724</u>	<u>1,790</u>
<i>Charitable activities:</i>						
Research	4,12	1,409	549	382	2,340	1,451
Information & awareness	4	116	-	-	116	-
Total expenditure on charitable activities		<u>1,525</u>	<u>549</u>	<u>382</u>	<u>2,456</u>	<u>1,451</u>
Total expenditure		<u>3,211</u>	<u>587</u>	<u>382</u>	<u>4,180</u>	<u>3,241</u>
Net (expenditure)/income and net movement in funds before gains/(losses) on investment assets		(1,077)	(111)	(382)	(1,570)	(1,089)
Net gains/(losses) on investment assets	8	751	-	838	1,589	(247)
Net income/(expenditure)		<u>(326)</u>	<u>(111)</u>	<u>456</u>	<u>19</u>	<u>(1,336)</u>
Transfers between funds		225	(208)	(17)	-	-
Net movement in funds		<u>(101)</u>	<u>(319)</u>	<u>439</u>	<u>19</u>	<u>(1,336)</u>
Reconciliation of funds						
Total funds brought forward as at 30 September 2015	17	<u>8,430</u>	<u>457</u>	<u>5,959</u>	<u>14,846</u>	<u>16,182</u>
Total funds carried forward as at 30 September 2016	13	<u>8,329</u>	<u>138</u>	<u>6,398</u>	<u>14,865</u>	<u>14,846</u>

A comparative Statement of Financial Activities for 2015 is shown in Note 19.

There are no recognised gains and losses other than those shown in the above Statement of Financial Activities.

The notes on pages 14 to 29 form part of these accounts.

BALANCE SHEET
AS AT 30 SEPTEMBER 2016FOR THE YEAR ENDED 30 SEPTEMBER 2016
Company registration No. 07345516 (England and Wales)

	Notes	2016		2015	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	7		13		22
Investments	8		16,708		16,299
Total fixed assets			16,721		16,321
Current assets					
Sundry debtors	9	345		143	
Investments		992		451	
Cash at bank and in hand		400		546	
Total current assets		1,737		1,140	
Liabilities					
Creditors falling due within one year	10	(2,707)		(986)	
Net current assets			(970)		154
Total assets less current liabilities			15,751		16,475
Creditors falling due after one year	11		(886)		(1,629)
Net assets			14,865		14,846
The funds of the charity:					
Unrestricted funds					
Designated funds					
Investment fund	13	6,086		7,565	
Grants fund	13	1,490		865	
			7,576		8,430
General Fund			753		-
			8,329		8,430
Restricted funds					
Marks Income fund	13	0		193	
Other	13	138		264	
			138		457
Endowment funds					
Marks endowment fund	13	1,988		1,828	
Muller endowment fund	13	1,856		1,778	
Sobell endowment fund	13	1,322		1,275	
Watts endowment fund	13	1,232		1,078	
			6,398		5,959
			14,865		14,846

Approved and authorised for issue by the Board of Trustees on 8 December 2016 and signed on its behalf by:



 Jonathan Kropman (Chair)

The notes on pages 14 to 29 form part of these accounts.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016	2015
	£'000	£'000
Cash flows from operating activities:		
<i>Net cash used in operating activities</i>	(1,358)	(757)
Cash flows from investing activities:		
Dividends and interest from investments	-	-
Purchase of property, plant and equipment	(3)	(10)
Proceeds from sale of investments	1,756	1,192
Purchase of investments	-	-
<i>Net cash provided by investing activities</i>	1,753	1,182
Cash flows from financing activities:		
<i>Net cash provided by (used in) financing activities</i>	-	-
<i>Change in cash equivalent in the period</i>	395	425
<i>Cash and cash equivalent at 1 October 2015</i>	997	572
<i>Cash and cash equivalent at 30 September 2016</i>	1,392	997
Reconciliation of cash flows from operating activities		
<i>Net income / (expenditure) for the year as per the Statement of Financial Activities</i>	19	(1,336)
Adjustments for:		
Depreciation charges	10	7
(Gains) / losses on investments	(1,589)	1,149
Dividends and interest from investments	(574)	(587)
Loss / (profit) on sale of fixed assets	-	-
(Increase) / decrease in debtors	(202)	(50)
Decrease / (increase) in creditors	978	60
<i>Net cash used in operating activities</i>	(1,358)	(757)
Analysis of cash and cash equivalents		
Cash in hand	400	245
Overdrafts	-	-
Cash equivalents on deposits	992	752
Total cash and cash equivalents	1,392	997

	2016 Unrestricted and Restricted Funds £'000	2015 Unrestricted and Restricted Funds £'000
Income from:		
Investments	574	587
Voluntary sources		
Donations and legacies - unrestricted	1863	1369
- restricted	173	196
Total income	2,610	2,152
Expenditure on:		
Raising funds		
Investment management	71	80
Fundraising and development	1,653	1,710
	1,724	1,790
Charitable activities		
Research	1,958	1,110
Information & awareness	116	-
	2,074	1,110
Total expenditure	3,798	2,900
Net loss before investment gains/(losses)	(1,188)	(748)
Net gains/(losses) on investments	751	(116)
Net loss	(437)	(864)

The above Summary Income and Expenditure Account represents the total unrestricted and restricted income and expenditure as shown in the Statement of Financial Activities on page 11 and its presentation is required under the Companies Act 2006.

1. ACCOUNTING POLICIES

Company status

The company is a company limited by guarantee registered in England and Wales. The members of the company are the Trustees named on page 7. 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.

Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of investments. The format of the financial statements has been presented to comply with the Companies Act 2006, FRS102 The Financial Reporting Standard applicable in the UK and Ireland and the Statement of Recommended Practice Accounting and Reporting by Charities ("SORP 2015"). The charity is a Public Benefit Entity as defined by FRS102.

Going concern

The Trustees consider that there are no material uncertainties which would cast doubt on the charity's ability to continue as a going concern.

Reconciliation with previous UK GAAP

This is the first year that the charity has presented its results under FRS102. The last financial statements under previous UK GAAP were for the year ended 30th September 2015. The date of transition to FRS 102 was 1st October 2014.

Transition to FRS102 has required the charity to change some of its accounting policies from those applied under previous UK GAAP. These changes are set out below:

- Revenue recognition: under previous UK GAAP, revenue was recognised when its receipt was considered to be virtually certain. In accordance with FRS102, revenue is recognised when its receipt is probable. This change of policy has not led to any restatement of prior year amounts.
- Investment valuation: under previous UK GAAP, investments were valued at mid-price. In accordance with FRS102, investments are valued at bid-price. This change of policy has not led to any restatement of prior year amounts.
- The effect of the above changes has not resulted in any material changes at transition.
- Grant awards: under previous policy grant expenditure was recognised on a cash basis. In accordance with FRS102, grant awards are accrued in full in the year of award. This change of policy has led to a restatement of prior year amounts as detailed in Note 17.

Reconciliation of net reported income

	£'000
Net income/expenditure as previously stated	(902)
Adjustment for gains/(losses) on investment now treated as a component of net income	(247)
Adjustment for change in accounting of grant awards	(187)
2015 net loss restated	<u>(1,336)</u>

Income

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Donations and legacies income includes donations and gifts in wills which are recognised where there is entitlement, probability of receipt and the amount of the gift is measurable.

Expenditure

Expenditure is recognised as soon as the related liability is incurred and has been classified under headings that aggregate all costs relating to that category. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure.

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Expenditure on raising funds comprises fundraising costs and investment management costs.

Expenditure on charitable activities comprises expenditure directly related to the awarding of grants to institutions, and provision of information and awareness.

Support costs represent indirect costs relating to raising funds and the charity's charitable activities. Support costs, including governance costs, are allocated to activities on bases that represent the Trustees' best estimate of actual use. The bases used to allocate costs to the above categories of expenditure are set out in note 4.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, auditors' remuneration, certain legal costs and all costs of complying with constitutional and statutory requirements, such as costs of Board meetings and of preparing the statutory accounts.

Research grants

Grants payable are in respect of grants approved by the Trustees, having due regard for the recommendations of the Scientific Advisory Panel. During the year the trustees reviewed the grant accounting policy and the full value of the grants approved is now accounted for when the grant awards or commitments are made. The impact of the change of policy and FRS102 on reserves is detailed in Note 17. The grants payable balance represents amounts due for the remaining term of the grant.

Investment income

Income from fixed interest stocks, loans and deposits is included in the accounts on an accrual basis.

Income from other securities is accounted for on a cash received basis.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities.

Fixed assets and depreciation

Office and computer equipment with a cost of £500 or more are capitalised and depreciated on a straight-line basis of 25% per annum.

Investments

The charity's investments are of a kind that qualify as basic financial instruments. Investments are included in the balance sheet at fair value (bid price).

Realised gains are the difference between sales proceeds and the carrying value of the investment. The carrying value is the fair value at the beginning of the year or the purchase cost where the investment was acquired during the year.

Unrealised gains are the change in value of investments after taking into account any movements in investment holdings such as purchases and disposals of investments.

Realised and unrealised gains are accounted for within the Statement of Financial Activities.

Financial instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure

Leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Staff benefits

The charity makes pension provision for its employees by contributing to a personal pension scheme of their choice. All contributed costs are accounted for on the basis of charging the cost of providing pensions over the period when the charity benefits from the employees' services. The charity has no further liability under the scheme. In October 2016 all employees not already in an approved scheme were auto-enrolled into a multi-employer pension scheme administered by the Peoples Pension.

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Funds

Brain Research Trust consists of seven funds as follows:

- General fund (unrestricted)
- Investment fund (designated)
- Grants fund (designated)
- Miriam Marks fund (expendable endowment)
- Muller fund (expendable endowment)
- Sobell fund (expendable endowment)
- Watts fund (expendable endowment)

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are amounts that have been set aside at the discretion of the Trustees.

Restricted income funds comprise unexpended balances of donations and grants held in trust to be applied for specific purposes.

All the endowment funds are expendable. Each of the restricted and endowment funds are for the purpose of funding research into neurological conditions.

Allocation of costs to the Funds

Costs which are specific to an individual fund are charged to that fund. All other costs are charged to the unrestricted funds.

Critical accounting judgements and estimates and key sources of estimation uncertainty

In the application of these accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects current and future periods. The trustees consider the following items to be areas subject to estimation and judgement:

Depreciation:

The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. Although tangible fixed assets are significant, variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically, no changes have been required.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The preceding accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

2.	DONATIONS and LEGACIES	Unrestricted funds £'000	Restricted funds £'000	2016 £'000	2015 £'000	
	Individuals	821	3	824	613	
	Trusts, corporates & major donors	182	170	352	220	
	Income from events	229	-	229	157	
	Legacies	631	-	631	575	
		<u>1,863</u>	<u>173</u>	<u>2,036</u>	<u>1,565</u>	
3.	INVESTMENT INCOME	Unrestricted funds £'000	Restricted funds £'000	2016 £'000	2015 £'000	
	Dividends and interest on Investments	269	302	571	583	
	Deposit account interest	2	1	3	4	
		<u>271</u>	<u>303</u>	<u>574</u>	<u>587</u>	
4.	EXPENDITURE	Direct costs £'000	Grants awarded £'000	Support costs £'000	Total 2016 £'000	Restated 2015 £'000
	Raising funds					
	Investment management fees	69	-	2	71	80
	Fundraising costs	1,562	-	91	1,653	1,710
	Total expenditure on raising funds	<u>1,631</u>		<u>93</u>	<u>1,724</u>	<u>1,790</u>
	Research	143	2,110	87	2,340	1,451
	Information & awareness	108	-	8	116	-
	Total charitable activities	<u>251</u>	<u>2,110</u>	<u>95</u>	<u>2,456</u>	<u>1,451</u>
	Total	<u>1,882</u>	<u>2,110</u>	<u>188</u>	<u>4,180</u>	<u>3,241</u>

Support costs of £64k (2015: £47k) comprise property and office costs and other sundry expenses and are allocated on the basis of staff costs. Governance costs of £124k (2015: £159k) are regarded as support costs and are apportioned to fundraising, research and charitable activity proportionately to the value attributed to each of these activities.

SUPPORT COSTS

	Raising funds	Research	Information & awareness	Total 2016	Total 2015
	£'000	£'000	£'000	£'000	£'000
Management	3	1	-	4	22
Legal and professional	9	3	1	13	-
Telecomms and IT	25	11	3	39	5
Human resources	5	2	1	8	39
Governance	<u>51</u>	<u>70</u>	<u>3</u>	<u>124</u>	<u>159</u>
	<u>93</u>	<u>87</u>	<u>8</u>	<u>188</u>	<u>225</u>

5. NET INCOME

	2016 £'000	2015 £'000
This is stated after charging:		
Auditor remuneration – audit fees (excludes VAT)	10	10
- accountancy fees (excludes VAT)	-	2
Depreciation	10	7
Operating lease charges	<u>33</u>	<u>30</u>

The Trustees did not receive any remuneration during the year. 3 (2015: 1) trustees were reimbursed a total of £478 (2015: £465) for travel expenses. No amounts were paid directly to third parties on behalf of the trustees.

6. SALARIES AND EMPLOYMENT COSTS

	2016 £'000	2015 £'000
Salaries	359	313
Social security costs	38	28
Pension costs	19	13
Temporary staff	96	56
Termination payments	<u>22</u>	<u>-</u>
	<u>534</u>	<u>410</u>

The average headcount of staff employed by the charity during the year was 8 (2015: 7)

	2016 Headcount	2015 Headcount	2016 FTE	2015 FTE
Research	1.3	0.5	1.0	0.5
Information and awareness	0.6	-	0.6	-
Raising funds	5.4	6.0	4.5	4.9
Governance	<u>1.2</u>	<u>0.5</u>	<u>1.0</u>	<u>0.5</u>
	<u>8.4</u>	<u>7.0</u>	<u>7.1</u>	<u>5.9</u>

During the year, the number of senior employees who received emoluments falling within the following ranges was:

	2016 No.	2015 No.
£70,000 - £79,999	1	-
£80,000 - £89,999	-	1
	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>

During the year, these staff received employer pension contributions of £9,054 (2015: £8,850).

Key management personnel

In 2016 7 (2015: 6) members of staff formed the senior management team. Their remuneration was as follows,

	2016 £'000	2015 £'000
Salaries	227	177
Social security costs	24	19
Pension costs	9	12
Temporary staff	58	48
	<u>318</u>	<u>256</u>
	<u><u>318</u></u>	<u><u>256</u></u>

7. FIXED ASSETS

	Office equipment £'000
Cost	
As at 30 September 2015	42
Additions	3
	<u>45</u>
As at 30 September 2016	<u>45</u>
Depreciation	
As at 30 September 2015	22
Charged in the year	10
	<u>32</u>
As at 30 September 2016	<u>32</u>
Net book value at 30 September 2016	<u>13</u>
Net book value at 30 September 2015	<u><u>22</u></u>

8. INVESTMENTS**(a) Equities**

Equities comprise ordinary shares quoted on recognised stock exchanges together with hedge fund investments in the alternative investment market amounting to £124k (2015: £Nil).

	Unrestricted funds £'000	Endowment funds £'000	Total 2016 £'000	Total 2015 £'000
Brought forward at 1 October 2015	5,366	6,055	11,421	12,008
Additions	855	964	1,819	4,140
Disposals	(1,146)	(1,292)	(2,438)	(4,377)
Increase in unrealised (losses)/gains	604	681	1,285	(350)
Market value at 30 September 2016	<u>5,679</u>	<u>6,408</u>	<u>12,087</u>	<u>11,421</u>
Historical cost at 1 October 2015	<u>5,532</u>	<u>6,239</u>	<u>11,771</u>	<u>10,326</u>
Historical cost at 30 September 2016	<u>5,101</u>	<u>5,753</u>	<u>10,854</u>	<u>11,771</u>

(b) Fixed interest securities

Fixed interest securities are quoted on recognised stock exchanges

	Unrestricted funds £'000	Endowment funds £'000	Total 2016 £'000	Total 2015 £'000
Brought forward at 1 October 2015	2,059	2,225	4,284	4,515
Additions	65	70	135	-
Disposals	(169)	(183)	(352)	(262)
Increase in unrealised gains/(losses)	170	185	355	31
Market value at 30 September 2016	<u>2,125</u>	<u>2,297</u>	<u>4,422</u>	<u>4,284</u>
Historical cost at 1 October 2015	<u>2,041</u>	<u>2,212</u>	<u>4,253</u>	<u>4,206</u>
Historical cost at 30 September 2016	<u>1,952</u>	<u>2,115</u>	<u>4,067</u>	<u>4,253</u>

The total investment holding as shown in the balance sheet included unrealised investments gains of £1,285k (2015: loss of £350k) on equities and £355k gains (2015: gains £31k) on fixed interest securities, a total unrealised gain of £1,640k (2015: £319k).

	2016 £'000	2015 £'000
(c) Cash held for investment purposes	<u>199</u>	<u>594</u>
(d) Unrealised forex gains/(losses)	<u>-</u>	<u>-</u>
(e) Total at bid-price (including cash)	<u>16,708</u>	<u>16,299</u>

(f) **Gains/(losses) on investments**

	Unrestricted funds £'000	Endowment funds £'000	Total 2016 £'000	Total 2015 £'000
(Losses)/gains on disposal of investments	(23)	(28)	(51)	72
Gains/(losses) on revaluation of investments	774	866	1,640	(319)
Net gains/(losses) on investment assets	<u>751</u>	<u>838</u>	<u>1,589</u>	<u>(247)</u>

9. SUNDRY DEBTORS

	2016 £'000	2015 £'000
Legacies	210	52
Other debtors	67	87
Prepayments	68	4
	<u>345</u>	<u>143</u>

Other debtors includes gift aid recoverable of £64k (2015: £81k).

10. CREDITORS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Trade creditors	27	56
Grants payable (note 17: restated 2015)	2,632	902
Accruals	40	18
Social security and other taxes	8	10
Other creditors	-	-
	<u>2,707</u>	<u>986</u>

11. CREDITORS FALLING DUE AFTER ONE YEAR

	2016 £'000	2015 £'000
Grants payable (note 17: restated 2015)	886	1,629
	<u>886</u>	<u>1,629</u>

12. GRANTS PAYABLE

	2016 £'000	2015 £'000
Balance at start of year		2,384
Grants awarded in year	2,170	1,307
Released prior year provision	(60)	
	<u>2,110</u>	
Grant Invoices paid in year	(1,118)	(1,160)
Balance at end of year	<u>3,518</u>	<u>2,531</u>
Payable within one year	2,632	902
Payable after one year	886	1,629
	<u>3,518</u>	<u>2,531</u>

Note 18 shows detail of grants awarded in the year

During the year grants totalling £2,169k were awarded to the Institute of Neurology for the specific fields of neurological research (net £2,110k after the release of prior year provision for discontinued studentship). Each grant is made in accordance with the terms of the individual trust funds held by the charity. The total grants made during the year, as analysed by fund in note 13, were:

	2016 £'000	Restated 2015 £'000
Grants fund	1,271	770
Muller fund	371	378
Sobell fund	161	159
Other restricted funds	307	-
	<u>2,110</u>	<u>1,307</u>

13. STATEMENT OF FUNDS

	1 Oct 2015 restated (note 17) £'000	Total income £'000	Grants payable £'000	Other expenditure £'000	Investment gains £'000	Transfers £'000	2016 £'000
UNRESTRICTED FUNDS							
General fund	-	-	-	-	-	753	753
Designated funds							
Investment fund	7,565	2,134		(1,940)	751	(2,424)	6,086
Grants fund	865	-	(1,271)	-	-	1,896	1,490
	<u>8,430</u>	<u>2,134</u>	<u>(1,271)</u>	<u>(1,940)</u>	<u>751</u>	<u>225</u>	<u>8,329</u>
Total unrestricted funds	<u>8,430</u>	<u>2,134</u>	<u>(1,271)</u>	<u>(1,940)</u>	<u>751</u>	<u>225</u>	<u>8,329</u>
RESTRICTED FUND							
Marks income fund	193	64	-	(31)	-	(226)	-
Muller income fund	-	131	(91)	(40)	-	-	-
Sobell income fund	-	88	(59)	(29)	-	-	-
Watts income fund	-	55	-	(29)	-	-	26
Other funds	264	138	(307)	(1)	-	18	112
	<u>457</u>	<u>476</u>	<u>(457)</u>	<u>(130)</u>	<u>-</u>	<u>(208)</u>	<u>138</u>
Total restricted funds	<u>457</u>	<u>476</u>	<u>(457)</u>	<u>(130)</u>	<u>-</u>	<u>(208)</u>	<u>138</u>
ENDOWMENT FUNDS							
Marks fund	1,828	-	-	-	177	(17)	1,988
Muller fund	1,778	-	(280)	-	358	-	1,856
Sobell fund	1,275	-	(102)	-	149	-	1,322
Watts fund	1,078	-	-	-	154	-	1,232
	<u>5,959</u>	<u>-</u>	<u>(382)</u>	<u>-</u>	<u>838</u>	<u>(17)</u>	<u>6,398</u>
Total endowment funds	<u>5,959</u>	<u>-</u>	<u>(382)</u>	<u>-</u>	<u>838</u>	<u>(17)</u>	<u>6,398</u>
Total funds	<u>14,846</u>	<u>2,610</u>	<u>(2,110)</u>	<u>(2,070)</u>	<u>1,589</u>	<u>-</u>	<u>14,865</u>

Designated funds represent amounts set aside by the Trustees as disclosed within the Trustees' Report.

All the Endowment funds are expendable. Each of the Restricted and Endowment Funds are for the purpose of funding research into Neurological Conditions.

The Marks fund is for research into the first causes of deterioration of memory.
The Muller fund is to fund a functional imaging laboratory at the Institute of Neurology.
The Sobell fund is for a chair of neurophysiology at the Institute of Neurology.
The Watts fund is for research into motor neurone disease.

14. FINANCIAL INSTRUMENTS

	2016 £'000	2015 £'000
Financial instruments measured at fair value through the SoFA (a)		
Listed investments	16,509	15,705
Financial assets measured at amortised cost (b)		
Cash	1,591	1,591
Debtors	345	143
Financial liabilities measured at amortised cost (c)		
Creditors	(3,585)	(2,605)
Net financial assets at amortised cost	<u>14,860</u>	<u>14,834</u>

(a) Financial assets measured at fair value

(b) Financial assets include cash, trade and, staff loans and other debtors.

(c) Financial liabilities include trade creditors, other creditors, accruals, and grants payable

15. ANALYSIS OF NET ASSETS

BETWEEN FUNDS

	Investment assets £'000	Fixed assets £'000	Other assets £'000	Total assets £'000
Investment, Grants and General funds Reserve	9,727	13	(1,411)	8,329
Marks fund	1,770	-	218	1,988
Muller fund	2,228	-	(372)	1,856
Sobell fund	1,342	-	(20)	1,322
Watts fund	1,641	-	(409)	1,232
Restricted funds	-	-	138	138
	<u>16,708</u>	<u>13</u>	<u>(1,856)</u>	<u>14,865</u>

16. OPERATING LEASES

Brain Research Trust's future minimum payments are as follows:

	2016 £'000	2015 £'000
Commitment expiring:		
Within one year	35	20
Within one and five years	22	57
	<u>57</u>	<u>77</u>

17. CHANGE IN ACCOUNTING FOR GRANTS AND ADOPTION OF FRS102

Up to 30 September 2015 the charity accounted for grant payments on an accruals basis with expenditure being accounted for over the period of the grant.

During the year the trustees reviewed the grant accounting policy and the full value of the grants approved is now accounted for when the grant awards or commitments are made. The effect of this change is that the full value of a grant is now recorded as an expense in the SOFA (and as liability on the balance sheet) in the year that the grant is authorised and notified to those receiving the grant.

Accordingly the 2014/15 accounts have been restated to give effect to this change. The effect of this change on the 2014/15 accounts was to reduce reserves by £2.3 million with total liabilities (representing the value of grant liabilities) increasing by the same amount as shown below:

BRAIN RESEARCH TRUST
NOTES TO THE FINANCIAL STATEMENTS

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

17. CHANGE IN ACCOUNTING FOR GRANTS (continued)

	2014 as published	2014 adjustment	2014 re-stated	2015 as published	2014 adjustment	2015 adjustment	2015 re-stated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
BALANCE SHEET							
Fixed assets	17,984		17,984	16,321			16,321
Net current assets excl. grant liabilities	581	7	588	1,049	7		1,056
Grants payable < 1 year	(309)	(948)	(1,257)	(263)	(948)	309	(902)
Grants payable > 1 year		(1,133)	(1,133)		(1,133)	(496)	(1,629)
Sub-total grants payable	(309)	(2,081)	(2,390)	(263)	(2,081)	(187)	(2,531)
Net Assets	18,256	(2,074)	16,182	17,107	(2,074)	(187)	14,846
FUNDS							
Unrestricted funds	10,381	(947)	9,434	9,775	(947)	(398)	8,430
Restricted funds							
Parkinson's fund	230	(117)	113	135	(117)	(18)	0
Marks Income fund	136		136	193	0		193
Other funds	138	(70)	68	290	(70)	44	264
Sub-total restricted funds	504	(187)	317	618	(187)	26	457
Endowment funds							
Marks fund	1,855		1,855	1,828	0		1,828
Muller fund	2,480	(309)	2,171	2,087	(309)	0	1,778
Sobell fund	1,464	(124)	1,340	1,275	(124)	124	1,275
Watts fund	1,572	(507)	1,065	1,524	(507)	61	1,078
Sub-total endowment funds	7,371	(940)	6,431	6,714	(940)	185	5,959
Total funds	18,256	(2,074)	16,182	17,107	(2,074)	(187)	14,846
SOFA							
Research awarded (Note 12)				1,120		187	1,307

18. GRANTS FUNDED 2015-16

<u>Description</u>	<u>Disease</u>	<u>Total £</u>
PhD Studentships (Grants Fund)		
Three Studentships - first year studentships with no specialism until second year	Various Diseases	329,871
One Studentship discontinued	Various Diseases	(59,254)
PhD sub-total		270,617
Capital funding		
Queen Square House – towards re-development of translational neuroscience facility		1,000,000
Other research support to the Institute (Endowment & Restricted Funds)		
Dr Schott - Identifying the causes and evolution of pre symptomatic Alzheimer's disease in a cohort of 500 people born in 1946	Alzheimer's	223,355
Prof Henry Houlden - This project will conduct one of the largest genetic screenings of people with inherited Ataxia. The aim of the project is to identify new Ataxia genes to develop greater understanding leading to new treatments	Ataxia	21,301
Leopold Muller Functional Imaging Laboratory	Cognitive Neurology	371,000
Dr Rohan De Silva - The search for a tau-based preventative therapy using tau gene transcription and slicing regulation	Various Diseases – Tau gene	62,000
Sobell Department of Motor Neuroscience & Movement Disorder: Administration costs	Neurophysiology	35,000
Sobell Department of Motor Neuroscience & Movement Disorder: General departmental running costs	Neurophysiology	126,684
Other research sub-total		839,340
Grand Total		2,109,957

19. STATEMENT OF FINANCIAL ACTIVITIES – RESTATED FOR FRS102

For the Year Ended 30th September 2015

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	(Restated) 2015 £'000
Income and endowments					
Donations and legacies	2	1,369	196	-	1,565
Investments	3	276	311	-	587
Total income		<u>1,645</u>	<u>507</u>	<u>-</u>	<u>2,152</u>
Expenditure on					
<i>Raising funds:</i>					
Investment management costs	4	40	40	-	80
Fundraising	4	1,710	-	-	1,710
Total expenditure on raising funds	4	<u>1,750</u>	<u>40</u>	<u>-</u>	<u>1,790</u>
<i>Charitable activities:</i>					
Research	4,12	783	327	341	1,451
Total expenditure		<u>2,533</u>	<u>367</u>	<u>341</u>	<u>3,241</u>
Net (expenditure)/income and net movement in funds before gains/(losses) on investment assets		(888)	140	(341)	(1,089)
Net (losses)/gains on investment assets	8	(116)	-	(131)	(247)
Net (expenditure)/income		<u>(1,004)</u>	<u>140</u>	<u>(472)</u>	<u>(1,336)</u>
Transfers between funds		-	-	-	-
Net movement in funds		<u>(1004)</u>	<u>140</u>	<u>(472)</u>	<u>(1,336)</u>
Reconciliation of funds					
Total funds brought forward as at 30 September 2014 - restated		9,434	317	6,431	16,182
Total funds carried forward as at 30 September 2015	13	<u>8,430</u>	<u>457</u>	<u>5,959</u>	<u>14,846</u>