

BRAIN RESEARCH TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020

Registered Charity Number: 1137560
Registered Company Number: 07345516
(Brain Research UK is the working name of Brain Research Trust)



Chairman's Introduction

Our cause

One in six of us has a neurological condition.

Brain Research UK funds essential research to discover the causes, develop new treatments and improve the lives of those affected by neurological conditions.

Within this broad remit, we aim to focus our funding in areas where research investment is most urgently needed. Since 2016 our focus has been on research into brain and spinal cord injury, brain tumours, and headache & facial pain. In each of these three areas, there is a large unmet patient need that is not reflected in current levels of research funding.

Our vision is a world where everyone with a neurological condition lives better, longer.

Our income

Funds received during the period came from donations of £1,820,000 (2018: £1,823,000) and income from our investment portfolio of £681,000 (2018: £506,000).

Specific highlights include the further development of awareness and income as a result of increased presence at the 2019 London Marathon where we fielded our largest ever team, as well as a more targeted focus on the generation of income from community and trusts fundraising.

Our research

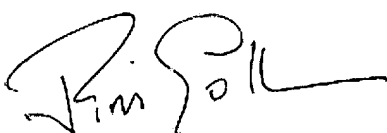
During the 18 month financial period, we were delighted to award funding of £2,098,970 (2018: £2,014,929) to institutions throughout the UK as part of our commitment to the funding of vital research.

This included the award of three PhD Studentships and three Project Grants following national calls as well as on-going grants to UCL Institute of Neurology from endowments and restricted funds.

Our strategy

In December 2019, the Board unanimously approved a new strategy. Given Covid-19, there will be some adaptations to its implementation but its focus and strategic aims remain undiminished.

It is only thanks to the generosity of all our supporters that we are able to continue the vital funding of life-changing, life-saving neurological research.



Jim Gollan
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 Jim Gollan, under powers defined in the Memorandum and Articles of Association amended 21 December 2015 and 7 March 2019. Brain Research UK is the working name of Brain Research Trust.

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.

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 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 research is not restricted by gender, ethnicity, religion or ability to pay and in that respect the public at large benefit.

Change of financial year

The Trustees have resolved to change the Charity's financial year end to 31st March from 30th September. The financial statements and disclosures are prepared on the basis of an 18 month accounting period to run from 1st October 2018 to 31st March 2020.

Achievements and performance

During the 18 month period to 31 March 2020, as planned, we invested in developing our events and challenges activities; most notably with the Virgin Money London Marathon where we fielded our largest ever team. In addition, we focussed on development of our community, major donor and trusts fundraising stream.

Following national calls, we awarded three PhD studentships, one in acquired brain injury and two in head and facial pain. We also awarded three project grants and sustained our research commitment in these areas.

As part of our strategic plan, we have moved to an operating model that helps to maximise fundraising income whilst keeping operational costs to a minimum.

In December 2019, our three-year strategy was approved by the Board of Trustees with a view to its implementation during 2020.

Objectives for 2020/21:

As a result of Covid-19, some plans have had to be postponed temporarily.

Our objectives for research activities in 2020/21 are:

- To sustain our core funding of two national calls for PhD Studentships and Project Grant funding
- To complete an updated, meaningful Impact Report

Our objectives for fundraising in 2020/21 are:

- To develop further our event and challenge activities
- To develop further our major donor fundraising activities

The Trustees understand that the benefits of 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.

	18 month period 2018-20 £'000	12 month period 2017-18 £'000
Results and review of the period under review		
Total income	2,501	2,329
Expenditure on raising funds	(1,207)	(687)
	<u>1,294</u>	<u>1,642</u>
Expenditure on Research	(2,364)	(3,963)
Expenditure on Information & Awareness	(98)	(68)
Increase/(decrease) in investment values	(1,055)	325
	<u>(2,223)</u>	<u>(2,064)</u>
Net increase/(decrease) in funds		

Donations

Total income includes donations of £1,820,000 received during the 18 month period (£1,823,000 in 2017/18). These comprise: event income of £853,000, individual giving income of £689,000, legacies of £104,000 and trusts, corporate, major donor income of £174,000. The full breakdown of the donation categories can be seen in Note 2 of the accounts.

Investment performance

The impact of the COVID-19 pandemic on investment values has been observed in the fall in the value of our portfolio since the end of our last financial period. Investment losses of £1,055,000 have been recorded at 31st March 2020 (gains of £325,000 at 30th September 2018). These losses are included within our portfolio valuation and reflected in the income and expenditure account. Our investment income has remained broadly consistent with £681,000 received over the 18 month period compared to £506,000 over the previous 12 month period. The investment income is included within our total income for the period.

Our investment portfolio balance at 31st March 2020, of £13,548,000, is lower than the balance in the previous year of £14,684,000 due to the investment losses. The investment portfolio has made gains after the period-end and the balance as at 30th April 2020 was £14,173,000. Further information about our investment performance is given in the investment policy section.

Grant awarding policy

Brain Research UK funds research on a national basis into neurological conditions.

During the period under review, the Charity's Scientific Advisory Panel maintained its focus on the three 'priority research areas' introduced during 2016: acquired brain and spinal cord injury, neuro-oncology, and headache and facial pain. We issued calls for grant applications during the period under review, all of which were restricted to applications in these three priority areas. Other than the research that is funded through restricted endowments, all new awards are made via openly advertised, national calls.

As a member of the Association of Medical Research Charities, our policy is to fund research that has been subject to rigorous assessment, including external peer review.

Research funded

During the 18 month financial period we launched two national calls for applications for PhD studentships. In response to applications received under these calls we awarded £360,000 to fund three new PhD studentships (2017/18: £360,000; 3) at the University of Leeds, University College London and University of Birmingham.

We also launched our national call for project grant applications and subsequently awarded funding of £875,527 to fund three new projects (2017/18: £1,105,058; 4) at University College London, University of Edinburgh and University of Cambridge.

Unfortunately, for reasons beyond our control, two grants offered during the financial period to 31st March 2020 were not taken up by the awardees; one Project Grant and one PhD Studentship, both made under the neuro-oncology theme.

We paid ongoing grants to UCL Institute of Neurology from endowments and restricted funds totalling £252,622 (2017/18: £176,589). We made a new award of £610,821 from the Watts endowment to support a programme of research into motor neurone disease at the Graeme Watts Laboratory at UCL Queen Square Institute of Neurology.

Note 18 in the accounts details the extensive programme of research funded by the Charity during the 18 month financial period to 31st March 2020.

Information and awareness

During the 18 month period to 31st March 2020, our information and awareness expenditure was £98,000 (2017/18: £68,000); this reflects a refresh of our website, including additional information about neurological conditions, and our on-going commitment to raising awareness.

Financial review

Financial performance

The Charity received income of £2,501,000 during the 18 month financial period to 31st March 2020 (£2,329,000 in the 12 months to 30 September 2018). As can be seen in Note 2, there has been growth in a number of income streams - particularly the London Marathon where the Charity has been solidifying its fundraising presence. We have, however, seen a fall in our legacy income from £454,000 to £104,000 due to two high value donations being received in the previous financial period.

We have implemented changes to our operating model to be able to capitalise on fundraising opportunities. This has been reflected in increased fundraising costs as we aim to imbed our new strategy (approved by our Board of Trustees in December 2019). The impact of the pandemic on our fundraising operations has delayed implementation of some aspects of the strategy and we have had to revise our budget for next year accordingly. As the principles of the strategy are still in place, we would hope to build on its implementation towards the end of the next financial year.

We were pleased to be able to spend the majority of our income on our charitable activities with expenditure of £2,462,000 to 31st March 2020. This included direct research spend of £2,098,970 (as outlined in Note 18).

The rapid fall in the investment markets towards the end of the financial period created a £1,055,000 loss in investment assets and this, coupled with the spend on research, has led to a deficit for the period of £2,223,000. With a strong reserve balance in place we were able to subsume this deficit and still leave just over £10 million in total reserves.

Funds

The Charity's total funds at 31st March 2020 were £10,885,000 (2017/18: £13,108,000). The fall in funds is due to the unrealised investment losses noted above as well as expenditure from our endowment funds.

The funds are split as follows:

	2018/20	2017/18
General Funds	£ 750,000	£ 750,000
Designated Funds	£ 6,602,000	£ 7,722,000
Restricted Funds	£ 269,000	£ 149,000
Endowment Funds	£ 3,264,000	£ 4,487,000
	£10,885,000	£13,108,000

As fixed assets now have a nil value, free reserves are the same as general funds at £750,000 (2017/18: £750,000).

General Funds

The general fund is used to provide a buffer for unforeseen activities and is maintained on the basis of being the higher of £750,000 or 9 months of non-grant expenditure (overheads and fundraising costs).

Designated Funds

The Charity holds two designated funds:

Grants Fund: This fund is in place to cover the next two years of expected unrestricted grant awards.

Investment Fund: The Charity benefits from the income generated by its investment portfolio for a significant proportion of total income. As income and unrealised movements can change significantly from year to year, the investment fund was put in place to provide a cushion against these fluctuations. It is therefore the balance of the Unrestricted Funds after taking into account the General and Grant Fund.

Restricted funds

These 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.

Endowment funds

These funds have been endowed for use on specific projects or research activities at the Institute of Neurology (IoN). All the endowment funds are expendable.

Balances and detailed movements on funds are detailed in Note 12.

Reserves policy

The Charity has developed a reserves policy that 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 policy is as outlined in the General Funds and Designated Funds sections above. It is devised with the intention of maintaining adequate funds within general funds to ensure that the Charity could operate effectively in the short term. Furthermore, adequate funds are to be kept aside for the continuity of grant funding.

The Board reviews the adequacy and relevance of the reserves policy periodically to assess its validity in light of changing circumstances. The policy was reviewed by the Trustees during the current 18-month financial period and is due for review again in December 2020.

Going concern

The accounts are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The Charity, as a grant making organisation, has continued to meet its strategy of supporting ongoing research. It has assessed the potential impact on its fundraising activities in the current climate and has formulated a revised budget for the current year, which takes into account the uncertainty of returning to business as usual.

The Trustees have considered different scenarios in the current climate; this has included forecasting and cash flow forecasts for a 12 months period from signing the accounts. Whilst fundraising activities will reduce in the short term, and investment markets are more volatile, the Trustees are confident that the financial forecasts prepared support the going concern assumption.

The Charity has a strong reserve position and has available resources, as demonstrated by the level of general funds outlined above and the robust reserve policy. Our annual and mid-year financial planning processes take 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.

Risk assessment

The Trustees review the risks facing the Charity and the steps needed to mitigate them. The Board receives and discusses an annual report of identified risks and the control systems designed to respond to them.

The Charity is currently facing the repercussions of the Covid-19 pandemic with fundraising and investment income impacted significantly. Furthermore, there is a risk that research projects funded by us become delayed or unable to complete. The Charity has prepared a revised budget for the forthcoming year to incorporate the change in fundraising and investment conditions – this has included modelling various scenarios related to the London Marathon. It is likely to be a challenging 12 to 18 months but, due to the lean nature of our operations and strong reserve position, we are able to operate without a deterioration in our charitable output. Furthermore, we are in discussions with our grant holders to review whether we could offer grant extensions for the projects that are impacted by the pandemic.

Aside from the immediate risks posed by the pandemic, the Charity operates with the long-term risk of being able to raise and maintain sufficient income to fulfil our research aspirations. With the fundraising environment becoming particularly challenging due to a number of environmental and economic factors, the Charity is susceptible due to its reliance on voluntary and investment income. In order to manage this risk, the Charity approved a new fundraising strategy in December 2019 that aimed to build on our core London Marathon income stream and diversify into other income streams. The implementation of this strategy has been delayed due to the pandemic with the focus now being on maintaining our current income portfolio. However, the principles of the strategy still remain and we would hope to continue its implementation as the year progresses.

The Charity holds a substantial investment portfolio of over £13 million from which regular income is received. Given its magnitude, protection of the portfolio is vital and effective management of the portfolio constitutes a further risk. To mitigate this, the portfolio is closely managed in line with the investment policy below with the investment manager's performance and asset allocation appraised quarterly by the Investment Committee.

The risk register is reviewed annually by the Trustees and was last considered during their March 2020 meeting.

Fundraising approach and performance

The Charity undertakes a range of fundraising activities, including direct mail and fundraising events. No fundraising activities were carried out by either a professional fundraiser or commercial participator. The Charity is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. During the period no complaints were received.

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 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 2.5% per annum above UK CPI; in addition, to protect capital reserves from inflation and generate funds for disbursement in support of Brain Research UK's mission. Over the 18 months to 31st March 2020 a rolling return of -4.5% was achieved against a composite benchmark of -3.9%.

During and after March 2020, global financial markets suffered as a result of COVID-19 fears, demonstrating the inherent volatility of investment assets in general. This has had a direct impact on the investment valuation at the end of our financial period. The extent of this impact is currently unknown.

This decline in value has had a material impact on investment performance. Whereas a negative return was reported in March, up until this point, the rolling return to 29th February 2020 was 6.2% against a composite benchmark of 6.3% in the 12 month period to 29th February 2020.

Structure, governance and management

Name	Brain Research Trust; working name Brain Research UK
Charity registration number	1137560
Company registration number	07345516
Registered office	BWB Charity Hub 10 Queen Street Place London EC4R 1BE
Trustees	Jim Gollan, Chair of Trustees Jonathan Kropman, Deputy Chair of Trustees Jerry Storrs, Treasurer (appointed 12 th September 2019) Professor John Pickard MA, MChir, FRCS, FRCSEd, FMedSci Aoife Regan (appointed 12 th December 2019) Professor Sir Doug Turnbull, MBBS, MD, PhD, FRCP, FMedSci Dr Allister Wilson Paul Wright (appointed 12 th September 2019)
Scientific Advisory Panel	Professor Kevin Talbot MBBS, DPhil, FRCP, Chair of Panel Dr Faisal Amin (appointed 1 st March 2019) Professor Rob Brownstone MD, PhD, FRCSC, FCAHS Professor Alasdair Coles BM BCH, PhD, FRCP Professor Oliver Hanemann MD, PhD, FRCP Professor Henry Houlden MBBS, PhD Professor Simona Parrinello (appointed 1 st March 2019) Professor Alexandra Sinclair MBChB (Hons) MRCP PhD Professor Nick Ward MD, FRCP
Senior management	Caroline Blakely, Chief Executive Snezana Bjelogric, Head of Finance (appointed 26 th November 2019) Pippa Ball, Head of Fundraising (appointed 15 th April 2019)

Professional advisors**Auditors**

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Solicitors

Bates Wells & Braithwaite
London LLP
10 Queen Street Place
London EC4R 1BE

Investment Managers

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Bankers

Clydesdale Bank PLC
30 St. Vincent Place
Glasgow G1 2HL

Governance and management

- The Charity's memorandum and articles of association are the primary governing documents. Trustee indemnity insurance is in place together with a conflicts of interest policy.

In the period 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 eight members (2017/18: five) 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 Investment Committee monitors the Charity's investment performance, portfolio and policy recommending any changes in strategy to the Trustee Board.
 - The terms of reference for this committee are 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 are listed on page 8.
- 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.
- IT, telephony, database management, fundraising and financial consultancy services are provided by external service providers.

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 to Charity management, business, and scientific, financial, investment, legal, fundraising, campaigning and marketing skills.
- The term of appointment is three years, renewable twice in normal circumstances.
- New trustees receive a thorough induction into the work of the Charity.
- Three new trustees were appointed during the financial period.

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. 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 Chief Executive carries out the operational running of the Charity and the coordinating of fundraising appeals.

Remuneration

All staff posts, including key management personnel are periodically evaluated to ensure that salary levels are reflective of the industry and organisational needs, as well as individual and Charity performance. During the 18 month period to 31 March 2020, the Charity made inflationary salary rises only. 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.

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 period 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:

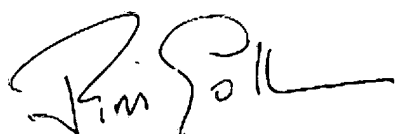
- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Haysmacintyre LLP, were re-appointed during the period 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.

Approved and authorised for issue by the Board of Trustees on 22 July 2020 and signed on its behalf by:



Jim Gollan (Chair of Trustees)

Opinion

We have audited the financial statements of Brain Research Trust for the period ended 31 March 2020 which comprise of the Statement of Financial Activities, Balance Sheet, Statement of Cash flows, Income and Expenditure Account and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 11, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities . This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except

to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which incorporates the directors' report) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Use of our report

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 Auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



29 July 2020

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

10 Queen Street Place
London
EC4R 1AG

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

BRAIN RESEARCH TRUST
STATEMENT OF FINANCIAL ACTIVITIES

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020

(Brain Research UK is the working name of Brain Research Trust)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2020 (18 mth) £'000	2018 (12 mth) £'000
Income and endowments						
Donations and legacies	2	1,733	87	-	1,820	1,823
Investments	3	484	197	-	681	506
Total income		2,217	284	-	2,501	2,329
Expenditure on						
Raising funds:						
Investment management costs	4	55	23	-	78	61
Fundraising	4	1,129	-	-	1,129	626
Total expenditure on funds	4	1,184	23	-	1,207	687
Charitable activities:						
Research	4	1,400	141	823	2,364	3,963
Information & awareness	4	98	-	-	98	68
Total expenditure on charitable activities		1,498	141	823	2,462	4,031
Total expenditure		2,682	164	823	3,669	4,718
Net income/(expenditure) and net movement in funds before gains/(losses) on investment assets		(465)	120	(823)	(1,168)	(2,389)
Net gains/(losses) on investment assets	7	(655)	-	(400)	(1,055)	325
Net income/(expenditure)		(1,120)	120	(1,223)	(2,223)	(2,064)
Transfers between funds		-	-	-	-	-
Net movement in funds		(1,120)	120	(1,223)	(2,223)	(2,064)
Reconciliation of funds						
Total funds brought forward as at 30 September 2018	12	8,472	149	4,487	13,108	15,172
Total funds carried forward as at 31 March 2020	12	7,352	269	3,264	10,885	13,108

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

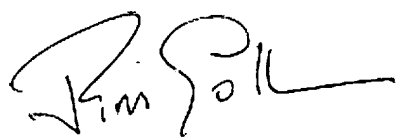
The notes on pages 18 to 34 form part of these accounts.

**BRAIN RESEARCH TRUST
BALANCE SHEET
AS AT 31 MARCH 2020**

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**
Company registration No. 07345516 (England and Wales)
(Brain Research UK is the working name of Brain research Trust)

	Notes	2020 £'000	2018 £'000
Fixed assets			
Investments	7	13,548	14,684
Total fixed assets		13,548	14,684
Current assets			
Sundry debtors	8	711	820
Investments		582	2,742
Cash at bank and in hand		236	549
Total current assets		1,529	4,111
Liabilities			
Creditors falling due within one year	9	(1,974)	(2,021)
Net current assets		(445)	2,090
Total assets less current liabilities		13,103	16,774
Creditors falling due after one year	10	(2,218)	(3,666)
Net assets		10,885	13,108
The funds of the charity:			
Unrestricted Funds			
Investment Fund	12	4,457	5,334
Grants Fund	12	2,145	2,388
		6,602	7,722
General Fund		750	750
		7,352	8,472
Restricted Funds			
Restricted Funds	12	269	149
		269	149
Endowment Funds			
Marks Endowment Fund	12	1,846	1,990
Muller Endowment Fund	12	-	-
Sobell Endowment Fund	12	860	1,198
Watts Endowment Fund	12	558	1,299
		3,264	4,487
		10,885	13,108

Approved and authorised for issue by the Board of Trustees on 22 July 2020 and signed on its behalf by:



Jim Gollan (Chair)

The notes on pages 18 to 34 form part of these accounts.

	2020		2018	
	£'000	£'000	£'000	£'000
Cash flows from operating activities:				
<i>Net cash used in operating activities</i>		(3,236)		(1,389)
Cash flows from investing activities:				
Purchase of property, plant and equipment	-		-	
Net proceeds from sale of investments and reinvestments	763		3,062	
<i>Net cash provided by investing activities</i>		763		3,062
Cash flows from financing activities:				
<i>Net cash provided by (used in) financing activities</i>		-		-
Change in cash equivalent in the period		(2,473)		1,673
Cash and cash equivalent at 1 October 2018		3,291		1,618
Cash and cash equivalent at 31 March 2020		818		3,291
Reconciliation of cash flows from operating activities				
<i>Net income / (expenditure) for the period</i>		(2,223)		(2,064)
Adjust for:				
Depreciation charges		-		5
(Gains) / losses on investments		1,055		(325)
Dividends and interest from investments		(681)		(505)
Loss / (profit) on sale of fixed assets		-		-
(Increase) / decrease in debtors		109		(441)
Increase / (decrease) in creditors		(1,496)		1,941
<i>Net cash used in operating activities</i>		(3,236)		(1,389)
Analysis of cash and cash equivalents				
Cash in hand		236		549
Overdrafts		-		-
Cash equivalents on deposits		582		2,742
Total cash and cash equivalent		818		3,291

**BRAIN RESEARCH TRUST
INCOME AND EXPENDITURE ACCOUNT**

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**
(Brain Research UK is the working name of Brain Research Trust)

	2020	2018
	Unrestricted	Unrestricted
	and	and
	Restricted	Restricted
	Funds	Funds
	£'000	£'000
Income from:		
Investments	681	506
Voluntary sources		
Donations and legacies - unrestricted	1,733	1,714
- restricted	87	109
	-----	-----
Total income	2,501	2,329
	-----	-----
Expenditure on:		
Raising funds		
Investment management	78	61
Fundraising and development	1,129	626
	-----	-----
	1,207	687
Charitable activities		
Research	2,364	3,963
Information & awareness	98	68
	-----	-----
	2,462	4,031
	-----	-----
Total expenditure	3,669	4,718
	-----	-----
Net loss before investment gains/(losses)	(1,168)	(2,389)
Net gains/(losses) on investments	(1,055)	325
	-----	-----
Net loss	(2,223)	(2,064)
	=====	=====

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 14 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.

The accounts are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The Charity, as a grant making organisation, has continued to meet its strategy of supporting ongoing research. It has assessed the potential impact on its fundraising activities in the current climate and has formulated a revised budget for the current year, which takes into account the uncertainty of returning to business as usual.

The Trustees have considered different scenarios in the current climate; this has included forecasting and cash flow forecasts for a 12 months period from signing the accounts. Whilst fundraising activities will reduce in the short term, and investment markets are more volatile, the Trustees are confident that the financial forecasts prepared support the going concern assumption.

The Charity has a strong reserve position and has available resources, as demonstrated by the level of general funds outlined above and the robust reserve policy. 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.

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. The full value of the grants approved is accounted for when the grant awards or commitments are made.

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 period or the purchase cost where the investment was acquired during the period.

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

Grant commitments for awards with expected payments exceeding twelve months have been discounted using market rates for cash matching the term of the liabilities with rates between 0.4% - 1% p.a.

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 six funds as follows:

- General fund (unrestricted)
- Investment fund (designated)
- Grants fund (designated)
- Miriam Marks 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.

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	Restricted funds	TOTAL 2020 (18 mth)
	2020	2020	£'000
	£'000	£'000	£'000
Individuals	689	-	689
Trusts, corporates & major donors	87	87	174
Income from events	853	-	853
Legacies	104	-	104
	-----	-----	-----
	1,733	87	1,820
	=====	=====	=====
	Unrestricted funds	Restricted funds	TOTAL 2018 (12 mth)
	2018	2018	£'000
	£'000	£'000	£'000
Individuals	567	3	570
Trusts, corporates & major donors	44	101	145
Income from events	654	-	654
Legacies	449	5	454
	-----	-----	-----
	1,714	109	1,823
	=====	=====	=====
3 INVESTMENT INCOME	Unrestricted funds	Restricted funds	TOTAL 2020 (18 mth)
	2020	2020	£'000
	£'000	£'000	£'000
Dividends and interest on Investments	484	197	681
Deposit account interest			-
	-----	-----	-----
	484	197	681
	=====	=====	=====
	Unrestricted funds	Restricted funds	TOTAL 2018 (12 mth)
	2018	2018	£'000
	£'000	£'000	£'000
Dividends and interest on Investments	252	254	506
Deposit account interest			-
	-----	-----	-----
	252	254	506
	=====	=====	=====

4 EXPENDITURE	Direct costs	Grants awarded	Support costs	TOTAL
	2020	2020	2020	2020
	£'000	£'000	£'000	£'000
Raising funds				
Investment management fees	76	-	2	78
Fundraising costs	1,060	-	69	1,129
	-----	-----	-----	-----
Total expenditure on raising funds	1,136	-	71	1,207
Research	165	2,115	84	2,364
Information & awareness	88	-	10	98
	-----	-----	-----	-----
Total charitable activities	253	2,115	94	2,462
	-----	-----	-----	-----
Total	1,389	2,115	165	3,669
	=====	=====	=====	=====
	Direct costs	Grants awarded	Support costs	TOTAL
	2018	2018	2018	2018
	£'000	£'000	£'000	£'000
Raising funds				
Investment management fees	60	-	1	61
Fundraising costs	571	-	55	626
	-----	-----	-----	-----
Total expenditure on raising funds	631	-	56	687
Research	129	3,753	81	3,963
Information & awareness	59	-	9	68
	-----	-----	-----	-----
Total charitable activities	188	3,753	90	4,031
	-----	-----	-----	-----
Total	819	3,753	146	4,718
	=====	=====	=====	=====

See note 18 for details of grants awarded in 2020

Support costs of £72k (2018: £60k) comprise of property and office costs and other sundry expenses and are allocated on the basis of staff costs. Governance costs of £91k (2018: £86k) 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

2018: 12 months
2020: 18 months

	Raising funds	Research	Information & awareness	TOTAL
	2020	2020	2020	2020
	£'000	£'000	£'000	£'000
Management	5	3	1	9
Legal and professional	1	1	-	2
Telecomms and IT	35	20	6	61
Human resources	1	1	-	2
Governance	29	59	3	91
	71	84	10	165

	Raising funds	Research	Information & awareness	TOTAL
	2018	2018	2018	2018
	£'000	£'000	£'000	£'000
Management	4	1	1	6
Legal and professional	10	2	2	14
Telecomms and IT	28	6	4	38
Human resources	2	-	-	2
Governance	12	73	1	86
	56	82	8	146

5 NET INCOME

	2020 (18 mth) £'000	2018 (12 mth) £'000
This is stated after charging:		
Auditor remuneration - audit fees (excludes VAT)	13	11
- other fees (excludes VAT)	1	1
Depreciation	-	5
Operating lease charges	25	27
	=====	=====

The Trustees did not receive any remuneration during the period. 3 trustees (2018: 4) were reimbursed a total of £1,852 (2018: £1,559) for travel expenses. No amounts were paid to third parties on behalf of the trustees.

6 SALARIES AND EMPLOYMENT COSTS

	2020 (18 mth) £'000	2018 (12 mth) £'000
Salaries	282	229
Social security costs	30	19
Pension costs	20	12
Agency staff	-	7
Freelancers	229	64
	-----	-----
	561	331
	=====	=====

The average headcount of staff employed by the charity during the 18 month period was 4 (2018: 5)

	2020 (18 months) Headcount	2018 (12 months) Headcount	2020 FTE	2018 FTE
Research	1.0	0.5	0.7	0.4
Information and awareness	0.3	0.5	0.2	0.5
Raising funds	1.9	4.0	1.7	3.3
Governance	<u>0.4</u>	<u>0.5</u>	<u>0.3</u>	<u>0.5</u>
	3.6	5.5	2.9	4.7

During the 18 month period, the number of senior employees who received emoluments falling within the following ranges was:

	2020 (18 months) No.	2018 (12 months) No.
£120,000 - £129,999	1	-
£80,000 - £89,999	-	1
	-----	-----
	1	1
	=====	=====

During the period, these staff received employer pension contributions of £8,640 (2018: £3,946).

Key management personnel

In 2020, 3 (2018: 3) members of staff formed the senior management team. Their remuneration was as follows:

	2020 (18 months) £'000	2018 (12 months) £'000
Salaries	188	124
Social security costs	23	15
Pension costs	14	7
Consultants	-	-
	-----	-----
	225	146
	=====	=====

7 INVESTMENTS

(a) Equities

Equities comprise ordinary shares quoted on recognised stock exchanges together with hedge fund investments in the alternative investment market.

	Unrestricted funds 2020 £'000	Endowment funds 2020 £'000	TOTAL 2020 £'000
Brought forward at 1 October 2018	4,973	5,382	10,355
Additions	5,260	2,159	7,419
Disposals	(5,227)	(2,135)	(7,362)
Net (loss)/gain on revaluation	(882)	(494)	(1,376)
	-----	-----	-----
Market value at 31 March 2020	4,124	4,912	9,036
	-----	-----	-----
Historical cost at 1 October 2018	5,376	2,304	7,680
	=====	=====	=====
Historical cost at 31 March 2020	7,158	2,924	10,081
	=====	=====	=====

	Unrestricted funds 2018 £'000	Endowment funds 2018 £'000	TOTAL 2018 £'000
Brought forward at 1 October 2017	5,549	6,031	11,580
Additions	1,103	1,243	2,346
Disposals	(1,904)	(2,146)	(4,050)
Increase in unrealised (losses)/gains	225	254	479
	-----	-----	-----
Market value at 30 September 2018	4,973	5,382	10,355
	-----	-----	-----
Historical cost at 1 October 2017	4,410	4,973	9,383
	=====	=====	=====
Historical cost at 30 September 2018	5,376	2,304	7,680
	=====	=====	=====

(b) **Fixed interest securities**

Fixed interest securities are quoted on recognised stock exchanges

	Unrestricted funds 2020 £'000	Endowment funds 2020 £'000	TOTAL 2020 £'000
Brought forward at 1 October 2018	1,801	1,929	3,730
Additions	844	346	1,190
Disposals	(1,033)	(422)	(1,455)
Increase in unrealised gains/(losses)	228	93	321
	-----	-----	-----
Market value at 31 March 2020	1,840	1,946	3,786
	=====	=====	=====
Historical cost at 1 October 2018	2,414	1,093	3,507
	=====	=====	=====
Historical cost at 31 March 2020	2,610	1,066	3,676
	=====	=====	=====
	Unrestricted funds 2018 £'000	Endowment funds 2018 £'000	TOTAL 2018 £'000
Brought forward at 1 October 2017	1,948	2,097	4,045
Additions	271	304	575
Disposals	(357)	(403)	(760)

Increase in unrealised gains/(losses)	(61)	(69)	(130)
Market value at 30 September 2018	1,801	1,929	3,730
Historical cost at 1 October 2017	1,776	1,916	3,692
Historical cost at 30 September 2018	2,414	1,093	3,507

The total investment holding included unrealised investments losses of £1,376k (2018: gains £479k) on equities and £321k gains (2018: losses £130k) on fixed interest securities, a total unrealised loss of £1,055k (2018: gain £325k).

	2020	2018
	£'000	£'000
(c) Cash held for investment purposes	726	599
(d) Unrealised forex gains/(losses)	-	-
(e) Total at bid-price (including cash)	13,548	14,684

	Unrestricted funds	Endowment funds	TOTAL
	2020	2020	2020
	£'000	£'000	£'000
(f) Gains/(losses) on investments			
Net gains/(losses) on investment assets	(655)	(400)	(1,055)
	Unrestricted funds	Endowment funds	TOTAL
	2018	2018	2018
	£'000	£'000	£'000
Net gains/(losses) on investment assets	153	172	325

8 SUNDRY DEBTORS	2020	2018
	£'000	£'000
Legacies	37	331
Other debtors	23	130
Prepayments	651	359
	711	820

9 CREDITORS FALLING DUE WITHIN ONE YEAR

	2020	2018
	£'000	£'000
Trade creditors	200	274
Grants payable	1,751	1,711
Accruals	12	31

Social security and other taxes	9	4
Other creditors	2	1
	-----	-----
	1,974	2,021
	=====	=====

10 CREDITORS FALLING DUE AFTER ONE YEAR

	2020	2018
	£'000	£'000
Grants payable	2,218	3,666
	-----	-----
	2,218	3,666
	=====	=====

11 GRANTS PAYABLE

	2020		2018	
	(18 months)		(12 months)	
	£'000	£'000	£'000	£'000
Balance at start of period		5,377		3,684
Grants awarded in period	2,099		4,498	
Released prior year provision	52		(692)	
Adjustment for time value of money	(36)		(53)	
	-----		-----	
		2,115		3,753
Grant Invoices paid in period		(3,523)		(2,060)
		-----		-----
Balance at end of period		3,969		5,377
		=====		=====
Payable within one year		1,751		1,711
Payable after one year		2,218		3,666
		-----		-----
		3,969		5,377
		=====		=====

Note 18 shows details of grants awarded in the period

During the period, grants totalling £2,099k were donated to research institutions as per note 18. Each grant is made in accordance with the terms of the individual trust funds held by the charity. The total grants made during the period, as analysed by fund in note 12, were:

2020	2018
£'000	£'000

Grants fund	1,235	1,394
Muller fund	-	2,112
Sobell fund	213	137
Watts	611	40
Other restricted funds	40	70
	-----	-----
	2,099	3,753
	=====	=====

12 STATEMENT OF FUNDS

	2018 £'000	Total income £'000	Grants payable £'000	Other expenditure £'000	Investment gains £'000	Transfers £'000	2020 £'000
UNRESTRICTED FUNDS							
General fund	750	-	-	-	-	-	750
Designated funds							
Investment fund	5,334	2,217		(1,430)	(655)	(1,009)	4,457
Grants fund	2,388	-	(1,252)	-	-	1,009	2,145
	-----	-----	-----	-----	-----	-----	-----
Total unrestricted funds	8,472	2,217	(1,252)	(1,430)	(655)	-	7,352
	=====	=====	=====	=====	=====	=====	=====
RESTRICTED FUND							
Marks income fund	-	73	-	(30)	-	-	43
Sobell income fund	-	61	-	(29)	-	-	32
Watts income fund	-	63	-	(29)	-	-	34
Other funds	149	87	(40)	(36)	-	-	160
	-----	-----	-----	-----	-----	-----	-----
Total restricted funds	149	284	(40)	(124)	-	-	269
	=====	=====	=====	=====	=====	=====	=====
ENDOWMENT FUNDS							
Marks fund	1,990	-	-	-	(144)	-	1,846
Muller fund	-	-	-	-	-	-	-
Sobell fund	1,198	-	(212)	-	(126)	-	860
Watts fund	1,299	-	(611)	-	(130)	-	558
	-----	-----	-----	-----	-----	-----	-----
Total endowment funds	4,487	-	(823)	-	(400)	-	3,264
	=====	=====	=====	=====	=====	=====	=====
Total funds	13,108	2,501	(2,115)	(1,554)	(1,055)	-	10,885
	=====	=====	=====	=====	=====	=====	=====

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 Sobell fund is for a chair of neurophysiology at the Institute of Neurology.
The Watts fund is for research into motor neurone disease.

13 FINANCIAL INSTRUMENTS	2020	2018
	£'000	£'000
Financial instruments measured at fair value through the SoFA (a)		
Listed investments	12,822	14,085
Financial assets measured at amortised cost (b)		
Cash	1,544	3,890
Debtors	711	820
Financial liabilities measured at amortised cost (c)		
Creditors	(4,192)	(5,687)
	-----	-----
Net financial assets at amortised cost	10,885	13,108
	=====	=====

(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.

14 ANALYSIS OF NET ASSETS

BETWEEN FUNDS	Investment	Other	Total
	assets	assets	assets
	£'000	£'000	£'000
Investment, Grants and General funds Reserve	9,620	(2,268)	7,352
Marks fund	1,490	356	1,846
Sobell fund	1,219	(359)	860
Watts fund	1,219	(661)	558
Restricted funds	-	269	269
	-----	-----	-----
	13,548	(2,663)	10,885
	=====	=====	=====

15 OPERATING LEASES	2020	2018
	£'000	£'000
Commitment expiring:		
Within one year	25	23
Within one and five years	-	4
	-----	-----
	25	27
	=====	=====

At 31 March 2020, the Charity had the following future minimum operating lease payments as set out above. The charge to the Statement of Financial Activities is £25k (2018: £27k)

16 PENSION COMMITMENTS

The Charity operated a defined contribution scheme for its employees. The assets of the scheme are held separately from those of the Charity in independently administered funds. The pension cost charge represents contributions payable by the Charity which amounted to £21k (2018: £12k). Contributions totalling £2k (2018: £1k) were payable to the fund at the balance sheet date and are included in creditors.

17 RELATED PARTY

The only related party transactions made in the period relate to payments made to key management personnel who are the senior management team (see note 6 for details) and reimbursement to Trustees (see note 5 for details).

18 GRANTS FUNDED IN 2018-20

<u>Description</u>	<u>Disease</u>	<u>Total</u> £
PhD Studentships (Grants Fund)		
Char Palfrey, University of Leeds <i>Junctional multiprotein signalling complexes in trigeminal ganglion sensory neurones and their possible role in headache</i>	Headache & facial pain	120,000
Olivia Grech, University of Birmingham <i>Defining mechanisms and new treatments for headache and raised intracranial pressure</i>	Headache - IHH	120,000
Haya Akad, UCL Institute of Cognitive Neuroscience <i>Modulating speech recovery after stroke</i>	ABI - Stroke	120,000
PhD sub-total		360,000
 Project Grants (Grants Fund)		
Kimberley Whitehead, University College London <i>Brain injuries acquired during the neonatal period: investigating mechanisms which can correct depressed cortical electrical activity</i>	Neonatal brain injury	298,114
Professor David Menon, University of Cambridge <i>Adaptive immune responses in traumatic brain injury</i>	Traumatic brain injury	299,839
Professor Barry McColl, University of Edinburgh	Stroke	277,574

Manipulating microglial/macrophage function via CSF1R to improve functional recovery and neuroplasticity after stroke

Project Grants sub-total	875,527
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Other Research (Endowment & Restricted Funds)

Sobell 'Chair of Neurophysiology'	Neurophysiology	212,622
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Professor Linda Greensmith, UCL Institute of Neurology	Motor neurone disease	610,821
<i>Targeting the heat shock response as an optimised therapy for ALS</i>		

Sobell Department of Motor Neuroscience & Movement Administration support costs (Restricted Fund)	40,000
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Other Research sub-total	863,443
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Total grants awarded	2,098,970
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Release of prior year provisions

Release of previous year's PhD provision due to underspends	(862)
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Release of previous year's adjustment of the time value of grants payable after one year	52,855
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Adjustment for the time value of grants payable after one year	(35,485)
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Grand Total	2,115,478
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19 STATEMENT OF FINANCIAL ACTIVITIES - 2018
COMPARATIVES

	Unrestricted funds	Restricted funds	Endowment funds	2018
	£'000	£'000	£'000	£'000
Income and endowments				
Donations and legacies	1,714	109	-	1,823
Investments	252	254	-	506
	-----	-----	-----	-----

Total income	1,966	363	-	2,329
Expenditure on				
Raising funds:				
Investment management costs	29	32	-	61
Fundraising	626	-	-	626
Total expenditure on raising funds	655	32	-	687
<i>Charitable activities:</i>				
Research	1,472	202	2,289	3,963
Information & awareness	68	-	-	68
Total expenditure on charitable activities	1,540	202	2,289	4,031
Total expenditure	2,195	234	2,289	4,718
Net (expenditure)/income and net movement in funds before gains/(losses) on investment assets	(229)	129	(2,289)	(2,389)
Net gains/(losses) on investment assets	153	-	172	325
Net income/(expenditure)	(76)	129	(2,117)	(2,064)
Transfers between funds	116	(216)	100	-
Net movement in funds	40	(87)	(2,017)	(2,064)
Reconciliation of funds				
Total funds brought forward as at 30 September 2017	8,432	236	6,504	15,172
Total funds carried forward as at 30 September 2018	8,472	149	4,487	13,108

20 STATEMENT OF FUNDS – 2018 COMPARATIVES

	01-Oct 2017 £'000	Total income £'000	Grants payable £'000	Other expenditure £'000	Investment gains £'000	Transfers £'000	2018 £'000
UNRESTRICTED FUNDS							
General fund	753	-	-	-	-	(3)	750
Designated funds							
Investment fund	5,599	1,966		(801)	153	(1,583)	5,334
Grants fund	2,080	-	(1,394)	-	-	1,702	2,388
Total unrestricted							

**BRAIN RESEARCH TRUST
NOTES TO THE FINANCIAL STATEMENTS**

**REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2020**

(Brain Research UK is the working name of Brain Research Trust)

funds	8,432	1,966	(1,394)	(801)	153	116	8,472
	=====	=====	=====	=====	=====	=====	=====
RESTRICTED FUND							
Marks income fund	-	53	-	(27)	-	(26)	-
Muller income fund	54	110	-	(34)	-	(130)	-
Sobell income fund	20	84	(40)	(55)	-	(9)	-
Watts income fund	-	46	-	(26)	-	(20)	-
Other funds	162	70	(30)	(22)	-	(31)	149
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Total restricted funds	236	363	(70)	(164)	-	(216)	149
	=====	=====	=====	=====	=====	=====	=====
ENDOWMENT FUNDS							
Marks fund	1,928	-	-	-	36	26	1,990
Muller fund	1,992	-	(2,112)	-	75	45	-
Sobell fund	1,296	-	(137)	-	30	9	1,198
Watts fund	1,288	-	(40)	-	31	20	1,299
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Total endowment funds	6,504	-	(2,289)	-	172	100	4,487
	=====	=====	=====	=====	=====	=====	=====
Total funds	15,172	2,329	(3,753)	(965)	325	-	13,108
	=====	=====	=====	=====	=====	=====	=====

21 ANALYSIS OF NET ASSETS – 2018
COMPARATIVES

BETWEEN FUNDS	Investment assets £'000	Other assets £'000	Total assets £'000
Investment, Grants and General funds Reserve	10,414	(1,942)	8,472
Marks fund	1,580	410	1,990
Sobell fund	1,324	(126)	1,198
Watts fund	1,366	(67)	1,299
Restricted funds	-	149	149
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	14,684	(1,576)	13,108
	=====	=====	=====