

BRAIN RESEARCH TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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



Our cause

Every minute someone in the UK is diagnosed with a neurological condition.

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

We fund the best neurological research at centres of excellence throughout the UK:

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

Our income

Funds received during the year came from donations of £1,823,000 (2017: £1,508,000) and income from our investment portfolio of £506,000 (2017: £490,000).

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

Our research funding

During the year under review we were delighted to award £2,014,929 (2017: £1,200,000) of research funding to various research institutions throughout the UK. In addition, we awarded a one-off capital grant of £2,483,000 to UCL Institute of Neurology to support the purchase and installation of a 7T scanner; these funds came from a restricted endowment, the Leopold Muller Endowment. In total, including research management and support costs, we spent a total of £3,963,000 (2017: £1,415,000) on research.

We launched national, competitive calls for both PhD studentships and projects grants, focussing on our three current priority research areas: neuro-oncology, acquired brain and spinal cord injury, and headache and facial pain.

Through these calls, we awarded funding for three PhD studentships (totalling £360,000): one at the University of Leeds (treatment resistance in glioblastoma); one at Imperial College London (functional recovery following spinal cord injury); and one at UCL (the relationship between stress and headache and facial pain).

We awarded four project grants (totalling £1,105,058): one to UCL Institute of Neurology for the project "Investigating spontaneous early recovery after stroke"; one to The Institute of Cancer Research for the project "The role and therapeutic targeting of ACVR1 in DIPG"; one to Imperial College London for the project "Targeted multimodal modulation of neuronal activity for regeneration and recovery after spinal cord injury"; and the fourth to King's College London for the project HCN2 channels: a novel target for treatment of migraine".

Additionally, using funds from the restricted Graeme Watts Endowment, we renewed our core support of the Graeme Watts Laboratory at UCL Institute of Neurology. We also continued our core funding of the Sobell Department of Motor Neurosciences and Movement Disorders, with funds from the restricted Sobell Endowment, with further support from a restricted grant from the Sobell Foundation. We were able to make a further one-off grant to Cardiff University for research into Huntington's disease, thanks to restricted funds raised by the May family.

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.

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. 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.

The Charity's research strategy 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

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.

Achievements and performance

During 2017/18, as planned, we invested in developing our events activities, most notably with the Virgin Money London Marathon where we fielded our largest ever team. In addition, we focussed on development of our trusts fundraising stream. Following national calls, we awarded three PhD studentships, one in each of our current priority areas (acquired brain injury, neuro-oncology and head and facial pain); we also awarded four project grants, again covering all of our priority areas. During the year, we started a review of our strategic direction, part of which included consideration of our brand and positioning in the market.

Objectives for 2017/18:

As part of our strategic review, we are moving towards a different operating model that will be fully implemented during 2018/19. This includes a commitment to focus on core fundraising while operating a lean, agile organisation.

Our objectives for research activities in 2018/19 are:

- To sustain the amount of research and the impact of the research we fund
- To publish an updated Impact Report

Our objectives for fundraising in 2018/19 are:

- To develop our event and challenge activities
- To develop 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.

Results and review of the year under review	2017-18 £'000	2016-17 £'000
Total income	2,329	1,998
Expenditure on raising funds	(687)	(1,023)
	<u>1,642</u>	<u>975</u>
Expenditure on Research	(3,963)	(1,416)
Expenditure on Information & Awareness	(68)	(270)
Increase/(decrease) in investment values	325	1,018
	<u>(2,064)</u>	<u>307</u>

Donations

Total income includes donations of £1,823,000 received during the year (£1,508,000 in 2016/17). These comprise: event income of £654,000, individual giving income of £570,000, legacies of £454,000 and trusts, corporate, major donor income of £145,000. The full breakdown of the donation categories can be seen in Note 2 of the accounts.

Investment performance

Despite challenging economic conditions, our investment portfolio has continued to make positive returns with unrealised gains of £350,000 as at 30th September 2018 (£962,000 as at 30th September 2017). These unrealised gains are included within our portfolio valuation and reflected in the income and expenditure account. Our investment income has remained broadly consistent to last year with a slight increase; £506,000 compared to £490,000. The investment income is included within our total income for the year.

Our investment portfolio balance at 30th September 2018, of £14,684,000 is lower than the balance in the previous year of £16,916,000. However, this is mostly due to placing £2,742,000 in a deposit account to cover the final payment of a substantial research grant awarded from the Muller Endowment fund (see note 19). Returns on the portfolio are expected to continue to meet the long-term performance benchmarks outlined in the investment policy.

Grant awarding policy

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

During the year under review, the Charity's Scientific Advisory Panel maintained its focus on the three 'priority research areas' introduced the previous year: acquired brain damage, neuro-oncology, and headache and facial pain. We issued two calls for grant applications during the year under review, both of these 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 year we launched our second national call for applications for PhD studentships. In response to applications received under this call we awarded £360,000 to fund three new PhD studentships (2017: £240,000; 2) at the University of Leeds, Imperial College London and University College London.

We also launched our second national call for project grant applications and subsequently awarded funding of £1,105,058 to fund four new projects at UCL Institute of Neurology, Imperial College London, King's College London and the Institute of Cancer Research.

We paid ongoing grants to UCL Institute of Neurology from endowments and restricted funds totalling £176,589 (2017: £165,000). We made a new award of £343,232 from the Watts endowment to continue to core fund the Graeme Watts Laboratory at UCL Institute of Neurology. We made a one-off grant of £30,050 to Cardiff University for research into Huntington's disease, out of a restricted fund. We made an exceptional

capital grant of £2,483,000 from the Muller endowment to support the purchase and installation of a 7T scanner at the Wellcome Centre for Human Neuroimaging, UCL Institute of Neurology.

Note 19 in the accounts details the extensive programme of research funded by the Charity during 2017/18.

Information and awareness

During 2017/18, our information and awareness expenditure reduced to £68,000 following the significant investment to improve the way the Charity communicates that had been undertaken during the previous year (2016/17: £270,000).

Financial review

Financial performance

The Charity's income has risen this year to £2,329,000 from £1,998,000 in the previous year. The growth is attributable to the Charity focussing on developing new areas of fundraising which has included solidifying our fundraising presence at the London Marathon as well as building relationships with trusts.

Therefore, whilst income raised from individual giving has fallen during the year from £750,000 to £570,000, other income sources have grown. Notably income that has been raised from events (predominately the London Marathon) has increased from £283,000 to £654,000. Our legacy income has also increased this year from £321,000 to £454,000 due to the finalisation of several legacies towards the end of the year.

Whilst income has grown, we have carefully managed our expenditure. As a consequence of planned changes to our infrastructure and operating model, fundraising expenditure has been significantly reduced, from £1,023,000 in 2016/17 to £687,000 in 2017/18. This has meant that net fundraising income available to spend on research has increased by approximately £500,000, from £1,005,000 to £1,560,000. This is reflective of the work carried out during the year to efficiently increase our fundraising income whilst at the same time reducing our overheads.

With more funds available to spend on research, the Charity has incurred research expenditure amounting to £3,963,000 this year – an increase of £2,547,000 on the previous year. This includes awarding a capital grant of £2,483,000 to the UCL Institute of Neurology (see note 19.) from endowment funds. This year's total research grant awards represent the highest amount awarded by the Charity in a financial year.

Funds

The Charity's total funds at 30th September 2018 were £13,108,000 (2016/17: £15,172,000). The fall in funds is due to the capital grant awarded to UCL Institute of Neurology as above.

The funds are split as follows:

	2017/18	2016/17
General Funds	£ 750,000	£ 753,000
Designated Funds	£ 7,722,000	£ 7,679,000
Restricted Funds	£ 149,000	£ 236,000
Endowment Funds	£ 4,487,000	£ 6,504,000
	£13,108,000	£15,172,000

As fixed assets now have a nil value, free reserves are the same as general funds at £750,000 (in 2016/17 these were £748,000 due to £5,000 of fixed assets).

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 currently 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 is detailed in Note 13.

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 Board reviews the reserves policy at the end of every financial year in order to assess its validity in light of current circumstances.

Going concern

The Charity has a strong reserve position and has sufficient available resources, as demonstrated by the level of general funds 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 and discusses an annual report of identified risks and the control systems designed to respond to them.

A major risk facing the Charity is its ability to raise and maintain sufficient income to fulfil our long-term research aspirations. With the fundraising environment becoming particularly challenging due to regulatory and economic factors, the Charity is susceptible due to its reliance on voluntary and investment income. In order to manage this risk, the Charity has further diversified its income streams during the year and reduced the reliance on traditional direct mail and individual giving. Income from the London Marathon and Trusts now constitute two further viable income streams that together account for almost half of this year's fundraising income (with the other half being individual giving and legacies).

The Charity holds a substantial investment portfolio of close to £15 million from which regular income is received (£506,000 in 2017/18). Given its magnitude, its effective management in the context of economic and political uncertainty, constitutes a further significant risk. To mitigate this, the portfolio is closely managed in line with the investment policy on page 7 with the investment manager's performance and asset allocation appraised quarterly by the Finance and Investment Committee. This year has seen, in addition to the investment income, the portfolio increase in value by £325,000.

Fundraising approach and performance

The Charity undertakes a range of fundraising activities, including direct mail and fundraising events. The Charity is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. During the year 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 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 Brain Research UK's mission. Over the 12 months to 30th September 2018 a rolling return of 5% was achieved against a composite benchmark of 6.3%.

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 Andy Cole OBE (resigned 16 th February 2018) Dr Charmaine Griffiths (resigned 31 st March 2018) Professor John Pickard MA, MChir, FRCS, FRCSEd, FMedSci Sally Shire (resigned 31 st March 2018) Professor Sir Doug Turnbull, MBBS, MD, PhD, FRCP, FMedSci Dr Allister Wilson
Scientific Advisory Panel	Professor James Fawcett FMedSci, PhD, FRCP, Chair of Panel (resigned 17th September 2018) Professor Kevin Talbot MBBS, DPhil, FRCP, Chair of Panel (appointed as Chair 17th September 2018) 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 Dr Alexandra Sinclair MBChB (Hons) MRCP PhD (appointed 27th November 2017) Professor Nick Ward MD, FRCP
Senior management	Caroline Blakely, Chief Executive Dan Beacon, Head of Individual Giving (resigned 20 th April 2018)

Professional advisors

Auditors	Solicitors
haysmacintyre 10 Queen Street Place London EC4R 1AG	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE
Investment Managers	Bankers
Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU	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. 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 five members (2016/17: eight) 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 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 for 2017/18 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 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 to Charity management, business, and 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 2017/18.

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

The salaries of Brain Research UK staff 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 2017/18, the Charity did not make any general salary increases. 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.

Change of financial year

The trustees have resolved to change the Charity's financial year end to 31st March. Accordingly the next accounting period will run for 18 months to 31st March 2020.

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 7 March 2019 and signed on its behalf, by:



Jim Gollan (Chair of Trustees)

Independent auditor's report to the members of Brain Research Trust

Opinion

We have audited the financial statements of Brain Research Trust for the year ended 30 September 2018 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 30 September 2018 and of the charitable company's net movement in funds, including the 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.

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 9, 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 year 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.



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

13 March 2019

10 Queen Street Place
London
EC4R 1AG

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	2018 £'000	2017 £'000
Income and endowments						
Donations and legacies	2	1,714	109	-	1,823	1,508
Investments	3	252	254	-	506	490
		-----	-----	-----	-----	-----
Total income		1,966	363	-	2,329	1,998
		-----	-----	-----	-----	-----
Expenditure on						
Raising funds:						
Investment management costs	4	29	32	-	61	63
Fundraising	4	626	-	-	626	960
		-----	-----	-----	-----	-----
Total expenditure on funds	4	655	32	-	687	1,023
		-----	-----	-----	-----	-----
Charitable activities:						
Research	4,12	1,472	202	2,289	3,963	1,416
Information & awareness	4	68	-	-	68	270
		-----	-----	-----	-----	-----
Total expenditure on charitable activities		1,540	202	2,289	4,031	1,686
		-----	-----	-----	-----	-----
Total expenditure		2,195	234	2,289	4,718	2,709
		-----	-----	-----	-----	-----
Net income/(expenditure) and net movement in funds before gains/(losses) on investment assets		(229)	129	(2,289)	(2,389)	(711)
		-----	-----	-----	-----	-----
Net gains/(losses) on investment assets	8	153	-	172	325	1,018
		-----	-----	-----	-----	-----
Net income/(expenditure)		(76)	129	(2,117)	(2,064)	307
		-----	-----	-----	-----	-----
Transfers between funds		116	(216)	100	-	-
		-----	-----	-----	-----	-----
Net movement in funds		40	(87)	(2,017)	(2,064)	307
		-----	-----	-----	-----	-----
Reconciliation of funds						
Total funds brought forward as at 30 September 2017	13	8,432	236	6,504	15,172	14,865
		-----	-----	-----	-----	-----
Total funds carried forward as at 30 September 2018	13	8,472	149	4,487	13,108	15,172
		=====	=====	=====	=====	=====

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

The notes on pages 17 to 32 form part of these accounts.

**BRAIN RESEARCH TRUST
BALANCE SHEET
AS AT 30 SEPTEMBER 2018**

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**
Company registration No. 07345516 (England and Wales)
(Brain Research UK is the working name of Brain research Trust)

	Notes	2018 £'000	2017 £'000
Fixed assets			
Tangible fixed assets	7	-	5
Investments	8	14,684	16,916
Total fixed assets		14,684	16,921
Current assets			
Sundry debtors	9	820	379
Investments		2,742	1,359
Cash at bank and in hand		549	259
Total current assets		4,111	1,997
Liabilities			
Creditors falling due within one year	10	(2,021)	(1,690)
Net current assets		2,090	307
Total assets less current liabilities		16,774	17,228
Creditors falling due after one year	11	(3,666)	(2,056)
Net assets		13,108	15,172
The funds of the charity:			
Unrestricted Funds			
Investment Fund	13	5,334	5,599
Grants Fund	13	2,388	2,080
		7,722	7,679
General Fund		750	753
		8,472	8,432
Restricted Funds			
Restricted Funds	13	149	236
		149	236
Endowment Funds			
Marks Endowment Fund	13	1,990	1,928
Muller Endowment Fund	13	-	1,992
Sobell Endowment Fund	13	1,198	1,296
Watts Endowment Fund	13	1,299	1,288
		4,487	6,504
		13,108	15,172

Approved and authorised for issue by the Board of Trustees on 7 March 2019 and signed on its behalf by:


Jim Gollan (Chair)

The notes on pages 17 to 32 form part of these accounts.

	2018		2017	
	£'000	£'000	£'000	£'000
Cash flows from operating activities:				
<i>Net cash used in operating activities</i>		(1,389)		(856)
Cash flows from investing activities:				
Purchase of property, plant and equipment	-	-	-	-
Net proceeds from sale of investments and reinvestments	3,062		1,082	
<i>Net cash provided by investing activities</i>		3,062		1,082
Cash flows from financing activities:				
<i>Net cash provided by (used in) financing activities</i>		-		-
<i>Change in cash equivalent in the period</i>		1,673		226
<i>Cash and cash equivalent at 1 October 2017</i>		1,618		1,392
<i>Cash and cash equivalent at 30 September 2018</i>		3,291		1,618
Reconciliation of cash flows from operating activities				
<i>Net income / (expenditure) for the year</i>		(2,064)		307
Adjust for:				
Depreciation charges		5		8
(Gains) / losses on investments		(325)		(988)
Dividends and interest from investments		(505)		(520)
Loss / (profit) on sale of fixed assets		-		-
(Increase) / decrease in debtors		(441)		(34)
Increase / (decrease) in creditors		1,941		371
<i>Net cash used in operating activities</i>		(1,389)		(856)
Analysis of cash and cash equivalents				
Cash in hand		549		259
Overdrafts		-		-
Cash equivalents on deposits		2,742		1,359
Total cash and cash equivalent		3,291		1,618

	2018	2017
	Unrestricted	Unrestricted
	and	and
	Restricted	Restricted
	Funds	Funds
	£'000	£'000
Income from:		
Investments	506	490
Voluntary sources		
Donations and legacies - unrestricted	1,714	1,427
- restricted	109	81
	-----	-----
Total income	2,329	1,998
	-----	-----
Expenditure on:		
Raising funds		
Investment management	61	63
Fundraising and development	626	960
	-----	-----
	687	1,023
Charitable activities		
Research	1,674	1,316
Information & awareness	68	270
	-----	-----
	1,742	1,586
	-----	-----
Total expenditure	2,429	2,609
	-----	-----
Net loss before investment gains/(losses)	(100)	(611)
Net gains/(losses) on investments	153	592
	-----	-----
Net loss	53	(19)
	=====	=====

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 13 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.

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 now 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 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

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%.

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.

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 2018 £'000	Restricted funds 2018 £'000	TOTAL 2018 £'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
	=====	=====	=====

	Unrestricted funds 2017 £'000	Restricted funds 2017 £'000	TOTAL 2017 £'000
Individuals	747	3	750
Trusts, corporates & major donors	101	53	154
Income from events	283	-	283
Legacies	296	25	321
	-----	-----	-----
	1,427	81	1,508
	=====	=====	=====

3 INVESTMENT INCOME	Unrestricted funds 2018 £'000	Restricted funds 2018 £'000	TOTAL 2018 £'000
Dividends and interest on Investments	252	254	506
Deposit account interest			-
	-----	-----	-----
	252	254	506
	=====	=====	=====

	Unrestricted funds 2017 £'000	Restricted funds 2017 £'000	TOTAL 2017 £'000
Dividends and interest on Investments	285	205	490
Deposit account interest			-
	-----	-----	-----
	285	205	490
	=====	=====	=====

4 EXPENDITURE	Direct costs 2018 £'000	Grants awarded 2018 £'000	Support costs 2018 £'000	TOTAL 2018 £'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
	=====	=====	=====	=====
	Direct costs 2017 £'000	Grants awarded 2017 £'000	Support costs 2017 £'000	TOTAL 2017 £'000
Raising funds				
Investment management fees	60	-	3	63
Fundraising costs	862	-	98	960
	-----	-----	-----	-----
Total expenditure on raising funds	922	-	101	1,023
Research	128	1,200	88	1,416
Information & awareness	240	-	30	270
	-----	-----	-----	-----
Total charitable activities	368	1,200	118	1,686
	-----	-----	-----	-----
Total	1,290	1,200	219	2,709
	=====	=====	=====	=====

See note 19 for details of grants awarded in 2018

Support costs of £60k (2017: £86k) comprise of property and office costs and other sundry expenses and are allocated on the basis of staff costs. Governance costs of £86k (2017: £133k) 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
	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

	Raising funds	Research	Information & awareness	TOTAL
	2017	2017	2017	2017
	£'000	£'000	£'000	£'000
Management	4	1	1	6
Legal and professional	14	6	4	24
Telecomms and IT	27	10	9	46
Human resources	6	2	2	10
Governance	50	70	13	133
	101	89	29	219

5 NET INCOME

	2018	2017
	£'000	£'000
This is stated after charging:		
Auditor remuneration - audit fees (excludes VAT)	11	9
- other fees (excludes VAT)	1	1
Depreciation	5	8
Operating lease charges	27	22
	=====	=====

The Trustees did not receive any remuneration during the year. 4 trustees (2017: 2) were reimbursed a total of £1,559 (2017: £20) for travel expenses. No amounts were paid directly to third parties on behalf of the trustees.

6 SALARIES AND EMPLOYMENT COSTS

	2018	2017
	£'000	£'000
Salaries	229	361
Social security costs	19	35
Pension costs	12	19
Agency staff	7	54
Freelancers	64	106
	-----	-----
	331	575
	=====	=====

The average headcount of staff employed by the charity during the year was 5 (2017: 9)

	2018 Headcount	2017 Headcount	2018 FTE	2017 FTE
Research	0.5	0.9	0.4	0.7
Information and awareness	0.5	1.9	0.5	1.8
Raising funds	4.0	6.2	3.3	5.3
Governance	<u>0.5</u>	<u>0.9</u>	<u>0.5</u>	<u>0.8</u>
	5.5	9.9	4.7	8.6

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

	2018 No.	2017 No.
£70,000 - £79,999	-	1
£80,000 - £89,999	1	-
	-----	-----
	1	1
	=====	=====

During the year, these staff received employer pension contributions of £3,946 (2017: £3,667).

Key management personnel

In 2018, 3 (2017: 5) members of staff formed the senior management team. Their remuneration was as follows,

	2018 £'000	2017 £'000
Salaries	124	176
Social security costs	15	21
Pension costs	7	9
Consultants	-	67
	-----	-----
	146	273
	=====	=====

7 FIXED ASSETS

	Office equipment £'000
Cost	
As at 30 September 2017	45
Additions	-

As at 30 September 2018	45

Depreciation	
As at 30 September 2017	40
Charged in the year	5

As at 30 September 2018	45

Net book value at 30 September 2017	5
	=====
Net book value at 30 September 2018	-
	=====

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 £331k (2017: £110k).

	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
	=====	=====	=====

	Unrestricted funds 2017 £'000	Endowment funds 2017 £'000	TOTAL 2017 £'000
Brought forward at 1 October 2016	5,679	6,408	12,087
Additions	1,526	1,721	3,247
Disposals	(2,217)	(2,501)	(4,718)
Increase in unrealised (losses)/gains	561	403	964
	-----	-----	-----
Market value at 30 September 2017	5,549	6,031	11,580
	-----	-----	-----
Historical cost at 1 October 2016	5,101	5,753	10,854
	=====	=====	=====
Historical cost at 30 September 2017	4,410	4,973	9,383
	=====	=====	=====

(b) Fixed interest securities

Fixed interest securities are quoted on recognised stock exchanges

	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
	=====	=====	=====

	Unrestricted funds 2017 £'000	Endowment funds 2017 £'000	TOTAL 2017 £'000
Brought forward at 1 October 2016	2,125	2,297	4,422
Additions	1,446	1,630	3,076
Disposals	(1,622)	(1,829)	(3,451)
Increase in unrealised gains/(losses)	(1)	(1)	(2)
	-----	-----	-----
Market value at 30 September 2017	1,948	2,097	4,045
	=====	=====	=====
Historical cost at 1 October 2016	1,952	2,115	4,067
	=====	=====	=====
Historical cost at 30 September 2017	1,776	1,916	3,692
	=====	=====	=====

The total investment holding as shown in the balance sheet included unrealised investments gains of £479k (2017: £964k) on equities and £130k losses (2017: losses £2k) on fixed interest securities, a total unrealised gain of £350k (2017: £962k).

	2018 £'000	2017 £'000
(c) Cash held for investment purposes	599	1,291
	=====	=====
(d) Unrealised forex gains/(losses)	-	-
	=====	=====
(e) Total at bid-price (including cash)	14,684	16,916
	=====	=====

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

	Unrestricted funds 2018 £'000	Endowment funds 2018 £'000	TOTAL 2018 £'000
Net gains/(losses) on investment assets	153	172	325
	=====	=====	=====

	Unrestricted funds 2017 £'000	Endowment funds 2017 £'000	TOTAL 2017 £'000
Net gains/(losses) on investment assets	592	426	1,018
	=====	=====	=====

9 SUNDRY DEBTORS

	2018 £'000	2017 £'000
Legacies	331	188
Other debtors	130	43
Prepayments	359	148
	-----	-----
	820	379
	=====	=====

Other debtors includes gift aid recoverable of £118k (2017: £38k).

10 CREDITORS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Trade creditors	274	33
Grants payable	1,711	1,628
Accruals	31	16
Social security and other taxes	4	10
Other creditors	1	3
	<u>2,021</u>	<u>1,690</u>
	=====	=====

11 CREDITORS FALLING DUE AFTER ONE YEAR

	2018 £'000	2017 £'000
Grants payable	3,666	2,056
	<u>3,666</u>	<u>2,056</u>
	=====	=====

12 GRANTS PAYABLE

	2018 £'000	2017 £'000
Balance at start of year	3,684	3,518
Grants awarded in year	4,498	1,287
Released prior year provision	(692)	(87)
Adjustment for time value of money	(53)	-
	<u>3,753</u>	<u>1,200</u>
Grant Invoices paid in year	(2,060)	(1,034)
	<u>5,377</u>	<u>3,684</u>
	=====	=====
Payable within one year	1,711	1,628
Payable after one year	3,666	2,056
	<u>5,377</u>	<u>3,684</u>
	=====	=====

Note 19 shows details of grants awarded in the year

During the year grants totalling £3,753m were donated to research institutions as per note 19. 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:

	2018 £'000	2017 £'000
Grants fund	1,394	1,069
Muller fund	2,112	-
Sobell fund	137	143
Watts	40	-
Other restricted funds	70	(12)
	<u>3,753</u>	<u>1,200</u>
	=====	=====

13 STATEMENT OF FUNDS

	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 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
	-----	-----	-----	-----	-----	-----	-----
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
	-----	-----	-----	-----	-----	-----	-----
Total endowment funds	6,504	-	(2,289)	-	172	100	4,487
	=====	=====	=====	=====	=====	=====	=====
Total funds	15,172	2,329	(3,753)	(965)	325	-	13,108
	=====	=====	=====	=====	=====	=====	=====

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	2018	2017
	£'000	£'000
Financial instruments measured at fair value through the SoFA (a)		
Listed investments	14,085	15,625
Financial assets measured at amortised cost (b)		
Cash	3,890	2,910
Debtors	820	379
Financial liabilities measured at amortised cost (c)		
Creditors	(5,687)	(3,746)
Net financial assets at amortised cost	13,108	15,168
	=====	=====

(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	Other	Total
	assets	assets	assets
	£'000	£'000	£'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
	14,684	(1,576)	13,108
	=====	=====	=====

16 OPERATING LEASES	2018	2017
	£'000	£'000
Commitment expiring:		
Within one year	23	21
Within one and five years	4	2
	27	23
	=====	=====

At 30 September 2018, the Charity had the following future minimum operating lease payments as set out above.
The charge to the Statement of Financial Activities is £27k (2017: £22k)

17 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 £12k (2017: £19k). Contributions totalling £1k (2017: £3k) were payable to the fund at the balance sheet date and are included in creditors.

18 RELATED PARTY

The only related party transactions made in the year 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).

19 GRANTS FUNDED IN 2017-18

<u>Description</u>	<u>Disease</u>	<u>Total</u> £
PhD Studentships (Grants Fund)		
Rhiannon Barrow, University of Leeds <i>Investigating the role of TauT in conferring resistance to standard treatment in glioblastoma and its potential as a therapeutic target</i>	Glioblastoma	120,000
Oakley Morgan, UCL Institute of Neurology <i>Stress, orofacial pain and headache disorders</i>	Headache & facial pain	120,000
Franziska Mueller, Imperial College London <i>Combinatorial HDAC3 inhibition and neurorehabilitation for functional recovery following spinal cord injury</i>	Spinal cord injury	120,000
PhD sub-total		360,000
Project Grants (Grants Fund)		
Professor Professor Nick Ward, UCL Institute of Neurology <i>Re-opening the critical period for plasticity after stroke with dose-controlled non-invasive brain stimulation</i>	Stroke	340,000
Professor Chris Jones, The Institute of Cancer Research <i>The role and therapeutic targeting of ACVR1 in DIPG</i>	DIPG	300,000
Professor Simone Di Giovanni, Imperial College London <i>Targeted multimodal modulation of neuronal activity for regeneration and recovery after spinal cord injury</i>	Acquired spinal cord injury	275,000
Professor Peter McNaughton, King's College London <i>HCN2 channels: a novel target for treatment of migraine</i>	Migraine	190,058
Project Grants sub-total		1,105,058
Capital funding		
Professor Cathy Price, UCL Institute of Neurology <i>Muller Endowment Fund - towards the purchase of a 7T scanner for the Leopold Muller Imaging Laboratory at UCL Institute of Neurology</i>		2,483,000

Other Research (Endowment & Restricted Funds)

Sobell Department of Motor Neuroscience & Movement Disorder: General departmental running costs	Neurophysiology	136,588
Professor Linda Greensmith, UCL Institute of Neurology Towards the Graeme Watts Lab Manager costs (Watts Endowment Fund)	Motor neurone disease	343,232
Professor Lesley Jones, Cardiff University Using whole exome sequencing to identify genetic modifiers of Huntington's Disease (Restricted Fund)	Huntington's disease	30,050
Sobell Department of Motor Neuroscience & Movement Disorder: Administration support costs (Restricted Fund)		40,000

Other Research sub-total		549,870
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Total grants awarded		4,497,928
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Release of prior year provisions

Release of previous years PhD provision due to underspends	(17,848)
Release of previous years endowment grants due to three grants no longer needed for the purpose for which they were awarded (Watts & Muller Endowment Funds)	(674,087)
Total release of prior year provision	(691,935)

Adjustment for the time value of grants payable after one year	(52,855)
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Grand Total	3,753,138
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20 STATEMENT OF FINANCIAL ACTIVITIES - 2017 COMPARATIVES

	Unrestricted funds	Restricted funds	Endowment funds	2017 £'000
	£'000	£'000	£'000	£'000
Income and endowments				
Donations and legacies	1,427	81	-	1,508
Investments	285	205	-	490
Total income	1,712	286	-	1,998
Expenditure on				
Raising funds:				
Investment management costs	38	25	-	63
Fundraising	959	1	-	960
Total expenditure on raising funds	997	26	-	1,023
Charitable activities:				
Research	1,262	54	100	1,416
Information & awareness	270	-	-	270
Total expenditure on charitable activities	1,532	54	100	1,686
Total expenditure	2,529	80	100	2,709
Net (expenditure)/income and net movement in funds before gains/(losses) on investment assets	(817)	206	(100)	(711)
Net gains/(losses) on investment assets	592	-	426	1,018
Net income/(expenditure)	(225)	206	326	307
Transfers between funds	328	(108)	(220)	-
Net movement in funds	103	98	106	307
Reconciliation of funds				
Total funds brought forward as at 30-Sep-15	8,329	138	6,398	14,865
Total funds carried forward as at 30 September 2016	8,432	236	6,504	15,172

21 STATEMENT OF FUNDS - 2017 COMPARATIVES

	01-Oct 2016 £'000	Total income £'000	Grants payable £'000	Other expenditure £'000	Investment gains £'000	Transfers £'000	2017 £'000
UNRESTRICTED FUNDS							
General fund	753	-	-	-	-	-	753
Designated funds							
Investment fund	6,086	1,712		(1,460)	592	(1,331)	5,599
Grants fund	1,490	-	(1,069)	-	-	1,659	2,080
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Total unrestricted funds	8,329	1,712	(1,069)	(1,460)	592	328	8,432
	=====	=====	=====	=====	=====	=====	=====
RESTRICTED FUND							
Marks income fund	-	52	-	(9)	-	(43)	-
Muller income fund	-	65	-	(11)	-	-	54
Sobell income fund	-	74	(35)	(19)	-	-	20
Watts income fund	26	48	-	(9)	-	(65)	-
Other funds	112	47	4	(1)	-	-	162
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Total restricted funds	138	286	(31)	(49)	-	(108)	236
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ENDOWMENT FUNDS							
Marks fund	1,988	-	8	-	108	(176)	1,928
Muller fund	1,856	-	-	-	136	-	1,992
Sobell fund	1,322	-	(108)	-	82	-	1,296
Watts fund	1,232	-	-	-	100	(44)	1,288
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Total endowment funds	6,398	-	(100)	-	426	(220)	6,504
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Total funds	14,865	1,998	(1,200)	(1,509)	1,018	-	15,172
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22 ANALYSIS OF NET ASSETS - 2017 COMPARATIVES

	Investment assets £'000	Fixed assets £'000	Other assets £'000	Total assets £'000
BETWEEN FUNDS				
Investment, Grants and General funds Reserve	9,747	5	(1,320)	8,432
Marks fund	1,792	-	136	1,928
Muller fund	2,359	-	(367)	1,992
Sobell fund	1,293	-	3	1,296
Watts fund	1,725	-	(437)	1,288
Restricted funds	-	-	236	236
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	16,916	5	(1,749)	15,172
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