

BRAIN RESEARCH TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

Registered Charity Number: 1137560
Registered Company Number: 07345516

BRAIN RESEARCH TRUST

Chairman's Statement for the year ended 30 September 2013

Neurological disease affects more than one in six people in the UK. Brain Research Trust is an independent medical research charity founded in 1971 with a mission to fund ground-breaking basic and clinical research into neurological disease, to translate research discoveries into better treatments for patients and to support the next generation of neuroscientists and their discoveries. We fund world class research at UCL Institute of Neurology (the Institute), Queen Square, London. The Institute has a world-wide reputation as a centre of excellence for scientific research into neurological disease and conditions. We seek to provide a long-term flow of funds to the Institute through a combination of fundraising and investment returns.

In line with the key strategies to achieve our vision and mission, in 2012 we approved a research strategy and also revised our fundraising strategy. Further information on these strategies can be found in the Trustees Report, overleaf, or on the Charity web site: <http://www.brt.org.uk/>. In 2012 we undertook a review of the composition of the Trustee Board. As a result of this review new Trustees joined the Board on 13 December 2012 supplementing existing Trustee skills and experience.

During the year under review we donated £3,061,123 of research funding to the Institute, including an exceptional donation of £1,684,556 towards the cost of establishing the Brain Research Trust Chair of Neurosurgery. Funds received during the year came from donations of £1,064,000 and income from our investment portfolio of £587,000. Both income streams held up reasonably well during the year despite difficult economic conditions for our donors and the uncertain outlook for the global economy.

Our objectives on fundraising and investment income are:

- To invest in growing the size of our supporter donor base and the proportion of our supporters who donate to us via a direct debit and with Gift Aid.
- Maintaining and growing our legacy income (which comes mainly from the donor base)
- Growing trust income back to 2009/10 levels (£400K per annum)
- Developing and implementing a major donor programme
- Given the long-term nature of our commitments we seek to maintain the real value of our investments and income by managing a diversified investment portfolio. The increase in capital values during the year produced unrealised gains of £1,241,000 on our investment portfolio which was valued at £17,527,000 at the year end.

More than ten million people in the UK have a neurological condition. The Institute, together with the National Hospital for Neurology & Neurosurgery, located next door to each other in Queen Square, London, form a national and international centre for research, postgraduate training and clinical care in neurology and its associated basic science and clinical disciplines. We are determined to do as much as we can to support the vital research work carried out at Queen Square and would like to thank our supporters for their enormous contribution towards this goal.



Neil. L. Payne
Chairman

BRAIN RESEARCH TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

Principal Activities and Objectives

The objective of Brain Research Trust (the Charity) is to promote and support by all available means for the public benefit research and investigation into and study of neurological diseases. Since 1971, the Charity (and its predecessor charity) has funded both basic and clinical scientific research carried out at UCL Institute of Neurology (the Institute), Queen Square. The Institute has a global reputation as a centre of excellence for scientific research into neurological diseases and disorders. The Charity receives no money from the Government and seeks to provide the Institute with a long-term flow of funds, through a combination of donations and investment returns.

The Charity's research strategy, approved by the Trustee Board in 2012, focuses research on the following seven neurological themes:

1. Alzheimer's Disease and other Dementias;
2. Brain Tumours;
3. Epilepsy;
4. Multiple Sclerosis and other immune-mediated conditions;
5. Movement disorders including Parkinson's Disease;
6. Neuro-muscular disorders;
7. Stroke and other forms of brain damage.

The Charity's fundraising strategy, revised in 2012, is to:

- Increase voluntary fundraising income;
- Focus on generating unrestricted income;
- Continue to grow direct debit 'regular giving' and make the recruitment of individuals to regular giving the top priority for all approaches to individuals;
- Establish and grow a programme of major donor fundraising
- Implement ongoing legacy fundraising initiatives;
- Grow trust income back to 2009/10 levels and increase thereafter;
- Test and develop a diverse range of fundraising streams.

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

The Charity also has an investment strategy, aimed at maintaining the real value of capital and income of its reserves, and a governance strategy, seeking to enhance and complement the mix of skills and experience on the Board.

The Charity raises funds to support the Institute in individual research projects, pilot programmes, equipment grants and PhD studentships. The Trustees understand that neurological research is long-term but believe that the knowledge gained from each research project funded is a step towards understanding how these diseases happen and how to treat them. Trustees also understand that measuring the impact of their donations is an important consideration for those who give so generously to support the Charity's work. The table on page 21 details the extensive programme of research funded by the Charity during 2012-13.

Charity Structure

Brain Research Trust is a company limited by guarantee (registration number 07345516) and a registered charity (registration number 1137560). The assets and liabilities of the former charitable trust, The Brain Research Trust, were transferred to the incorporated company on 1 October 2010. The Brain Research Trust remains as a shell charity with the new charitable company, Brain Research Trust, its sole corporate trustee.

BRAIN RESEARCH TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

Governance and Management

The Charity's memorandum and articles of association are the primary governing documents. The articles of association provide for a maximum of twelve Trustees of which at least three should be scientific Trustees. Scientists of the highest repute are both necessary and vital in an independent medical charity aiming to fund world-class neurological research.

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 11 members and meets quarterly. The Board is responsible for determining the overall strategy of the Charity and accountable for its operational, financial and managerial performance. Trustee indemnity insurance is in place together with a conflicts of interest policy;
- There are two standing Committees of the Board which meet quarterly. The Finance and Investment Committee monitors the Charity's finances and its investment policy and portfolio recommending any changes in strategy to the Trustee Board. The Strategic Development Committee oversees the Charity's strategic plans including fundraising activities and research funding. The terms of reference of these two committees are reviewed and updated from time to time;
- 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 they should fund. The members of the SAP are independent from the Institute, drawn from various neurological disciplines, and actively involved in neurological research. SAP members for 2012/13 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. The SAP is chaired by a scientific Trustee who does not vote on grant applications;
- Day-to-day running of the Charity is undertaken by the Chief Executive assisted by three permanent staff and one staff member on a one year contract.
- IT & Telephony and database management services are provided by 2 external consultants.

Appointment of Trustees

- Trustees are appointed by either invitation or recruitment to ensure the right balance of skills and experience on the Board and to stimulate the growth and development of the Charity. Selection is based on the ability to contribute charity management, business, scientific, financial, investment, legal, fundraising and marketing skills;
- The term of appointment is three years, renewable twice.

Three Trustees retired on 15 December 2012 after many years service to the Charity and its predecessor charitable trust. The opportunity was taken to recruit two new scientific Trustees to maintain the skill base of the Board.

Risk Assessment

The Trustees review the risks facing the Charity and the steps needed to mitigate them. The Board receives an annual report of identified risks and the control systems designed to respond to them. The key risk to the Charity continues to be the failure to meet its fundraising objectives due particularly to difficult economic conditions which reduce individual donors' and Charitable Trusts' disposal income.

Public Benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the Charity. Research funded by the Charity and carried out by the Institute is deemed to meet the Charity Commission's test for Public Benefit in as much as the general benefit to the public resulting from research into neurological diseases is clear. In addition, although only a small percentage of the population may suffer from a particular disease, the application of the results of the Institute's research are not restricted by gender, ethnicity, religion or ability to pay and in that respect the public at large benefit.

BRAIN RESEARCH TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

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 on a quarterly basis. During 2012 the Committee reviewed the Charity's investment policy. The outcome of this review, as approved by the Board, left unchanged the broad objective of earning satisfactory returns above inflation over the long term but adjusted the approach by which this aim is pursued. The most notable adjustments were to cease direct investment in hedge funds by 31 December 2012 and from 1 January 2013 to monitor performance against three benchmarks, as follows:

- UK Retail Price Index + 4% p.a. on a rolling 5 year basis
- A composite index made up of relevant indices for each asset class weighted according to the standard portfolio model
- The mean return in the WM Charity Universe survey

Reserves Policy

The Trust plans the distribution of all of its funds. In doing so, it seeks to balance the disbursement of donations in their year of receipt with the use of real returns on capital so as to deliver as stable financial support to the Institute of Neurology as possible over time. When the Trustees decide to fund research from Unrestricted Funds, the Trust treats the total of grants committed over the next three financial years as a designated fund, called the Grants Fund. At 30 September 2013, the balance on the Grants Fund stood at £1,171,000, as described in Note 13 to the Accounts. The Trust currently relies on the income from its investment portfolio for a significant proportion of the grants committed. Consequently the Trustees have decided that the balance of the Unrestricted Funds, after designation of the amount referred to above to the Grants Fund, should also be treated as a designated fund called the Investment Fund.

Achievements and Performance

Results and Review of the year under review	2012-13 (£000)	2011-12 (£000)
Total incoming resources	1,651	1,748
Direct cost of generating funds	(638)	(604)
	<u>1,013</u>	<u>1,144</u>
Research expenditure	(1,376)	(1,216)
Exceptional Item	(1,685)	-
Increase in investment values	1,241	1,265
Net (decrease)/increase in funds	<u>(869)</u>	<u>1,347</u>

The figures are explained in more detail in the accounts. In general, the Trustees are pleased to report that, despite the ongoing challenging economic conditions, the Charity managed to attain a good level of research funding. In addition to the research grants, during the year the Charity made an exceptional donation of £1,684,556 to the Institute to establish the 'Brain Research Trust Chair of Neurosurgery'. This was effected from the Neurosurgery Fund (£1,663,468) and Brain Tumour Fund (£21,088). There was a further, one-off, donation in respect of the Queen Square Library Improvement project for £5,678 and also included in the grant expenditure of £1,376,567 was the funding of 14 PhD studentships costing £353,410, support of 8 endowed research areas at a cost of £687,479 and funding of 2 projects costing £330,000.

Incoming resources consisted of donations of £1,064,000 and investment income of £587,000 for the year.

BRAIN RESEARCH TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

Donations

Donations in 2012-13 of £1,064,000 comprised individual giving of £224,000, event income of £174,000, legacies received of £442,000 and trust, corporate and major donor income of £224,000. We are grateful to all the trusts that gave so generously to support the Institute's research efforts and to all other donors in what continues to be a very difficult time for giving.

Investment Performance

The portfolio is expected to generate capital growth as well as income. The investment portfolio decreased to £17,527,000 at 30 September 2013 this was largely due to the exceptional donation of £1,684,556 to the Institute to establish the Brain Research Trust Chair of Neurosurgery. There were £1,241,000 of unrealised gains. Investment income has remained relatively stable at £587,000 for the year. There is still doubt over the global economic outlook but the Trustees continue to believe that, with the current diversified portfolio, investment income will remain robust over the coming year.

Research Funded

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

The Institute performs exceptionally well in the UK Government Research Assessment Exercise which is carried out every four years. In the last assessment 70% of the Institute's research was assessed to be internationally competitive or world-leading. 1,091 papers from neurological researchers at the Institute were published in academic journals, including the very highest impact journals, in the 2012/13 academic year. ISI Essential Science Indicators ranks Institute Professor Ray Dolan as currently the most highly cited scientist working worldwide in neuroscience and behaviour. Professor Dolan is joined by Institute colleagues Professors Hardy, Thompson and Friston in the top 12 most highly cited neuroscientists in the world.

UCL Institute of Neurology forms part of UCL Faculty of Brain Sciences with the Institute of Cognitive Neuroscience, the Institute of Ophthalmology, UCL Ear Institute, UCL Division of Psychology & Language Sciences and UCL Mental Health Sciences Unit. Professor Alan Thompson is the Dean of the Faculty of Brain Sciences and Professor Michael Hanna is Director of UCL Institute of Neurology.

During the year researchers at the Institute received a number of honours including Wellcome Trust Senior Investigator Awards for Professors Elisabeth Fisher and Kenneth Harris. Principal Research Fellowships were received by Professors Eleanor Maguire and Dimitri Rusakov.

Professor Ray Dolan was awarded the Klaus Joachim Zulch Prize for outstanding neurological research. Professor Xavier Golay was appointed President of the European Society for Magnetic Resonance in Medicine and Biology. In recognition of his outstanding international contribution to advancing the understanding of epilepsy, Professor Matthew Walker was made an Ambassador of the International League against Epilepsy. Professor Sarah Tabrizi was appointed to the Wellcome Trust's Expert Cellular and Molecular Neuroscience Review Group. Professor Andrew Lees was elected to the Council of The Academy of Medical Sciences.

Professors Ray Dolan and Peter Dayan will lead the new Max Planck-UCL Centre for Computational Psychiatry and Ageing at UCL which will open in 2014.

The Institute plays a major role in postgraduate teaching and training, nurturing the talent of the leading young research scientists for the future. There are some 150 graduate students at Queen Square. During the year Brain Research Trust continued, for a third year, its partnership with the Medical Research Council in awarding three new four year PhD Studentships in clinical neuroscience.

BRAIN RESEARCH TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

Future Plans:

- To develop and implement a new organisational strategy
- To continue to develop and explore the potential of working in partnerships with other neurological charities with a view to future collaborations;
- To further implement the Charity's fundraising strategy initiating new sources of income including the implementation of a major donor strategy and the ongoing acquisition of regular givers, as well as maintaining existing sources of donations;
- To integrate the Charity's research strategy with the SAP's review of research grant applications and recommendations to the Trustees as to which projects they should fund;
- To continue to seek new Trustees with a range of specific skills to help drive the Charity forward;

BRAIN RESEARCH TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

Name	Brain Research Trust
Charity registration number	1137560
Company registration number	07345516
Registered office	Dutch House 307-308 High Holborn London WC1V 7LL
President	Sir John Read FCA
Vice President	S. J. David Corsan FCA
Trustees	Neil L. Payne FCA, Chairman Jonathan Kropman LL.B, Vice Chairman Jim Gollan FCA, BA, Treasurer Professor Alastair Compston PhD, FRCP, FMedSci (retired 13 December 2012) E. Michael Garston OBE, LL.B (retired 13 December 2012) Elaine Hindal BA, MSc Professor J. Julian B. Jack PhD, FRCP, FMedSci, FRS Sir Rob Margetts CBE, FEng Anthony J. Mehew FCA, MA (retired 13 December 2012) Kerstin Mogull MBA, MSc Professor Doug Turnbull, MBBS, MD, PhD, FRCP, FMedSci (appointed 13 December 2012) Professor John Pickard MA, MChir, FRCS, FRCSEd, FMedSci (appointed 13 December 2012) Professor Angela Vincent FRCPATH, FRCP, FMedSci, FRS Dr Allister Wilson DBA, CA
Staff	Lindsay Easton, Chief Executive Paul Hurford, Head of Finance & Administration Sarah Courthope, Head of Fundraising Christian Dapp, Direct Marketing Manager Nicola Brooke, Fundraising Officer – Events & Community

Professional Advisors

Accountants

S. D. Knee Chartered Accountants
10 Bath Road
Old Town
Swindon SN1 4BA

Auditors

haysmacintyre
26 Red Lion Square
London
WC1R 4AG

Solicitors

Bates Wells & Braithwaite
London LLP
2-6 Cannon Street
London EC4M 6YH

Investment Manager

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

Bankers

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

BRAIN RESEARCH TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

Scientific Advisory Panel

Chair: Professor Angela Vincent

Professor Patrick Chinnery, Mitochondrial Research Group, University of Newcastle-Upon-Tyne
Professor James Fawcett, Centre for Brain Repair, University of Cambridge
Professor Oliver Hanemann, Chair in Clinical Neurobiology, University of Plymouth
Professor John Jefferys, School of Clinical and Experimental Medicine, University of Birmingham
Professor Heidi Johansen-Berg, Centre for Functional MRI of the Brain, University of Oxford
Professor Kevin Talbot, Oxford MND Centre, University of Oxford

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 judgements 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 appointed during the year and will be proposed for re-appointment 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 12 December 2013 and signed on its behalf, by:


.....
Neil L. Payne (Chairman)

BRAIN RESEARCH TRUST

INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2013

We have audited the financial statements of Brain Research Trust for the year ended 30 September 2013 which comprise of the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on Trustee Report, 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.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


.....

Richard Weaver (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditors
12 December 2013

26 Red Lion Square
London
WC1R 4AG

BRAIN RESEARCH TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2013 £'000	2012 £'000
Incoming Resources						
Incoming resources from generated funds:						
<i>Voluntary income:</i>						
Donations received	2	941	123	-	1,064	1,203
Investment income	3	269	318	-	587	545
Total incoming resources		<u>1,210</u>	<u>441</u>	<u>-</u>	<u>1,651</u>	<u>1,748</u>
Resources Expended						
<i>Costs of generating funds:</i>						
Investment management costs	4	35	40	-	75	80
Other fundraising costs	4	563	-	-	563	524
Costs of generating funds	4	<u>598</u>	<u>40</u>	<u>-</u>	<u>638</u>	<u>604</u>
<i>Charitable activities:</i>						
Research grants to the Institute of Neurology	12	355	358	663	1,376	1,216
Exceptional Item - Brain Research Trust Chair of Neurosurgery	12	-	1,685	-	1,685	-
Grant support costs	4	-	47	-	47	28
Charitable activities		<u>355</u>	<u>2,090</u>	<u>663</u>	<u>3,108</u>	<u>1,244</u>
Governance costs	4	<u>36</u>	<u>10</u>	<u>-</u>	<u>46</u>	<u>29</u>
Total resources expended		<u>989</u>	<u>2,140</u>	<u>663</u>	<u>3,792</u>	<u>1,877</u>
Net incoming/(outgoing) resources before other gains and losses		<u>221</u>	<u>(1,699)</u>	<u>(663)</u>	<u>(2,141)</u>	<u>(129)</u>
<i>Other recognised gains and losses:</i>						
Realised gains/(losses) on investment assets		73	-	(42)	31	211
Unrealised gains/(losses) on investment assets		579	-	662	1,241	1,265
Net movement in funds		<u>873</u>	<u>(1,699)</u>	<u>(43)</u>	<u>(869)</u>	<u>1,347</u>
Reconciliation of funds						
Total funds brought forward as at 30 September 2012		<u>8,905</u>	<u>2,269</u>	<u>7,512</u>	<u>18,686</u>	<u>17,339</u>
Total funds carried forward as at 30 September 2013	13	<u>9,778</u>	<u>570</u>	<u>7,469</u>	<u>17,817</u>	<u>18,686</u>

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

The notes on pages 13 to 21 form part of these accounts.

BALANCE SHEET


AS AT 30 SEPTEMBER 2013

	Notes	2013		2012	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	7		16		3
Investments	8		17,527		17,805
Total fixed assets			17,543		17,808
Current assets					
Sundry debtors	9	84		43	
Cash at bank and in hand		574		1,268	
Total current assets		658		1,311	
Liabilities					
Creditors falling due within one year	10	384		433	
Net current assets			274		878
Net assets			17,817		18,686
The funds of the charity:					
Unrestricted Funds					
Investment Fund	13	8,607		7,807	
Grants Fund	13	1,171		1,098	
			9,778		8,905
Restricted Funds					
Neurosurgery Income Fund	13	-		1,648	
Parkinson's Income Fund	13	410		506	
Marks Income Fund	13	82		38	
Brain Tumour Fund	13	-		21	
Other	13	78		56	
			570		2,269
Endowment Funds					
Marks Endowment Fund	13	1,785		1,656	
Muller Endowment Fund	13	2,630		2,975	
Sobell Endowment Fund	13	1,463		1,400	
Watts Endowment Fund	13	1,591		1,481	
			7,469		7,512
			17,817		18,686

Approved and authorised for issue by the Board of Trustees on 12 December 2013 and signed on its behalf by:



 Neil Payne (Chairman)



 Jim Gollan (Treasurer)

The notes on pages 13 to 21 form part of these accounts.

BRAIN RESEARCH TRUST**CASH FLOW STATEMENT****FOR THE YEAR ENDED 30 SEPTEMBER 2013**

	2013 £'000	2012 £'000
Reconciliation of net incoming resources to net cash outflow from operating activities		
Net outgoing resources	(2,141)	(129)
Investment income	(587)	(545)
Change in debtors, excluding investment income and sale of investment assets	(19)	57
Change in creditors, excluding purchase of investment assets	(71)	77
Depreciation	4	1
Net cash outflow from operating activities	<u>(2,814)</u>	<u>(539)</u>
Return on investments		
Dividends & Interest received on investments	573	533
Bank deposit interest	14	12
Net cash inflow from returns on investments	<u>587</u>	<u>545</u>
Capital expenditure and financial investments		
Purchase of investments	(7,172)	(3,131)
Sale of investments and realised gains	8,442	3,363
Purchase of tangible fixed assets	(17)	(2)
Net cash inflow from capital expenditure and financial investments	<u>1,253</u>	<u>230</u>
(Decrease)/increase in cash and cash equivalents	<u>(974)</u>	<u>236</u>
Cash and cash equivalents		
As at 1 October 2012	2,374	2,138
Net cash (outflow)/inflow for the year	(974)	236
At 30 September 2013	<u>1,400</u>	<u>2,374</u>
Made up of:		
Cash at bank and in hand	574	1,268
Cash held as part of investment portfolio	826	1,106
	<u>1,400</u>	<u>2,374</u>

The notes on pages 13 to 21 form part of these accounts.

BRAIN RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

1. ACCOUNTING POLICIES

(a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" issued in March 2005, and in accordance with applicable accounting standards and the Companies Act 2006.

Brain Research Trust consists of seven funds as follows:

Investment Fund (designated)
Grants Fund (designated)
Parkinson's Fund (restricted)
Miriam Marks Fund (expendable endowment)
Muller Fund (expendable endowment)
Sobell Fund (expendable endowment)
Watts Fund (expendable endowment)

Except for the Grant and Investment Funds, all funds are restricted to specific fields of neurological research.

(b) Company status

The company is a company limited by guarantee. 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.

(c) Donations received

Donations are accounted for on a cash received basis and are recognised in the Unrestricted Funds unless the donor specifies otherwise or in the opinion of the Trustees another fund would be more appropriate. Donations received for specific purposes are taken to a Restricted Fund. Donations received in non-cash form are accounted for at value to the Trust at the date of receipt.

Legacies are credited to the Statement of Financial Activities once the charity has been notified of its entitlement to the income and the value of the legacy is capable of financial measurement.

(d) 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.

(e) Research grants to Institute of Neurology

Grants payable are in respect of grants approved by the Trustees, having due regard for the recommendations of the Scientific Advisory Panel. Payment of grants takes place on the fulfilment of certain conditions and is accounted for when the payments fall due.

BRAIN RESEARCH TRUST**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 30 SEPTEMBER 2013****1. ACCOUNTING POLICIES (continued)****(f) Fixed assets**

Fixed assets are written off on a straight line basis over the year of their expected useful life, normally four years.

(g) Investments

Investments are included in the balance sheet at market value based on quoted prices. Profits or losses on sale, representing the differences between opening market value and disposal proceeds, are taken to the Statement of Financial Activities. Unrealised surpluses and deficits between opening market value and closing market value are taken to Trust Funds through the Statement of Financial Activities.

(h) Unrestricted and Designated Funds

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.

(i) 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.

(j) Pensions

The Trust makes pension provision for its employees by contributing to a personal pension scheme of their choice.

(h) Governance costs

Governance costs include direct and indirect costs required to meet the charity's obligations.

2. DONATIONS RECEIVED	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2013 £'000	2012 £'000
Individuals	215	9	-	224	277
Trusts, Corporates & Major Donors	150	74	-	224	92
Income from events	174	-	-	174	112
Legacies	402	40	-	442	722
	<u>941</u>	<u>123</u>	<u>-</u>	<u>1,064</u>	<u>1,203</u>
	<u><u>941</u></u>	<u><u>123</u></u>	<u><u>-</u></u>	<u><u>1,064</u></u>	<u><u>1,203</u></u>
3. INVESTMENT INCOME	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2013 £'000	2012 £'000
Dividends and interest on Investments	255	318	-	573	533
Deposit account interest	14	-	-	14	12
	<u>269</u>	<u>318</u>	<u>-</u>	<u>587</u>	<u>545</u>
	<u><u>269</u></u>	<u><u>318</u></u>	<u><u>-</u></u>	<u><u>587</u></u>	<u><u>545</u></u>

BRAIN RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

4. RESOURCES EXPENDED	Direct Costs	Indirect Costs	Total 2013	Total 2012
Cost of Generating Funds				
Investment management fees	75	-	75	80
Other fundraising costs	482	81	563	524
Total Cost of Generating Funds	<u>557</u>	<u>81</u>	<u>638</u>	<u>604</u>
Grants payable				
Grant Support Costs	3,061	-	3,061	1,216
	-	47	47	28
Total Charitable Activities	<u>3,061</u>	<u>47</u>	<u>3,108</u>	<u>1,244</u>
Governance Costs	46	-	46	29
Total	<u><u>3,664</u></u>	<u><u>128</u></u>	<u><u>3,792</u></u>	<u><u>1,877</u></u>

Support costs of £47k (2012: £28k) comprise attributable salaries, property and office costs and other sundry expenses.

5. NET INCOMING RESOURCES FOR THE YEAR	2013 £'000	2012 £'000
This is stated after charging:		
Audit fees	10	9
	<u><u>10</u></u>	<u><u>9</u></u>

The auditors received no fees other than the audit fees stated above.

The Trustees did not receive any remuneration during the year, but were reimbursed £1,855 (2012: £426) in expenses.

6(a) SALARIES AND EMPLOYMENT COSTS	2013 £'000	2012 £'000
Salaries	202	195
Social Security costs	23	21
Pension costs	12	13
Temporary Staff	29	24
	<u>266</u>	<u>253</u>
	<u><u>266</u></u>	<u><u>253</u></u>

Average number of employees: 5 (2012: 5)

One employee (2012: one) received remuneration of £80,000 to £89,999 during the year. One employee (2012: one) received employer pension contributions of £8,000 to £8,999.

(b) PENSIONS

The company contributed to the personal pension schemes of four employees during the year. The employer's contributions are charged to the Statement of Financial Activities as they fall due. The charge for the current year amounted to £12,167.

BRAIN RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

7. FIXED ASSETS

	Office Equipment £'000
Cost	
As at 30 September 2012	6
Additions	17
Disposals in year	-
	<u>23</u>
As at 30 September 2013	<u>23</u>
Depreciation	
As at 30 September 2012	3
Charged in the year	4
Eliminated on disposals	-
	<u>7</u>
As at 30 September 2013	<u>7</u>
Net book value at 30 September 2013	<u>16</u>
Net book value at 30 September 2012	<u>3</u>

8. INVESTMENTS AT MARKET VALUE

(a) Equities

Equities comprise ordinary shares quoted on recognised Stock Exchanges together with hedge fund investments in the alternative investment market amounting to £13,878 (2012: £1,399,400).

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2013 £'000	Total 2012 £'000
Brought forward at 1 October 2012	5,666	957	5,973	12,596	11,785
Additions	2,478	-	2,795	5,273	2,315
Disposals	(3,495)	-	(3,446)	(6,941)	(2,585)
Transfers	493	(957)	464	-	-
Increase in unrealised gains/(losses)	624	-	709	1,333	1,081
	<u>5,766</u>	<u>-</u>	<u>6,495</u>	<u>12,261</u>	<u>12,596</u>
Market value at 30 September 2013	<u>5,766</u>	<u>-</u>	<u>6,495</u>	<u>12,261</u>	<u>12,596</u>
Historical cost at 1 October 2012	<u>5,700</u>	<u>933</u>	<u>5,922</u>	<u>12,555</u>	<u>12,825</u>
Historical cost at 30 September 2013	<u>5,168</u>	<u>-</u>	<u>5,719</u>	<u>10,887</u>	<u>12,555</u>

BRAIN RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

8. INVESTMENTS AT MARKET VALUE (continued)

(b) Fixed Interest Securities

Fixed interest securities are quoted on recognised Stock Exchanges

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2013 £'000	Total 2012 £'000
Brought forward at 1 October 2012	1,817	320	1,974	4,111	3,682
Additions	912	-	987	1,899	816
Disposals	(706)	-	(765)	(1,471)	(567)
Transfers	156	(320)	164	-	
Increase in unrealised gains/(losses)	(48)	-	(52)	(100)	180
Market value at 30 September 2013	<u>2,131</u>	<u>-</u>	<u>2,308</u>	<u>4,439</u>	<u>4,111</u>
Historical cost at 1 October 2012	<u>1,757</u>	<u>307</u>	<u>1,914</u>	<u>3,978</u>	<u>3,730</u>
Historical cost at 30 September 2013	<u>2,113</u>	<u>-</u>	<u>2,293</u>	<u>4,406</u>	<u>3,978</u>

The total investment holding as shown in the balance sheet included unrealised investments gains of £1,332,410 (2012: £1,081,597) on equities and £99,991 losses (2012: gains £179,630) on Fixed Interest Securities, a net total unrealised gain of £1,232,419 (2012: £1,261,227).

	2013 £'000	2012 £'000
(c) Cash held for investment purposes	<u>826</u>	<u>1,106</u>
(d) Unrealised forex gains/(losses)	<u>1</u>	<u>(8)</u>
(e) Total market value (including cash)	<u>17,527</u>	<u>17,805</u>
9. SUNDRY DEBTORS	2013 £'000	2012 £'000
Sundry debtors	31	23
Prepayments	53	20
	<u>84</u>	<u>43</u>
10. CREDITORS	2013 £'000	2012 £'000
Trade creditors	43	33
Grants payable	297	363
Accruals and deferred income	37	31
Social security and other taxes	7	6
	<u>384</u>	<u>433</u>

BRAIN RESEARCH TRUST**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 30 SEPTEMBER 2013****11. COMMITMENTS**

In addition to the grants payable noted above, the Trustees have also approved from the Unrestricted Funds certain grants payable to the Institute of Neurology which are subject to the satisfactory fulfilment of grant conditions. The amounts approved in future years, but not accrued as expenditure at 30 September 2013 are as follows:

	2013	2012
	£'000	£'000
Within one year	466	423
Within two years	365	311
Within two to three years	340	364
	<u>1,171</u>	<u>1,098</u>

At 30 September 2013 there were also commitments to the Institute of Neurology from the Restricted and Endowment Funds of £2,521,019 (2012: £2,201,000).

12. GRANTS PAYABLE AND EXCEPTIONAL ITEM

During the year grants totalling £1,376,567 were donated to the Institute of Neurology for the specific fields of neurological research. Each grant is made in accordance with the terms of the individual trust funds held by the charity. The total grants during the year, as analysed by fund in note 13, were:

	2013	2012
	£'000	£'000
Grants Fund	355	378
Marks Fund	-	-
Muller Fund	707	338
Sobell Fund	117	138
Watts Fund	39	82
Other Restricted Funds	158	280
	<u>1,376</u>	<u>1,216</u>

In addition to the above research grants, during the year ended 30 September 2013, the balances of the Neurosurgery Fund and Brain Tumour Fund were donated to the Institute of Neurology as a contribution towards the cost of establishing the Brain Research Trust Chair of Neurosurgery. The amounts paid were:

	2013	2012
	£'000	£'000
Neurosurgery Fund	1,664	-
Brain Tumour Fund	21	-
	<u>1,685</u>	<u>-</u>

BRAIN RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

13. STATEMENT OF FUNDS

	1 October 2012 £'000	Income £'000	Grants Payable £'000	Other Expenditure £'000	Investment Gains £'000	Transfers £'000	2013 £'000
UNRESTRICTED FUNDS							
Designated Funds							
Investment Fund	7,807	1,210	-	(634)	652	(428)	8,607
Grants Fund	1,098	-	(355)	-	-	428	1,171
Total	8,905	1,210	(355)	(634)	652	-	9,778
RESTRICTED FUND							
Neurosurgery Income Fund	1,648	16	-	(1,664)*	-	-	-
Parkinson's Fund	506	-	(93)	(3)	-	-	410
Marks Income Fund	38	64	-	(20)	-	-	82
Muller Income Fund	-	129	(91)	(38)	-	-	-
Sobell Income Fund	-	89	(72)	(17)	-	-	-
Watts Income Fund	-	55	(37)	(18)	-	-	-
Brain Tumour Fund	21	-	(21)*	-	-	-	-
Other Funds	56	88	(65)	(1)	-	-	78
Total Restricted Funds	2,269	441	(379)	(1,761)	-	-	570
ENDOWMENT FUNDS							
Marks Fund	1,656	-	-	-	129	-	1,785
Muller Fund	2,975	-	(616)	-	271	-	2,630
Sobell Fund	1,400	-	(45)	-	108	-	1,463
Watts Fund	1,481	-	(2)	-	112	-	1,591
Total Endowment Funds	7,512	-	(663)	-	620	-	7,469

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

All the Endowment Funds are expendable. A designated 'Grants Fund' has been set up to match the commitments disclosed in note 11.

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

*Exceptional Item – see note 12.

BRAIN RESEARCH TRUST**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 30 SEPTEMBER 2013**

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Investment Assets £'000	Fixed Assets £'000	Net Current Assets £'000	Total Assets £'000
Investment and Grants Funds	8,483	16	1,279	9,778
Parkinson's Fund	-	-	410	410
Marks Income Fund	-	-	82	82
Marks Fund	1,900	-	(115)	1,785
Muller Fund	3,909	-	(1,279)	2,630
Sobell Fund	1,592	-	(129)	1,463
Watts Fund	1,643	-	(52)	1,591
Other Restricted Funds	-	-	78	78
	<u>17,527</u>	<u>16</u>	<u>274</u>	<u>17,817</u>

15. TRANSFER OF FUNDS TO NEW CHARITABLE COMPANY

On 1 October 2010 the assets and liabilities of The Brain Research Trust (an unincorporated charity registration number 263064) were transferred to this incorporated charity, Brain Research Trust (Registered Charity Number: 1137560 Registered Company Number: 07345516).

The Brain Research Trust remains a dormant charity with the newly incorporated charity as the corporate trustee.

16. OPERATING LEASES

Brain Research Trust is committed to make the following payments (per annum) under operating leases for the premises:

	2013 £'000	2012 £'000
Commitment expiring:		
Within one year	-	16
Within two to five years	34	-
	<u>34</u>	<u>16</u>

BRAIN RESEARCH TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2013

GRANTS FUNDED 2012-13

<u>Description</u>	<u>Disease</u>	<u>£</u>
PhD Studentships (Grants Fund)		
Does action observation facilitate corticospinal excitability after stroke?	Ataxia, migraine, epilepsy	21,194
Investigating axonal transport in a panel of mice that model Down Syndrome	Down syndrome	380
Context, consciousness and the Brain	Stroke	36,909
Recharging the brain	Stroke	31,690
How does the human hippocampus support spatial navigation, episodic memory, and imagining the future?	Alzheimer's disease, Epilepsy, Dementia	34,956
Novel methods for creating induced pluripotent stem cells for study of neurodegenerative diseases	Parkinson's, Spastic Paraplegia & others	34,494
The role of plasma components in the pathophysiology of multiple sclerosis	Multiple Sclerosis	14,978
Longitudinal Magnetoencephalography	Parkinson's Disease	33,425
The involvement of DISC1 on mitochondrial movement in Schizophrenia	Schizophrenia	32,591
To identify genes on Hsa21, other than APP, that influence Alzheimer neuropathology	Alzheimer's disease	43,493
Studentship - specialism will be decided in year 2	-	16,172
Studentship - specialism will be decided in year 2	-	14,500
Mapping Structural Brain Changes in Premanifest and Early Stage Huntington's Disease	Huntington's Disease	19,238
Next-Generation Gene Discovery and Functional Elucidation of Pathophysiology in hereditary cerebellar ataxias and Neurodegeneration with brain iron accumulation (NBIA)	Various Diseases	19,390
	<u>PhD sub-total</u>	<u>353,410</u>
Other research support to the Institute (Endowment & Restricted Funds)		
Sobell Department of Motor Neuroscience & Movement Disorder: for research into the relationship between movement and the brain; recovery and reorganisation after spinal cord injury; Does spinal cord regeneration actually lead to recovery?	Neurophysiology	117,504
Graham Watts Laboratory: for research into the mechanisms underlying Motor Neurone Disease (MND)	Motor Neurone Disease	10,609
Developing a new therapy for treatment of inclusion body myositis (IBM), a form of MND	Motor Neurone Disease	42,479
The Graham Watts Lab Manager & Senior Research Technician	Various Diseases	28,962
Leopold Muller Functional Imaging Laboratory	Cognitive Neurology	376,667
Unit of Functional Neurosurgery – further application of Deep Brain Stimulation	Parkinson's Disease	31,546
Pilot project to investigate new physiological models of amyotrophic lateral sclerosis	Amyotrophic lateral sclerosis	
Can Deep Brain Stimulation improve the cognitive deficits associated with Parkinson's Disease?	Parkinson's disease	60,984
Inherited Alzheimer's Network (DIAN) Study - Imaging onset and progression of Alzheimer's disease and related disorders	Alzheimers	18,728
	<u>Other research sub-total</u>	<u>687,479</u>
Other projects		
Wellcome Department of Imaging Neuroscience - Scanner		250,000
Wellcome Department of Imaging Neuroscience - Chiller		80,000
Queen's Square Library Improvement		5,678
	<u>Other projects sub-total</u>	<u>335,678</u>
	Grand Total	<u>1,376,567</u>

EXCEPTIONAL ITEM FUNDED 2012-13

Exceptional Item		
Contribution towards cost of establishing the Brain Research Trust Chair of Neurosurgery		<u>1,684,556</u>