

BRAIN RESEARCH TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

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

Chairman's introduction

Our cause



1 in 6 of us

has a neurological condition



More under 40s

are killed by **brain tumours** than by any other cancer



Every 90 seconds

someone is admitted to hospital with a **brain injury**



£10 billion

is the annual cost of **migraines** to the UK economy

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

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

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

Our income

Throughout the year, despite the challenges of Covid-19, our supporters remained determined to raise funds. The pandemic elicited a range of creative fundraising activities, enabling us to continue to fund vital neurological research.

Funds received during the period came from donations of £1,383,000 (2020/18: £1,820,000) and income from our investment portfolio of £368,000 (2020/18: £681,000).

Our research

During the period, we awarded grants of £2,355,458 (2020/18: £2,098,970) to institutions throughout the UK as part of our commitment to the funding of vital research.

We were delighted to award three PhD Studentships and four Project Grants following national calls. We funded two Brain Research UK Miriam Marks Fellowships as well as on-going grants to UCL Institute of Neurology from endowments and restricted funds and awarded a new joint fellowship with the Royal College of Surgeons.

In addition, given the interruption of research caused by the pandemic, we awarded over £140,000 to Covid-19 related extensions.

With thanks to our supporters

It is only thanks to the generosity of all our supporters that we have been, and continue to be, able to fund vital life-changing, life-saving neurological research.

Jim Gollan
Chair of Trustees

Impact of Covid-19

As a result of Covid-19, like many other charities, we had to adapt our activities during the year and to postpone the expected roll out of a new strategy, approved in 2019.

Fundraising activities

Due to the pandemic, the London Marathon – our flagship fundraising event – was initially postponed and then cancelled. Therefore, our key focus became stewardship, ensuring runners remained engaged, informed and updated at all times and working with those who were motivated to move from physical to virtual activities during the year. Consequently, 84% of our original 2020 team are taking part in the 2021 event. In addition, we also experienced reduced income from challenge events and community fundraising as an inevitable result of the three lockdowns.

As well as supporting The Virtual 2.6 Challenge in April and The Virtual Marathon in October, we launched two new virtual activities including a Weekly Lottery and the Brainathlon, a collaborative virtual challenge event involving a walk, run and climb organised with two other neurological charities.

We continued with the strategy to develop our communications activity, most notably our social media presence and the introduction of several new campaigns. These included the launch of our #OneForAll social media campaign highlighting stories of supporters touched by more than one neurological condition, one of the key factors that differentiate us from other neurological charities. In addition, we launched our #TeamBrainTuesday initiative to promote the work of other neurological charities, in line with our strategic aim to work collaboratively. As a result of this increased activity, we saw a growth in our online following and an increase in engagement across all of our social media channels and website: over 50% increase in website traffic and over 10% increase in Facebook and Instagram followers.

We maintained our digital stewardship activities for regular supporters and increased income from Trusts and Foundations activities.

Overall, compared to the pre-pandemic budget, we experienced a 24% drop in our fundraising income but were able to reduce expenditure in fundraising and overhead costs. Further information on our financial performance is provided in the financial performance section on page 7.

Charitable activities

According to an AMRC survey, the results of which were circulated in April 2021, 32% of AMRC charities had to cancel or delay research projects that are crucial to developing new treatments and 1 in 2 AMRC charities plan to cut their research spend over the next year by an average of 37%. In addition, the survey suggests that 56% of AMRC charities will have to cancel or delay funding for early career researchers and skilled research roles.

During the year, in light of the pandemic and exceptional applications, we awarded more research funding than originally anticipated. Research grants of £2,351,000 were awarded, which included £140,000 of Covid-19 related extension funding, representing an increase of 22% from the original budget.

On New Year's Eve 2018, Namita sustained a traumatic brain injury at her local gym that led to post-concussion syndrome and chronic migraine for over a year. The London Marathon 2019 was her first public outing after the injury and it inspired her to enter the ballot for the 2020 marathon, where she successfully gained her Own Place. In choosing to run for the charity, she wanted to help raise awareness of brain conditions.



For the year 2021/22, we hope to award grants of over £1,500,000. This will include our core funding plans that deliver a key strategic aim to support early career researchers: £800,000 in project grant funding and £240,000 in PhD studentship awards.

The future

As we start to exit lockdown, uncertainty remains about the fundraising landscape. However, as evidenced during 2020/21, Brain Research UK is well positioned to respond quickly and effectively to changing circumstances. We remain committed to funding the best science to achieve the greatest impact for people affected by neurological conditions. As soon as there is a clarity on future circumstances, we will deliver a revised post-Covid strategy.

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 being or is to be pursued.

Objectives for 2021/22:

As a result of on-going uncertainty around Covid-19, our objectives for 2021/22 are as follows:

Our objectives for research activities in 2021/22 are:

- To sustain our core funding of two national calls for PhD Studentships and Project Grant funding
- To deliver a meaningful Impact Report to reflect our 50 year anniversary in October 2021

Our objectives for fundraising in 2021/22 are:

- To develop further our unique, as well as collaborative, event and challenge activities
- To develop further our major donor fundraising activities

The Trustees understand that the benefits of neurological research are 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 donations is an important consideration for those who give so generously to support the Charity's work.



Brain tumours

More under 40s

are killed by brain tumours than by any other cancer



5,250

lives are lost to brain tumours every year



11,500

people are diagnosed with a primary brain tumour every year



Brain and spinal cord injury

Every 90 seconds

someone is admitted to hospital with a brain injury



Head injury

is the leading cause of death and disability in people aged one to 40



2 in 3

stroke survivors leave hospital with a disability



Headache and facial pain

190,000

migraine attacks occur every day



1 in 14

people suffer from facial pain



£10 billion

is the annual cost of migraines to the UK economy



Achievements and performance

As a result of Covid-19, the 12-month period to 31st March 2021 was not as expected, most notably with the cancellation of the London Marathon 2020. However, despite this, we invested in developing virtual events and virtual challenge activities, culminating in preparation for a new collaborative event, Brainathlon, in April 2021 in partnership with Brain Tumour Research and Epilepsy Research UK.

Our plans to develop further our major donor fundraising activities were delayed due to the pandemic.

Following national calls, we awarded three PhD studentships, one in each of our priority areas: brain tumours, brain and spinal cord injury, and headache and facial pain. We also awarded four project grants: three in brain tumours and one in headache and facial pain.

A draft Impact Report was submitted to the Board of Trustees, with a final Report due in 2021/22.

As part of our strategic partnership plan, we introduced two collaborative activities: a fundraising initiative, Brainathlon, as above, and a grant making initiative with the Royal College of Surgeons to fund a joint fellowship.

In addition, we continued our operating model that helps to maximise fundraising income whilst keeping operational costs to a minimum.

	12 month period 2020-21 £'000	18 month period 2018-20 £'000
Results and review of the period under review		
Total income	1,751	2,501
Expenditure on raising funds	(722)	(1,207)
	<u>1,029</u>	<u>1,294</u>
Expenditure on Research	(2,526)	(2,364)
Expenditure on Information & Awareness	(63)	(98)
Increase/(decrease) in investment values	2,249	(1,055)
Net increase/(decrease) in funds	<u><u>689</u></u>	<u><u>(2,223)</u></u>

Donations

Total income includes donations of £1,383,000 received during the 12 month period (£1,820,000 in 2018/20). These comprise: event income of £181,000, individual giving income of £414,000, legacies of £557,000 and trusts, corporate, major donor income of £231,000. The full breakdown of the donation categories can be seen in Note 2 of the accounts.

Investment performance

Our investment balances at 31st March 2021 are £14,067,000 (fixed assets) and £1,844,000 (current assets). These balances reflect a significant gain in valuation since 31st March 2020, when the balances were £13,548,000 (fixed assets) and £582,000 (current assets). The investment portfolio was heavily impacted by the Covid-19 pandemic in the early part of 2020 and an investment loss of £1,055,000 was recorded in our previous accounts to 31st March 2020.

During the year investment markets have recovered and our portfolio has grown in value. An unrealised gain of £2,249,000 has been included within our portfolio valuation and is reflected in the income and expenditure account.

Our investment income for the year is £368,000 compared to £681,000 for the previous 18 month period.

Further information about our investment performance is given in the investment policy section and note 7 of the accounts.

Research funded

Neurosurgeon Ryan Mathew brings together a collaborative team from the Universities of Leeds, Nottingham and York to tackle the problematic cancer cells that remain in the so-called 'margin zone' following brain tumour surgery.

One of the main barriers to successful treatment of brain cancer is that the tumours do not have a clean boundary as they infiltrate the surrounding healthy brain. This means that cancer cells are left behind after surgery, in a margin zone that comprises both cancer cells and healthy brain tissue. The cells in this margin zone are the root of relapse and being able to eliminate them holds the key to treatment that is most likely to be successful in the long-term.

Very little is known about the way that the cells in the margin zone behave, as most research has focused on the main lump. This collaborative team is developing new tools to enable the study of these cells in a living system and work on better ways to eliminate them.

This will accelerate the development of effective treatments for these devastating tumours.



We received a strong response to this year's call for applications for PhD studentships. In response, we awarded £348,230 to fund three new PhD studentships at UCL Queen Square.

Institute of Neurology (two awards) and Imperial College London (one award) (2018/20: £360,000, three studentships).

We also ran our annual national call for project grant applications, resulting in the award of funding of £1,086,425 to fund four new projects at King's College London, the University of Strathclyde, the University of Cambridge and the University of Leeds (2018/20: £875,527 for three projects).

In collaboration with UCL Queen Square Institute of Neurology, we issued our first national call for applications for research fellowships in neurodegenerative conditions. We made two awards under the call, totalling £535,369, funded from the restricted Miriam Marks Fund.

We paid on-going grants to UCL Queen Square Institute of Neurology from the Sobell Endowment totalling £145,937 (2018/20: £252,622).

We collaborated with the Royal College of Surgeons for the first time to award a joint research fellowship to a neurosurgical trainee, at a cost of £32,500.

In addition, we agreed to consider requests for costed extensions to enable our grant-holders to overcome the disruption caused by Covid-19 and to successfully complete their research projects. We awarded 13 extensions at a total cost of £140,632.

Note 20 in the accounts details the extensive programme of research funded by the Charity during the 12 month financial period to 31st March 2021.

Information and awareness

During the period to 31st March 2021, our information and awareness expenditure was £63,000 (2018/20: £98,000) and this reflected updates to our website and general communication activities.

Future plans

As a result of the global pandemic, like many other organisations, our year 2020/21 was disrupted and fragmented. However, our strategy remains focused on how to deliver greater impact on those living with a neurological condition through the funding of more research, underpinned by stable, secure financial foundations.

Our key aim is to maximise fundraising income while keeping our operational costs low in order to fund essential research and accelerate its progress – ultimately making positive change for our beneficiaries and helping to realise our vision of a world where everyone with a neurological condition lives better, longer.

Highlights of our strategy are summarised below.

- Research: we will continue to fund world class, impactful neurological research.
- Collaboration: we will work collaboratively, across both fund-seeking and grant-making activities, with likeminded organisations with shared purpose.
- Fundraising: we will focus on developing our existing flagship fundraising streams, such as the London Marathon, and will seek to grow sustainable income from major donor and corporate fundraising channels.
- Communications: we will diversify our communications activities to ensure that we retain existing, and attract new, supporters.
- Organisation: we will focus on being a lean, agile, modern and adaptable organisation that can mobilise and respond quickly to changing circumstances.

Financial performance

The Charity received income of £1,751,000 during the 12 month financial period to 31st March 2021 (£2,501,000 in the 18 months to 31st March 2020). Our ability to fundraise during the year was significantly constrained by the Covid-19 pandemic.

As can be seen in Notes 2 and 3, the Charity's income comes from a number of sources. The Charity has been heavily impacted by the absence of the London Marathon during 2020 with this being our flagship fundraising event. In addition, the difficulty of being able to carry out community challenges and event fundraising, has contributed to the fall in events income to £181,000 (£853,000 in the 18 month period to 31st March 2020). For context, the budgeted income for London Marathon was £718,000 but we were only able to realise income of £130,000 from sponsorship received prior to the first lockdown and from the virtual event.

The fall in income has been partially offset by an increase in fundraising income from streams including trusts, and major donors amounting to £788,000 (£278,000 in the 18 month period to 31st March 2021).

As a result of the fall in fundraising income, the Charity scaled back much of its fundraising activity for the year and capitalised on opportunities to remain efficient. The change in operating model that was implemented in previous years meant that our operations remained lean and adaptable to change. A revised budget was put in place after the first lockdown started and our operating plan amended accordingly. Consequently, we were able to reduce our expenditure on raising funds to £722,000 (£1,207,000 in the 18 month period to 31st March 2020). This includes deferring expenditure for London Marathon places to 2021/22 when we expect the next event to take place. We were able to utilise some savings in our overheads without having to obtain government assistance on any emergency Covid-19 scheme. We did not furlough any staff.

Despite the fundraising challenges, we maintained our commitment to research by spending £2,589,000 on our charitable activities (£2,462,000 in the 18 month period to 31st March 2020). This includes direct research spend

A of £2,355,000 (as outlined in Note 18). This means that for every pound we spent during 2020/21, 78 pence was spent on our charitable activities.

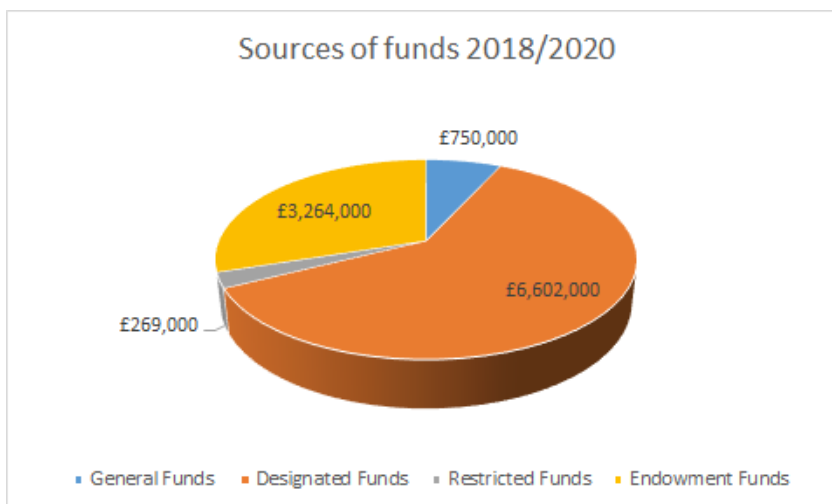
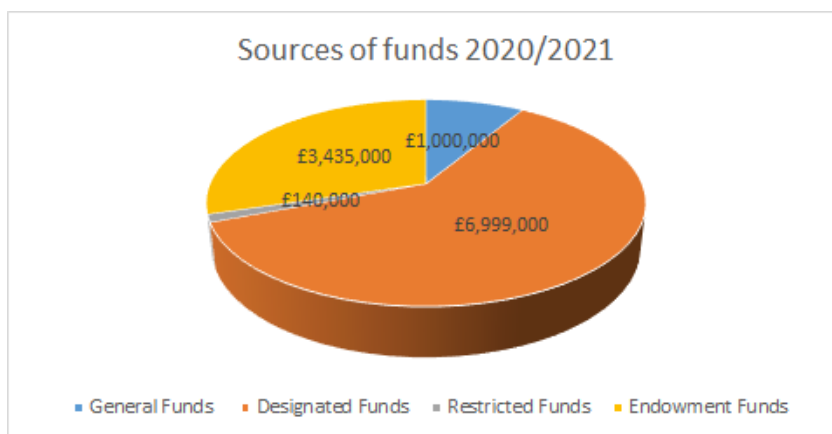
Due to the increase in our investment portfolio valuation, an unrealised gain of £2,249,000 was recognised during the year, which leaves the year with a surplus of £689,000 and increase in our funds position.

Funds

The Charity’s total funds at 31st March 2021 were £11,574,000 (2018/20: £10,885,000).

The funds are split as follows:

	2020/21	2018/20
General Funds	£ 1,000,000	£ 750,000
Designated Funds	£ 6,999,000	£ 6,602,000
Restricted Funds	£ 140,000	£ 269,000
Endowment Funds	£ 3,435,000	£ 3,264,000
	£11,574,000	£10,885,000



General Funds

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

budgeted non-grant expenditure from our 2021/22 budget comes to £1,000,000 and this is therefore the balance reflected in our general funds.

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. The fund will be expended as the grant awards are made and then replenished in order to cover the planned future commitments.

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

Restricted funds

These funds have been donated for specific projects or research activities. They are reviewed on an ongoing basis, to ensure restricted funds are utilised in accordance with the donors' wishes as soon as is practicable.

Endowment funds

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

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

Reserves policy

The Charity has developed a reserves policy that identifies and plans for the maintenance of essential activities and reflects the risks associated with the Charity's business model, spending commitments, potential liabilities and financial forecasts.

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

The Board reviews the adequacy and relevance of the reserves policy periodically to assess its validity in light of changing circumstances. The policy was reviewed by the Trustees during the current financial period and remains unchanged. Given the uncertainty of the pandemic and the impact on financial performance, it provides a sufficient buffer for the Charity to continue operations in the short to medium term.

Grant awarding policy

Brain Research UK funds research on a national basis into neurological conditions. Other than awards made from three restricted endowment funds, our research funding is awarded in open national competition.

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. Our grant-making processes were subject to audit by the AMRC in 2020, and we are pleased to report that we passed the audit and were awarded a certificate of best practice.

During the period under review, the Charity's Scientific Advisory Panel maintained its focus on the three 'priority research areas introduced during 2016: acquired brain and spinal cord injury, neuro-oncology, headache and facial pain. We issued two national calls for grant applications in these three areas – one for project grants and one for PhD studentships.

Outside of the three priority areas, we collaborated with UCL Queen Square Institute of Neurology to issue a call for applications for research fellowships in neurodegenerative conditions, funded by the Miriam Marks Fund, and we collaborated with the Royal College of Surgeons to fund a joint research fellowship.

Going concern

The accounts are approved during a period where there is much uncertainty as a result of the emergence and international spread of Covid-19. The Charity, as a grant making organisation, has continued to meet its strategy of supporting ongoing research. This is evidenced by this year's research awards amounting to £2,355,000 and a further £2,445,000 held in a designated fund for future research.

The Charity has assessed the potential impact on its fundraising activities in the current climate and formulated a revised budget for the year, which took into account the uncertainty of returning to business as usual. The budget for 2021/22 is cautious and reflects financial repercussions of the ongoing pandemic.

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

The Charity has a strong reserve position and has available resources, as demonstrated by the level of general funds outlined above and the robust reserve policy. Our annual and mid-year financial planning processes take into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. Our cash deposits could easily be drawn down should working capital be required. We believe that there are no material uncertainties that call into doubt the Charity's ability to continue.

Risk assessment

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

The Charity is currently facing the repercussions of the Covid-19 pandemic with fundraising income significantly impacted. The Charity therefore operated with a revised budget during 2020/21 and scaled back expenditure. As part of its risk assessment process, the Charity had already altered its operating model to become leaner and more flexible to changing circumstances. This therefore helped to mitigate the income risk that was evident this year.

Furthermore, the Charity operates with diversified income streams; this has proved to be important this year. Whilst many areas of fundraising saw income fall, we received additional legacy income and saw growth in trusts and major donors. We plan on maintaining our income diversity to manage the income risk.

Our reserves policy is intended to give us continuity of operation in the short to medium term and we are supplemented by a strong reserve position. There is a risk that research projects funded by us become delayed or unable to complete. As a result of this, the Charity awarded additional funding to grant recipients that were affected by the pandemic.

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

The Charity holds a substantial investment portfolio of over £14 million from which regular income is received. Given its magnitude, protection of the portfolio is vital and effective management of the portfolio constitutes a further risk. To mitigate this, the portfolio is closely managed in line with the investment policy below with the investment manager's performance and asset allocation appraised quarterly by the Investment Committee.

The risk register is reviewed annually by the Trustees and was last approved during their March 2021 meeting.

Fundraising approach and performance

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

Investment policy

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

Our intention is to achieve average returns over the long term of 2.5% per annum above UK CPI; in addition, to protect capital reserves from inflation and generate funds for disbursement in support of Brain Research UK's mission. Over the 12 months to 31st March 2021, a rolling return of 20.5% was achieved against a composite benchmark of 19.8%.

Structure, governance and management

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 21st December 2015 and 7th March 2019. Brain Research UK is the working name of Brain Research Trust.

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

Professional advisors

Auditors	Solicitors
Haysmacintyre LLP 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. Trustee indemnity insurance is in place together with a conflicts of interest policy.

In the period under review the management of the Charity was as follows:

The Board of Trustees, who are also directors of the Charity for the purposes of the Companies Act, currently comprises eight members (2018/20: 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.

There is one standing Committee of the Board that meets quarterly.

- The Investment Committee monitors the Charity's investment performance, portfolio and policy recommending any changes in strategy to the Trustee Board.
- The terms of reference for this committee are regularly monitored and updated accordingly.

A Scientific Advisory Panel (SAP) meets periodically and also communicates via email, to evaluate and rank research grant applications recommending to the Trustees which projects should be funded. The members of the SAP are independent, drawn from various neurological disciplines, and are actively involved in neurological research. SAP members are listed on page 12.

- The Charity is a member of the Association of Medical Research Charities (AMRC), an umbrella organisation of the leading medical and health research charities in the UK. AMRC members aim to follow the highest standards of accountability in medical and health research funding. Membership of AMRC requires the use of independent peer review in the allocation of all grants for research.
- Day-to-day running of the Charity is undertaken by the Chief Executive.
- IT, telephony, database management, fundraising and financial consultancy services are provided by external service providers.

Appointment of trustees

- Trustees are appointed by either invitation or recruitment to ensure the right balance of skills and experience on the Board and to stimulate the growth and development of the Charity. Selection is based on the ability to contribute to Charity management, business, and scientific, financial, investment, legal, fundraising, campaigning and marketing skills.
- The term of appointment is three years, renewable twice in normal circumstances. As a result of the pandemic and the uncertainty it has created during the financial period, the Trustees agreed to appoint Jim Gollan and Jonathan Kropman for a further term even though they had already completed three terms. This was intended to provide stability while the Charity made the transition through the pandemic.
- New trustees receive a thorough induction into the work of the Charity.
- No new trustees were appointed during the financial period.

Management

The Trustees exercise executive responsibility for the governance of the Charity and, through the Chairman, supervise the management of the Charity by the Chief Executive. The Chairman and Chief Executive also task the Board with decision-making on strategic management issues as well as overseeing the research grants application process and monitoring the progress of awarded grants.

The day-to-day running of the Charity has been delegated to the Chief Executive and includes the operational running of the Charity and the coordinating of fundraising appeals.

All staff posts are periodically evaluated to ensure that salary levels are reflective of industry and organisational needs, as well as individual and charity performance. 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. The salary of the CEO is periodically reviewed by the Board.

Membership of Regulatory Bodies and other organisations

We are committed to the highest standards of fundraising and grant making as demonstrated by our membership of the following organisations

Association of Medical Research Charities (AMRC)

- The AMRC is an umbrella organisation of leading medical and health research charities in the UK. As a member, we 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.

Fundraising Regulator (FR)

- The Fundraising Regulator is the UK's independent regulator of charitable fundraising that ensures public protection, accountability and excellence in fundraising. Their Code of Fundraising Practice sets out the responsibilities that apply to fundraising carried out by charitable institutions and third-party fundraisers in the UK. As a member, we adhere to the highest standards and highlight our Supporter Charter.

Institute of Fundraising (IoF)

- The IoF is the professional membership body for UK fundraising; as a member, we follow its recommendations.

Neurological Alliance (NA)

- The NA is a coalition of more than 80 organisations working together to transform outcomes for the millions of people in England with a neurological condition. The NA keeps their members apprised of patients survey outcomes, any and all public policy changes that affect our beneficiaries and strengthen the voice of people affected by the neurological conditions.

Public benefit

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

Change of financial year

In the prior year, the Trustees had resolved to change the Charity's financial year-end to 31st March from 30th September. The final statements of the prior year and disclosures were prepared on the basis of an 18 month accounting period to run from 1st October 2018 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 period which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

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

Auditors

The auditors, Haysmacintyre LLP, were re-appointed during the period in accordance with Section 485 of the Companies Act 2006.

The report of the Trustees has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised for issue by the Board of Trustees on 25 June 2021 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 31 March 2021 which comprise of the Statement of Financial Activities, Balance Sheet, Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Chair's statement. 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' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have 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' Annual Report (which incorporates the strategic report and 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 25, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to data protection legislation and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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.

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.



Siobhan Holmes (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditor

Date: 25 June 2021

10 Queen Street Place

London EC4R 1AG

**BRAIN RESEARCH TRUST
STATEMENT OF FINANCIAL ACTIVITIES**

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2021 (12 mth) £'000	2020 (18 mth) £'000
Income and endowments						
Donations and legacies	2	1,252	131	-	1,383	1,820
Investments	3	258	110	-	368	
Total income		1,510	241	-	1,751	2,501
Expenditure on						
Raising funds:						
Investment management costs	4	27	11	-	38	78
Fundraising	4	684	-	-	684	1,129
Total expenditure on funds	4	711	11	-	722	1,207
Charitable activities:						
Research	4	1,668	150	708	2,526	2,364
Information & awareness	4	63	-	-	63	98
Total expenditure on charitable activities		1,731	150	708	2,589	2,462
Total expenditure		2,442	161	708	3,311	3,669
Net income/(expenditure) and net movement in funds before gains/(losses) on investment assets		(932)	80	(708)	(1,560)	(1,168)
Net gains/(losses) on investment assets	7	1,579	-	670	2,249	(1,055)
Net income/(expenditure)		647	80	(38)	689	(2,223)
Transfers between funds			(209)	209	-	-
Net movement in funds		647	(129)	171	689	(2,223)
Reconciliation of funds						
Total funds brought forward as At 31 March 2020	12	7,352	269	3,264	10,885	13,108
At 31 March 2021	12	7,999	140	3,435	11,574	10,885

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

The notes on pages 21 to 36 form part of these accounts.

**BRAIN RESEARCH TRUST
BALANCE SHEET
AS AT 31 MARCH 2021**

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**
Company registration No. 07345516 (England and Wales)
(Brain Research UK is the working name of Brain research Trust)

	Notes	2021		2020	
		£'000	£'000	£'000	£'000
Fixed assets					
Investments	7		14,067		13,548
Total fixed assets			14,067		13,548
Current assets					
Sundry debtors	8	427		711	
Investments		1,844		582	
Cash at bank and in hand		407		236	
Total current assets		2,678		1,529	
Liabilities					
Creditors falling due within one year	9	(2,582)		(1,974)	
Net current assets			96		(445)
Total assets less current liabilities			14,163		13,103
Creditors falling due after one year	10		(2,589)		(2,218)
Net assets			11,574		10,885
The funds of the charity:					
Unrestricted Funds					
Investment Fund	12	4,554		4,457	
Grants Fund	12	2,445		2,145	
			6,999		6,602
General Fund			1,000		750
			7,999		7,352
Restricted Funds					
Restricted Funds	12	140		269	
			140		269
Endowment Funds					
Marks Endowment Fund	12	1,760		1,846	
Muller Endowment Fund	12	-		-	
Sobell Endowment Fund	12	958		860	
Watts Endowment Fund	12	717		558	
			3,435		3,264
			11,574		10,885

Approved and authorised for issue by the Board of Trustees on 25 June 2021 and signed on its behalf by:



.....
Jim Gollan (Chair)

The notes on pages 21 to 36 form part of these accounts.

	2021		2020	
	£'000	£'000	£'000	£'000
Cash flows from operating activities:				
<i>Net cash used in operating activities</i>		(666)		(3,236)
Cash flows from investing activities:				
Net proceeds from sale of investments and reinvestments	2,099		763	
<i>Net cash provided by investing activities</i>		2,099		763
Cash flows from financing activities:				
Change in cash equivalent in the period		1,433		(2,473)
Cash and cash equivalent at start of period		818		3,291
Cash and cash equivalent at end of period		<u>2,251</u>		<u>818</u>
Reconciliation of cash flows from operating activities				
<i>Net income / (expenditure) for the period</i>		689		(2,223)
Adjust for:				
(Gains) / losses on investments		(2,249)		1,055
Dividends and interest from investments		(368)		(681)
(Increase) / decrease in debtors		284		109
Increase / (decrease) in creditors		978		(1,496)
<i>Net cash used in operating activities</i>		<u>(666)</u>		<u>(3,236)</u>
Analysis of cash and cash equivalents				
Cash in hand		407		236
Cash equivalents on deposits		1,844		582
Total cash and cash equivalent		<u>2,251</u>		<u>818</u>
Analysis of changes in net debt				
	At 1 April 2020	Cash flows	At 31 March 2021	
	£'000	£'000	£'000	
Cash and cash equivalents				
Cash	236	171	407	
Investment cash	582	1,262	1,844	
Total	<u>818</u>	<u>1,433</u>	<u>2,251</u>	

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 12. 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") (Second edition effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS102.

Going concern

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

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

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

The Charity has a strong reserve position and has available resources, as demonstrated by the level of general funds outlined above and the robust reserve policy. Our cash deposits could easily be drawn down should working capital be required. We believe that there are no material uncertainties that call into doubt the Charity's ability to continue.

Income

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

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

Expenditure

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

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

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

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

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

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

Research grants

Grants payable are in respect of grants approved by the Trustees, having due regard for the recommendations of the Scientific Advisory Panel. The full value of the grants approved is accounted for when the grant awards or commitments are made.

Investment income

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

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

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

Fixed assets and depreciation

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

Investments

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

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

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

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

Financial instruments

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

Cash and cash equivalents

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

Debtors and creditors

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

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

Leases

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

Staff benefits

The Charity makes pension provision for its employees by contributing to a personal pension scheme of their

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

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

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

Funds

Brain Research Trust consists of six funds as follows:

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

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

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

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

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

Allocation of costs to the Funds

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

Critical accounting judgements and estimates and key sources of estimation uncertainty

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

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

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

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

2 DONATIONS and LEGACIES	Unrestricted funds	Restricted funds	TOTAL 2021 (12 mth) £'000
	2021	2021	
	£'000	£'000	£'000
Individuals	413	-	413
Trusts, corporates & major donors	178	54	232
Income from events	181	-	181
Legacies	480	77	557
	-----	-----	-----
	1,252	131	1,383
	=====	=====	=====

	Unrestricted funds	Restricted funds	TOTAL 2020 (18 mth) £'000
	2020	2020	
	£'000	£'000	£'000
Individuals	689	-	689
Trusts, corporates & major donors	87	87	174
Income from events	853	-	853
Legacies	104	-	104
	-----	-----	-----
	1,733	87	1,820
	=====	=====	=====

3 INVESTMENT INCOME	Unrestricted funds	Restricted funds	TOTAL 2021 (12 mth) £'000
	2021	2021	
	£'000	£'000	£'000
Dividends and interest on Investments	258	110	368
Deposit account interest			-
	-----	-----	-----
	258	110	368
	=====	=====	=====

	Unrestricted funds	Restricted funds	TOTAL 2020 (18 mth) £'000
	2020	2020	
	£'000	£'000	£'000
Dividends and interest on Investments	484	197	681
Deposit account interest			-
	-----	-----	-----
	484	197	681
	=====	=====	=====

4 EXPENDITURE	Direct costs 2021 £'000	Grants awarded 2021 £'000	Support costs 2021 £'000	TOTAL (12 mth) 2021 £'000
Raising funds				
Investment management fees	37	-	1	38
Fundraising costs	644	-	40	684
	-----	-----	-----	-----
Total expenditure on raising funds	681	-	41	722
Research	118	2,351	57	2,526
Information & awareness	58	-	5	63
	-----	-----	-----	-----
Total charitable activities	176	2,351	62	2,589
	-----	-----	-----	-----
Total	857	2,351	103	3,311
	=====	=====	=====	=====
	Direct costs 2020 £'000	Grants awarded 2020 £'000	Support costs 2020 £'000	TOTAL (18 mth) 2020 £'000
Raising funds				
Investment management fees	76	-	2	78
Fundraising costs	1,060	-	69	1,129
	-----	-----	-----	-----
Total expenditure on raising funds	1,136	-	71	1,207
Research	165	2,115	84	2,364
Information & awareness	88	-	10	98
	-----	-----	-----	-----
Total charitable activities	253	2,115	94	2,462
	-----	-----	-----	-----
Total	1,389	2,115	165	3,669
	=====	=====	=====	=====

See note 20 for details of grants awarded in 2021

Support costs of £45k (2020: £74k) comprise of property and office costs and other sundry expenses and are allocated on the basis of staff costs. Governance costs of £60k (2020: £91k) 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
	2021	2021	2021	(12 mth)
	£'000	£'000	£'000	2021
				£'000
Management	1	-	-	1
Legal and professional	5	4	1	10
Telecomms and IT	19	11	3	33
Human resources	-	1	-	1
Governance	15	43	2	60
	<u>40</u>	<u>59</u>	<u>6</u>	<u>105</u>

	Raising funds	Research	Information & awareness	TOTAL
	2020	2020	2020	(18 mth)
	£'000	£'000	£'000	2020
				£'000
Management	5	3	1	9
Legal and professional	1	1	-	2
Telecomms and IT	35	20	6	61
Human resources	1	1	-	2
Governance	29	59	3	91
	<u>71</u>	<u>84</u>	<u>10</u>	<u>165</u>

5 NET INCOME

	2021	2020
	(12 mth)	(18 mth)
	£'000	£'000
This is stated after charging:		
Auditor remuneration - audit fees (excludes VAT)	13	13
- other fees (excludes VAT)	1	1
Operating lease charges	25	25
	<u>=====</u>	<u>=====</u>

The Trustees did not receive any remuneration during the period. No trustees (2020; 3) were reimbursed (2020: £1,852) for travel expenses. No amounts were paid to third parties on behalf of the trustees.

6 SALARIES AND EMPLOYMENT COSTS

	2021 (12 mth) £'000	2020 (18 mth) £'000
Salaries	293	282
Social security costs	28	30
Pension costs	23	20
Freelancers	125	229
	-----	-----
	469	561
	=====	=====

The average headcount of staff employed by the charity during the period was 6 (2020: 4)

	2021 (12 months) Headcount	2020 (18 months) Headcount	2021 FTE	2020 FTE
Research	1.5	1.0	1.1	0.7
Information and awareness	0.4	0.3	0.3	0.2
Raising funds	3.3	1.9	2.8	1.7
Governance	<u>0.7</u>	<u>0.4</u>	<u>0.4</u>	<u>0.3</u>
	5.9	3.6	4.6	2.9

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

	2021 (12 months) No.	2020 (18 months) No.
£120,000 - £129,999	-	1
£80,000 - £89,999	1	-
	-----	-----
	1	1
	=====	=====

During the period, these staff received employer pension contributions of £6,720 (2020: £8,640).

Key management personnel

In 2021, 3 (2020: 3) members of staff formed the senior management team. Their remuneration amounted to £207,000 including social security and pension costs (£225,000 in the 18-month period 2018/2020).

7 INVESTMENTS

(a) Equities

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

	Unrestricted funds 2021 £'000	Endowment funds 2021 £'000	TOTAL 2021 £'000
Brought forward at 1 April 2020	4,029	5,007	9,036
Additions	3,128	1,341	4,469
Disposals	(3,643)	(1,561)	(5,204)
Net (loss)/gain on revaluation	1,555	667	2,222
	-----	-----	-----
Market value at 31 March 2021	5,069	5,454	10,523
	-----	-----	-----
Historical cost at 1 April 2020	7,158	2,924	10,082
	=====	=====	=====
Historical cost at 31 March 2021	6,570	2,816	9,386
	=====	=====	=====

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

(b) Fixed interest securities

Fixed interest securities are quoted on recognised stock exchanges

	Unrestricted funds 2021 £'000	Endowment funds 2021 £'000	TOTAL 2021 £'000
Brought forward at 1 April 2020	1,840	1,947	3,787
Additions	743	319	1,062
Disposals	(1,185)	(508)	(1,693)
Increase in unrealised gains/(losses)	18	8	26
	-----	-----	-----
Market value at 31 March 2021	1,416	1,766	3,182
	=====	=====	=====
Historical cost at 1 April 2020	2,610	1,066	3,676
	=====	=====	=====
Historical cost at 31 March 2021	2,204	945	3,149
	=====	=====	=====

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

The total investment holding included unrealised investments gain of £2,222k (2020: losses £1,376k) on equities and £26k gain (2020: gain £321k) on fixed interest securities, a total unrealised gain of £2,249k (2020: losses £1,055k).

	2021 £'000	2020 £'000
(c) Cash held for investment purposes	362	726
	=====	=====
(d) Unrealised forex gains/(losses)	-	-
	=====	=====
(e) Total at bid-price (including cash)	14,067	13,548
	=====	=====

	Unrestricted funds 2021 £'000	Endowment funds 2021 £'000	TOTAL 2021 £'000
(f) Gains/(losses) on investments			
Net gains/(losses) on investment assets	1,579	670	2,249
	=====	=====	=====

	Unrestricted funds 2020 £'000	Endowment funds 2020 £'000	TOTAL 2020 £'000
Net gains/(losses) on investment assets	(655)	(400)	(1,055)
	=====	=====	=====

8 SUNDRY DEBTORS	2021 £'000	2020 £'000
Legacies	4	37
Other debtors	54	23
Prepayments	369	651
	-----	-----
	427	711
	=====	=====

9 CREDITORS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Trade creditors	119	200
Grants payable	2,432	1,751
Accruals	20	12
Social security and other taxes	9	9
Other creditors	2	2
	-----	-----
	2,582	1,974
	=====	=====

10 CREDITORS FALLING DUE AFTER ONE YEAR

	2021	2020
	£'000	£'000
Grants payable	2,589	2,218
	-----	-----
	2,589	2,218
	=====	=====

11 GRANTS PAYABLE

	2021		2020	
	(12 months)		(18 months)	
	£'000	£'000	£'000	£'000
Balance at start of period		3,969		5,377
Grants awarded in period	2,351		2,099	
Released prior year provision	36		52	
Adjustment for time value of money	(40)		(36)	
	-----		-----	
		2,347		2,115
Grant Invoices paid in period		(1,295)		(3,523)
		-----		-----
Balance at end of period		5,021		3,969
		=====		=====
Payable within one year		2,432		1,751
Payable after one year		2,589		2,218
		-----		-----
		5,021		3,969
		=====		=====

Note 20 shows details of grants awarded in the period

During the period, grants totalling £2,351k were awarded to research institutions as per note 20. Each grant is made in accordance with the terms of the individual trust funds held by the charity. The total grants made during the period, as analysed by fund in note 12, were:

	£'000	£'000
Grants fund	1,608	1,235
Marks fund	535	-
Sobell fund	146	213
Watts	26	611
Other restricted funds	40	40
	-----	-----
	2,355	2,099
	=====	=====

12 STATEMENT OF FUNDS

	2020 £'000	Total income £'000	Grants payable £'000	Other expenditure £'000	Investment gains £'000	Transfers £'000	2021 £'000
UNRESTRICTED FUNDS							
General fund	750	-	-	-	-	250	1,000
Designated funds							
Investment fund	4,457	1,511	-	(929)	1,579	(2,064)	4,554
Grants fund	2,145	-	(1,514)	-	-	1,814	2,445
	-----	-----	-----	-----	-----	-----	-----
Total unrestricted funds	7,352	1,511	(1514)	(929)	1,579	-	7,999
	=====	=====	=====	=====	=====	=====	=====
RESTRICTED FUND							
Marks income fund	43	62	-	(6)	-	(99)	-
Sobell income fund	32	30	-	(3)	-	(59)	-
Watts income fund	34	19	-	(2)	-	(51)	-
Other funds	160	130	(130)	(20)	-	-	140
	-----	-----	-----	-----	-----	-----	-----
Total restricted funds	269	241	(130)	(31)	-	(209)	140
	=====	=====	=====	=====	=====	=====	=====
ENDOWMENT FUNDS							
Marks fund	1,846	-	(535)	-	350	99	1,760
Sobell fund	860	-	(146)	-	185	59	958
Watts fund	558	-	(26)	-	134	51	717
	-----	-----	-----	-----	-----	-----	-----
Total endowment funds	3,264	-	(707)	-	669	209	3,435
	=====	=====	=====	=====	=====	=====	=====
Total funds	10,885	1,752	(2,351)	(960)	2,248	-	11,574
	=====	=====	=====	=====	=====	=====	=====

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

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

The Marks fund is for research into the first causes of deterioration of memory.

The Sobell fund is for a chair of neurophysiology at the Institute of Neurology.

The Watts fund is for research into motor neurone disease.

13 STATEMENT OF FUNDS – 2020 COMPARATIVES

	01-Oct 2017 £'000	Total income £'000	Grants payable £'000	Other expenditure £'000	Investment gains £'000	Transfers £'000	2020 £'000
UNRESTRICTED FUNDS							
General fund	750	-	-	-	-	-	750
Designated funds							
Investment fund	5,334	2,217	-	(1,430)	(655)	(1,009)	4,457
Grants fund	2,388	-	(1,252)	-	-	1,009	2,145
Total unrestricted funds	8,472	2,217	(1,252)	(1,430)	(655)	-	7,352
RESTRICTED FUND							
Marks income fund	-	73	-	(30)	-	-	43
Sobell income fund	-	61	-	(29)	-	-	32
Watts income fund	-	63	-	(29)	-	-	34
Other funds	149	87	(40)	(36)	-	-	160
Total restricted funds	149	284	(40)	(124)	-	-	269
ENDOWMENT FUNDS							
Marks fund	1,990	-	-	-	(144)	-	1,846
Sobell fund	1,198	-	(212)	-	(126)	-	860
Watts fund	1,299	-	(611)	-	(130)	-	558
Total endowment funds	4,487	-	(823)	-	(400)	-	3,264
Total funds	13,108	2,501	(2,115)	(1,554)	(1,055)	-	10,885

14 FINANCIAL INSTRUMENTS

	2021 £'000	2020 £'000
Financial instruments measured at fair value through the SoFA (a)		
Listed investments	13,705	12,822
Financial assets measured at amortised cost (b)		
Cash	2,613	1,544
Debtors	427	711
Financial liabilities measured at amortised cost (c)		
Creditors	(5,171)	(4,192)
Net financial assets at amortised cost	11,574	10,885

(a) Financial assets measured at fair value.

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

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

15 ANALYSIS OF NET ASSETS

BETWEEN FUNDS	Investment assets 2021 £'000	Other assets 2021 £'000	Total assets 2021 £'000
Investment, Grants and General funds Reserve	9,903	(1,904)	7,999
Marks fund	2,124	(364)	1,760
Sobell fund	1,168	(210)	958
Watts fund	872	(155)	717
Restricted funds	-	140	140
	-----	-----	-----
	14,067	(2,493)	11,574
	=====	=====	=====

**16 ANALYSIS OF NET ASSETS – 2020
COMPARATIVES**

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

17 OPERATING LEASES

	2021 £'000	2020 £'000
Commitment expiring:		
Within one year	25	25
	-----	-----
	25	25
	=====	=====

At 31 March 2021, the Charity had the future minimum operating lease payments as set out above. The charge to the Statement of Financial Activities is £25k (2020: £25k)

18 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 £23k (2020: £21k). Contributions totalling £2k (2020: £2k) were payable to the fund at the balance sheet date and are included in creditors.

19 RELATED PARTY

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

20 GRANTS AWARDED IN 2020-21

<u>Description</u>	<u>Disease</u>	<u>Total</u> £
PhD Studentships (Grants Fund)		
Isobel Chick, UCL Queen Square IoN <i>Face-to-face comprehension and production in aphasia: do multimodal non-arbitrary cues play a role?</i>	ABI	108,313
Lauren Gay, Imperial College London <i>Defining mechanisms and new treatments for headache and raised intracranial pressure</i>	Neuro-oncology	120,000
Clarissa Rocca, UCL Institute of Neurology <i>Investigating channel and pump genes in cluster headache</i>	HFP (Cluster headache)	119,917
Covid-19 grant extension		59,950
PhD sub-total		408,180
Project Grants (Grants Fund)		
Mr Ryan Mathew, University of Leeds <i>Characterising and therapeutically targeting the margin zone of infiltrative glioma using new in vivo patient-derived craniotomy orthotopic models</i>	Brain tumours	296,355
Dr Manav Pathania, University of Cambridge <i>Adaptive immune responses in traumatic brain injury</i>	Brain tumours (DIPG)	297,918
Dr Megan Crawford, University of Strathclyde <i>Manipulating microglial/macrophage function via CSF1R to improve functional recovery and neuroplasticity after stroke</i>	Headache (migraine)	192,806
Professor Khuloud Al-Jamal, King's College London <i>Can immunogenic cell death be exploited in brain cancer?</i>	Brain tumours	299,346
Covid-19 grant extensions		80,682
Project Grants sub-total		1,167,107

Yizhou Wan, RCS/University of Cambridge	Fellowship	32,500
Other Research (Endowment & Restricted Funds)		
Sobell 'Chair of Neurophysiology'	Neurophysiology	145,937
Professor Antonella Spinazzola, UCL Institute of Neurology <i>Brain Research UK Miriam Marks Professorial Research Fellow in Neurodegenerative Diseases: Mitochondrial DNA dysfunction at the nexus of organelle interactions causing PD</i>	Parkinson's disease	230,438
Dr jonathan Rohrer, UCL Institute of Neurology	Frontotempor al dementia	304,931
Sobell Department of Motor Neuroscience & Movement Administration support costs (Restricted Fund)		40,000
Covid-19 grant extension		26,365
Other Research sub-total		747,671
Total grants awarded		2,355,458
Release of previous year's adjustment of the time value of grants payable after one year		35,485
Adjustment for the time value of grants payable after one year		(40,171)
Grand Total		2,350,772

The details of grant awards made in previous years can be found in the annual accounts available at:
<https://www.brainresearchuk.org.uk/annual-review-and-accounts>