

**THE BRAIN RESEARCH TRUST**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 JULY 2009**

Registered Charity Number: 263064

## **THE BRAIN RESEARCH TRUST**

### **CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 31 JULY 2009**

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The Brain Research Trust (BRT) is a medical research charity founded in 1971 to fund research into neurological diseases. The Trustees believe that the debilitating, often life threatening, neurological diseases affecting so many people in the UK and throughout the world can be cured or alleviated as a result of a well-directed and well-funded research programme. To achieve this aim, the Trust is strongly committed to supporting the research carried out at UCL's Institute of Neurology (IoN), Queen Square, long recognised as a world-class centre of research excellence.

During 2008-09 we spent nearly £1.8 million to fund research directly into projects dealing with Alzheimer's Disease, Parkinson's Disease, Motor Neurone Disease, Stroke, Brain Tumours, Multiple Sclerosis, Epilepsy and Migraine as well as providing the infrastructure support for the IoN's world-renowned functional imaging centre. In the 2007-08 we funded approximately £1.6 million of research.

The return from our investment portfolio combined with fundraising provides the funds necessary to support the IoN's research programme. Volatile stock markets and depressed economic conditions have resulted in a fall in the market value of our investments even though we diversified our portfolio before the economic downturn. Despite this poor economic background our investment income of £859,000 in 2008-09, assisted by exchange gains, slightly exceeded the income of £853,000 in 2007-08. Donations in 2008-09 of close to £1.5 million, helped greatly by the kindness of supporters in leaving legacies to the Trust, were only slightly less than £1.6 million received in 2007-08.

During 2008-09, the Trust committed to funding 11 new research and equipment projects at a total cost of £485,000. Research areas included Epilepsy, Brain Tumours, ALS, and Parkinson's Disease. In addition, four PhD studentships were awarded for investigations into Stroke, Epilepsy, and Motor Neurone Disease at a total cost of £373,000 over three years. We recognise that the IoN needs stable funding but we cannot be certain of economic recovery for the next financial year and the return from our investments may therefore be depressed. We are, however, committed to reviewing and improving our fundraising strategy to augment the necessary funds for the IoN's research. Our website and logo have been updated recently. Comprehensive information on the research projects we fund as well as all of our fundraising activities can be found on: <http://www.brt.org.uk/>

The IoN has asked the Trust and The National Hospital Development Fund to raise jointly an estimated £1 million for the refurbishment of the research library and archives at 23, Queen Square. This facility is shared by the Hospital and the IoN. The project will commence in 2010. The refurbished library will provide improved use of space and access to electronic resources to meet the demands arising from the significant growth in staff and students of the IoN. It will also offer new storage and display areas for the historical and rare archive collections.

We would like to thank our supporters for their enormous contribution to the IoN's research effort. Thanks to your efforts through running, walking, cycling, celebrating your weddings or anniversaries, leaving a legacy – or just by putting a cheque in the post - our income was nearly £1.5 million. It is because of your enthusiasm for the research effort carried out at the IoN that we have done so well in difficult economic circumstances. We are very grateful to you all.

Yours sincerely,

Neil. L. Payne  
Chairman

29 October 2009

# THE BRAIN RESEARCH TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 JULY 2009

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#### **Principal Activities and Objectives of the Charity:**

The objective of The Brain Research Trust (BRT), as stated in its Trust Deed, is to support research into neurological diseases. Since its founding in 1971, the BRT has funded both basic and clinical scientific research carried out at UCL's Institute of Neurology (IoN), Queen Square. The IoN has a worldwide reputation as a centre of excellence for scientific research into neurological diseases and disorders.

The strategy adopted to fulfil this objective is to raise funds to support individual research projects, pilot programmes, equipment grants, PhD studentships and to seek endowments to support department-wide research programmes. The Trustees understand that neurological research is a long-term process but consider that the knowledge gained by each research project funded is a step towards understanding how these diseases happen and how to treat them. They also understand that measuring the impact of their donations is a consideration for those who give so generously to support the BRT's work. Therefore, the results of every piece of research paid for by the BRT are documented in a final report that includes a list of papers published resulting from the research. This information is a valuable addition to the general pool of knowledge about a particular disease and can help the scientific community at large to undertake further study. The table on page 18 details the extensive programme of research funded by the BRT during 2008-09. These projects contributed to the IoN's total for the year of 641 published papers, chapters in 49 books as well as 4 books on a variety of neurological subjects.

#### **Structure, Governance and Management:**

- Board of Trustees currently comprising 10 members
- The Board of Trustees meets five times a year
- Committees of the Board meet regularly including an Investment Committee to monitor investments and a Development Committee to oversee the Trust's strategic development
- The BRT's Scientific Advisory Panel (SAP) meets once a year to evaluate and rank grant applications to recommend to the Trustees which research and equipment grant projects they should fund. The SAP's five members are independent from the IoN, being drawn from various neurological disciplines, and are actively involved in neurological research. Details of the BRT's policies regarding the giving and monitoring of grants are available from the charity's website (<http://www.brt.org.uk/>).
- The BRT 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 BRT up to 31 July 2009 was carried out by the Secretary and Administrator assisted by a staff of two and a fundraising consultant.

#### **Appointment of Trustees:**

- Trustees are recruited via invitation and are selected based on their ability to contribute business, scientific, investment, legal and financial skills.
- Trustees serve a three year term and can be re-elected

Mr Stanley Fink resigned as Trustee in January 2009. The Trustees are very grateful for his contribution to the BRT during his term of office. Professor Angela Vincent was appointed Trustee in July 2009. Professor Vincent's distinguished record of sustained productivity in the field of neuroscience will add another dimension to the BRT's scientific representation.

#### **Specific Powers of the Trustees:**

- The Trustees have the power to award research grants and to invest monies not immediately required
- An investment manager, Sarasin & Partners LLP, undertakes the management of the BRT's investment portfolio (other than the investment in hedge funds) under the supervision of the BRT's Investment Committee. Decisions as to investment choices are always confirmed by the Board of Trustees.

#### **Risk Assessment:**

The BRT undertakes an annual Risk Assessment and monitors carefully those areas perceived to be a risk to the charity. The major risk to the BRT would be a failure to meet its objectives due to a loss of income because of a stock market fall or a loss of income through damage to its reputation. The Trustees consider steps have been taken to mitigate these risks.

## THE BRAIN RESEARCH TRUST

### TRUSTEES' REPORT (continued)

#### FOR THE YEAR ENDED 31 JULY 2009

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#### Public Benefit:

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the Charity. Research carried out at the IoN 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 IoN's research are not restricted by gender, ethnicity, religion or ability to pay and in that respect benefits the public at large.

#### Results and Review of the Year:

	2008-09 (£000)	2007-08 (£000)
• Total incoming resources	2,345	2,419
• Direct cost of generating funds	<u>(415)</u>	<u>(393)</u>
	1,930	2,026
• Total research expenditure	(1,760)	(1,586)
• Change in investment values	(1,401)	(1,675)
• Transfer out of Kinross Fund	(3,183)	---
• Net movement in funds	(4,523)	(1,296)

The figures are explained in more detail in the accounts. In general, however, the Trustees are pleased to report that despite the very difficult economic conditions in 2008-09, the BRT managed to increase its research funding. This enabled the funding of 12 PhD studentships costing £264,466, 12 research and equipment grants costing £259,086 and support seven endowed research areas at a cost of £989,172. The total research expenditure of £1,760,036 represents a 11% increase on the equivalent expenditure in 2008. After discussion with the Trustees of The Mary Kinross Charitable Trust in July, 2008 it was mutually agreed that the Kinross Fund should be returned to The Mary Kinross Charitable Trust. The Fund valued at £3,183,000 was transferred in September 2008 as stated in Note 13.

#### Investments:

Investment Manager: Sarasin & Partners LLP

Investment Policy: To maintain the real value of the capital and income. Performance is measured on a quarterly basis against two benchmarks (a) 20% FT all Stocks (Gilts), 20% ML Non-Gilt AAA-AA 1-10 Year (Corporate Bonds), 60% FTSE All Share (UK Equities) taking into account both income and capital change; and (b) Absolute Real Return. The BRT's portfolio remains diversified and invested into gilts, corporate bonds, UK equities, global equities, property funds, hedge funds and cash deposits. Since January 2009 the dollar portion of the investment portfolio has been hedged.

Investment Performance: The transfer of the Kinross Fund together with falls in market values, meant that the value of the investment portfolio fell by almost £5 million to £16,479,000 (2008 £21,029,000). Despite the loss of income from the transferred Kinross Fund, investment income increased to £859,000 in 2008-09 from £853,000 in 2007-08 helped by exchange gains derived from hedging the BRT's dollar investments.

#### Reserves Policy:

In 1971, the initial capital to provide income for research came from fundraising and was invested as a prudent way of managing these funds to produce maximum income for research. As costs of research increase, there is need for more capital to produce income. The Trustees consider that, of the BRT's Unrestricted Funds, an amount of £1,219,000 representing the three-year commitment to the IoN referred to in Note 11 should be treated as a Designated Fund for the purpose of the accounts. In addition, an amount of £6,496,000 should remain in the BRT's Unrestricted Funds for investment.

#### Achievements and Performance:

*Donation Received:* Donations in 2008-09 of £1,486,000 fell by approximately 5% compared to donations of £1,566,000 in 2007-08. This is due in some measure to the successful outcome of the Parkinson's Appeal 'Meeting of Minds' event last year but also to a shortfall in income from individuals, understandable in the current economic climate.

However Legacy income of £835,000 in 2008-09 increased greatly from the £320,000 given in 2007-08 and Events income at £113,000 exceeded last year's figure of £78,000. Trust fundraising resulted in a total income of £392,000 in

## THE BRAIN RESEARCH TRUST

### TRUSTEE'S REPORT (continued)

#### FOR THE YEAR ENDED 31 JULY 2009

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2008-09, an increase on £345,000 in 2007-08. We are grateful to all the Trusts that gave so generously to support the BRT's research efforts.

#### *Research Funded:*

The Institute of Neurology's research strategy has highlighted the need for more strategic collaboration across UCL Neuroscience and has also pinpointed Neurodegeneration as an area to concentrate resources. BRT-funded research grants, pilot programmes and PhD studentships in meeting public benefit are also helping the IoN achieve these objectives. Prime among the collaborative ventures is the work of Professor Parmjit Jat whose project *Genome Wide RNA Interference Libraries for Identifying Gene Function* (Cost: £50,000) will create a consortium comprising the following Departments within UCL: Cancer Institute, Institute of Neurology, Institute of Child Health, Department of Infection and Immunity and the LMCB.

The advent of new genomic technologies has made it possible to identify every gene that may potentially be involved in biological process or a disease. However, the function of many of these genes is not known and they may not previously have been thought to be involved in the disease process. The consortium of UCL-wide collaborators will supervise the purchase and use of an RNA Interference Library that is a collection of biological switches for turning off any individual human gene. The consortium will ensure that the Library is available to all investigators for their research.

Areas of Neurodegeneration that have received funding from the BRT during 2008-09 include Professor John Hardy's project *Finding Recessive Genes for Early Onset Alzheimer's* at a cost of £106,000; Professor Linda Greensmith's research into treatments to delay the progression of Motor Neurone Disease (Cost: £125,349); PhD candidate Stefan Lieber, working under the supervision of Professor Sebastian Brandner, continued his research on his thesis to *Identify genetic pathways determining brain tumour phenotypes* (Cost: £24,429); and PhD candidate Samira Rabbani whose thesis is *To further define and understand intracellular trafficking of the abnormal prion protein (PrP<sup>Sc</sup>) and the subcellular compartments where PrP<sup>Sc</sup> mediated neurotoxicity occurs* (Cost: £25,262) is likely to yield important insights into prion disease and the mechanisms of neurodegeneration per se.

The projects mentioned above are listed in the full programme of research costing £1,760,036 shown in the table on page 18. In addition to these projects, the BRT's Scientific Advisory Panel met in January, 2009 and agreed a further six equipment grants and 5 pilot projects costing £485,133, the majority to commence in the new financial year. These projects allow scientists to explore exciting preliminary ideas in the field of neurological research and are very important as a way of exploring innovative research ideas and techniques that might yield important conclusions. Four PhD studentships were also awarded during the year at a total cost of £372,768 over three years.

The Parkinson's Fund, created as a result of the very successful Parkinson's Appeal chaired by Mrs Lyn Rothman, continued its support for The Unit of Functional Neurosurgery by funding Dr Tom Foltynie. Dr Foltynie is exploring the effectiveness of the Deep Brain Stimulation operation in a project entitled *Genes, functional imaging and response to Deep Brain Stimulation in Parkinson's disease* at a cost of £21,600 over two years.

The BRT staff continued their successful efforts to fundraise from many different streams. Nick Cantwell, Fundraising Officer, has full responsibility for both the Direct Mailing and Events programmes. Nick is also responsible for the BRT's IT including maintaining the Raiser's Edge database. Yasmin Ahammad, Fundraising Officer, is responsible for Community Fundraising and GAYE income as well as directing the redesign of the BRT's website and the adoption of the BRT's new logo. Mrs Jenny Cooper, who acts as a fundraising consultant for the BRT, is responsible for Trust and Individual fundraising, assisted by Yasmin.

Suzanne Gibbons, Secretary and Administrator, after 12 years of service to the BRT, retired on 31 July 2009. The Trustees are very grateful for all her efforts over these years which have seen a continued expansion of the Trust's many fundraising activities, and wish her well for the future. The Trustees welcome Ms Lindsay Easton as the BRT's new Chief Executive with effect from 4 November 2009. Lindsay has a demonstrable track record of profile raising and innovation in fundraising and should help the Trustees greatly in guiding the BRT through these difficult times.

#### **Future Plans:**

- To raise an estimated £500,000 for the BRT's contributions to the cost of refurbishment of the IoN's research library and archives. Further details are included in the Chairman's Report.
- To continue to fund pilot projects and equipment grants despite the current fragility of the economy.
- To develop a strategic fundraising plan including a legacy marketing and a direct marketing programme.

# THE BRAIN RESEARCH TRUST

## TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 JULY 2009

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Name & Registration Number  
Address

The Brain Research Trust (263064)  
15, Southampton Place  
London WC1A 2AJ

President:  
Vice President

Sir John Read FCA  
Mr S. J. David Corsan FCA

Trustees:

Mr Neil L. Payne FCA, Chairman  
Mr Yves Bonavero MA (Oxon)  
Professor Alastair Compston PhD, FRCP, FMedSci  
Mr Stanley Fink (To 31 January 2009)  
Mr E. Michael Garston OBE, LL.B  
Mrs Frances Heaton BA, LL.B  
Professor J. Julian B. Jack PhD, FRCP, FMedSci, FRS  
Professor David Landon BSc, MB, BS  
Sir Rob Margetts CBE  
Mr Anthony J. Mehew FCA, MA  
Prof Angela Vincent FRCP, FRCP, FMed Sci (From 30 July 2009)

Secretary and Administrator:  
Fundraising Consultant:  
Fundraising Officer:  
Fundraising Officer

Mrs Suzanne D. Gibbons BA (To 31 July 2009)  
Mrs Jenny Cooper MA  
Mr Nick Cantwell BA  
Miss Yasmin Ahammad BA

Professional Advisors

### Accountants

S. D. Knee Ltd Chartered Accountants

### Auditors

haysmacintyre  
Fairfax House  
15 Fulwood Place  
London WC1V 6AY

### Solicitors

Farrer & Co. LLP  
66 Lincoln's Inn Fields  
London  
WC2A 2LH

Blake Lapthorne Tarlo Lyons  
Harbour Court  
Compass Road  
Portsmouth PO6 4ST

### Investment Manager

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

### Bankers

HSBC Bank plc  
1 Woburn Place  
Russell Square  
London WC1H 0LQ

### Scientific Advisory Panel

Chairman: Professor Julian Jack

Professor Martin Babrow  
Department of Medical Genetics  
University of Cambridge  
Addenbrooks Hospital  
Cambridge CB2 2XY

Professor James Fawcett  
Centre for Brain Repair  
University of Cambridge  
Robinson Way  
Cambridge CB2 2PY

Professor Patrick Chinnery  
Professor of Neurogenetics  
Mitochondrial Research Group  
The Medical School  
University of Newcastle upon Tyne  
Newcastle upon Tyne NE2 4HH

Professor Nick Rawlins  
Professor of Behavioural Neuroscience  
Department of Experimental Psychology  
South Parks Road  
Oxford OX1 3UD

## **THE BRAIN RESEARCH TRUST**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 JULY 2009**

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##### **Statement of Trustees' Responsibilities:**

The Trustees present the accounts for the year ended 31 July 2009 prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005). The Trustees have prepared the financial statements for the financial period which give a true and fair view of the state of affairs of the charity and of the result for that period. In preparing those financial statements, the Trustees have:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that are reasonable and prudent.
- Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepared the financial statements on the going concern basis.

The Trustees are responsible for keeping proper accounting records which disclose at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Neil L. Payne (Chairman)

29 October 2009

# **THE BRAIN RESEARCH TRUST**

## **AUDITORS REPORT**

### **FOR THE YEAR ENDED 31 JULY 2009**

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We have audited the financial statements of The Brain Research Trust for the year ended 31 July 2009 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with the regulations made under the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 July 2009 and of its incoming resources and application of resources in the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

**haysmacintyre**  
**Registered Auditors**

**Fairfax House**  
**15 Fulwood Place**  
**London WC1V 6AY**

**THE BRAIN RESEARCH TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 JULY 2009**

	Note	Main Unrestricted Fund £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2009 £'000	Total 2008 £'000
<b>Incoming Resources</b>						
Incoming resources from generated funds:						
<i>Voluntary income</i>						
Donations received	2	1,184	239	63	1,486	1,566
Investment income	3	331	528	-	859	853
<b>Total incoming resources</b>		<b>1,515</b>	<b>767</b>	<b>63</b>	<b>2,345</b>	<b>2,419</b>
<b>Resources Expended</b>						
Costs of generating funds:						
Investment management costs	4	27	40	-	67	88
Other fundraising costs	4	348	-	-	348	305
Costs of generating funds	4	375	40	-	415	393
Charitable activities:						
Research grants to the Institute of Neurology	12	522	793	445	1,760	1,586
Grant support costs	4	73	28	-	101	53
		595	821	445	1,861	1,639
Governance costs	4	8	-	-	8	8
<b>Total resources expended</b>		<b>978</b>	<b>861</b>	<b>445</b>	<b>2,284</b>	<b>2,040</b>
<b>Net incoming resources before other gains and losses</b>		<b>537</b>	<b>(94)</b>	<b>(382)</b>	<b>61</b>	<b>379</b>
Other recognised gains and losses:						
Realised and unrealised gains/(losses) on investment assets	13	(449)	(92)	(860)	(1,401)	(1,675)
Transfer out of Kinross fund	13	-	(453)	(2,730)	(3,183)	-
Transfers between funds	13	(35)	35	-	-	-
Net movement in funds		53	(604)	(3,972)	(4,523)	(1,296)
Reconciliation of funds						
Total funds brought forward		7,662	3,037	11,591	22,290	23,586
Total funds carried forward	14	7,715	2,433	7,619	17,767	22,290

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

The notes on pages 11 to 17 form part of these accounts.

**THE BRAIN RESEARCH TRUST**

**BALANCE SHEET**

**AT 31 JULY 2009**

	Notes	2009		2008	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible fixed assets	7		-		-
Investments	8		16,479		21,029
Total fixed assets			16,479		21,029
<b>Current assets</b>					
Sundry debtors	9	77		81	
Cash at bank and in hand		1,888		1,791	
Total current assets		1,965		1,872	
<b>Liabilities</b>					
Creditors falling due within one year	10	(677)		(611)	
Net current assets			1,288		1,261
<b>Net assets</b>			<b>17,767</b>		<b>22,290</b>
<b>The funds of the charity:</b>					
<b>Unrestricted Funds</b>					
Investment Fund	13	6,496		6,719	
Grants Fund	13	1,219		943	
Main Fund	13	-		-	
			7,715		7,662
<b>Restricted Funds</b>					
Neurosurgery Income Fund	13	1,292		1,349	
Parkinson's Income Fund	13	810		876	
Kinross Income Fund	13	-		443	
Marks Income Fund	13	-		37	
Watts Income Fund	13	-		17	
Brain Tumour Fund	13	331		315	
			2,433		3,037
<b>Endowment funds</b>					
Kinross Endowment Fund	13	-		2,939	
Marks Endowment Fund	13	1,388		1,471	
Muller Endowment Fund	13	3,314		3,862	
Sobell Endowment Fund	13	1,458		1,654	
Watts Endowment Fund	13	1,459		1,665	
			7,619		11,591
			<b>17,767</b>		<b>22,290</b>

Approved by the Board of Trustees on 29 October 2009 and signed on its behalf by:

)  
 ) Trustees  
 )  
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The notes on pages 11 to 17 form part of these accounts.

# THE BRAIN RESEARCH TRUST

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2009

	2009 £'000	2008 £'000
Reconciliation of net incoming resources to net cash outflow from operating activities		
Net incoming resources	61	379
Investment income	(859)	(853)
Change in debtors, excluding investment income and sale of investment assets	4	(17)
Change in creditors, excluding purchase of investment assets	66	(134)
Net cash outflow from operating activities	(728)	(625)
Return on investments		
Dividends & Interest received on investments	536	716
Bank deposit interest	101	141
Foreign exchange gains	222	-
Net cash inflow from returns on investments	859	857
Capital expenditure and financial investments		
Purchase of investments	(6,679)	(4,667)
Sale of investments	6,495	4,936
Net cash (outflow)/inflow from capital expenditure and financial investments	(184)	269
(Decrease)/increase in cash and cash equivalents	(53)	501
Cash and cash equivalents		
At 1st August 2008	3,768	3,267
Net cash (outflow)/inflow for the year	(53)	501
At 31 July 2009	3,715	3,768
Made up of:		
Cash at bank and in hand	1,888	1,791
Cash held as part of investment portfolio	1,827	1,977
	3,715	3,768

# THE BRAIN RESEARCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2009

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#### 1. ACCOUNTING POLICIES

##### (a) Basis of preparation of accounts

The financial statements have been prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting by Charities, SORP 2005 issued in March 2005, and with applicable Accounting Standards.

The Brain Research Trust consists of ten funds as follows:

Main Fund (unrestricted)  
Investment Fund (designated)  
Grants Fund (designated)  
Neurosurgery Fund (restricted)  
Parkinson's Fund (restricted)  
Kinross Fund (permanent endowment until September 2008 see note 13)  
Miriam Marks Fund (expendable endowment)  
Muller Fund (expendable endowment)  
Sobell Fund (expendable endowment)  
Watts Fund (expendable endowment)

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

##### (b) Donations received

Donations are accounted for on a cash received basis and are recognised in the Main Fund 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.

##### (c) 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.

##### (d) 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.

##### (e) Fixed assets

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

##### (f) Investments

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

**THE BRAIN RESEARCH TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2009**

**1. ACCOUNTING POLICIES (continued)**

(g) 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.

(h) 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 Main Fund.

(i) Pensions

The Trust makes pension provision for its 3 employees by contributing to a personal pension scheme of their choice.

**2. DONATIONS RECEIVED**

	<b>Unrestricted Fund £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowment Funds £'000</b>	<b>Total 2009 £'000</b>	<b>Total 2008 £'000</b>
Individuals	146	-	-	146	823
Trusts	90	239	63	392	345
Income from events	113	-	-	113	78
Legacies	835	-	-	835	320
	<b>1,184</b>	<b>239</b>	<b>63</b>	<b>1,486</b>	<b>1,566</b>

**3. INVESTMENT INCOME**

	<b>Unrestricted Fund £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowment Funds £'000</b>	<b>Total 2009 £'000</b>	<b>Total 2008 £'000</b>
Dividends and interest on investments	217	319	-	536	713
Foreign exchange gains	63	159	-	222	-
Deposit account interest	51	50	-	101	140
	<b>331</b>	<b>528</b>	<b>-</b>	<b>859</b>	<b>853</b>

**4. RESOURCES EXPENDED**

	<b>Cost of Generating Funds £'000</b>	<b>Grant Support Costs £'000</b>	<b>Governance Costs £'000</b>	<b>Total 2009 £'000</b>	<b>Total 2008 £'000</b>
Salaries	110	-	-	110	97
Premises costs	11	22	-	33	31
Office costs	9	18	-	27	30
Investment management	67	-	-	67	88
Direct mailings	72	-	-	72	11
Fundraising consultancy	49	-	-	49	91
Events	18	-	-	18	40
Other	79	61	8	148	66
	<b>415</b>	<b>101</b>	<b>8</b>	<b>524</b>	<b>454</b>
2008	393	53	8	454	

**THE BRAIN RESEARCH TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2009**

**5. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging:

	2009 £'000	2008 £'000
Audit fees	8	8

The auditors received no fees other than the audit fees stated above (2008: £nil).

The trustees did not receive any remuneration during the year (2008: £nil), neither were they reimbursed for any expenses (2008: £nil).

**6. (a) SALARIES AND EMPLOYMENT COSTS**

	2009 £'000	2008 £'000
Salaries	91	83
Pension costs	9	6
Social Security costs	10	9
	110	98

Average number of employees: 3 (2008: 3).

No employees received remuneration exceeding £60,000 during the year (2008: nil).

**(b) PENSIONS**

The company contributed to the personal pension schemes of two 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 £9,000 (2008: £6,000).

**7. FIXED ASSETS**

	Office Equipment £'000
Cost	
As at 31 July 2008	11
Additions in period	-
Disposals in period	-
As at 31 July 2009	11
Depreciation	
As at 31 July 2008	11
Disposals in period	-
As at 31 July 2009	11
Net book value at 31 July 2009	-
Net book value at 31 July 2008	-

**THE BRAIN RESEARCH TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2009**

**8. INVESTMENTS AT MARKET VALUE**

(a) Equities

Equities comprise ordinary shares quoted on the International Stock Exchange together with hedge fund investments in the alternative investment market amounting to £2,329,813 (2008: £2,836,822).

	<b>Unrestricted Fund £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowment Funds £'000</b>	<b>Total 2009 £'000</b>	<b>Total 2008 £'000</b>
Market value at 31 July 2008	4,685	564	9,656	14,905	16,852
Additions	1,807	329	2,263	4,399	3,471
Disposals at cost	(2,722)	(496)	(3,845)	(7,063)	(3,776)
Increase/(decrease) in unrealised gains	(148)	(42)	(300)	(490)	(1,642)
Kinross transfer out at cost	18	4	(1,926)	(1,904)	-
Market value at 31 July 2009	3,640	359	5,848	9,847	14,905
Cost at 31 July 2009	4,829	738	5,048	10,615	14,254
Cost at 31 July 2008	4,423	706	9,125	14,254	14,667

(b) Fixed Interest Securities

Fixed interest securities are quoted on a recognised Stock Exchange

	<b>Unrestricted Fund £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowment Funds £'000</b>	<b>Total 2009 £'000</b>	<b>Total 2008 £'000</b>
Market value at 31 July 2008	1,255	280	2,612	4,147	4,138
Additions	1,214	131	935	2,280	1,196
Disposals at cost	(423)	(52)	(473)	(948)	(1,103)
Increase/(decrease) in unrealised gains	43	8	52	103	(84)
Kinross transfer out at cost	-	-	(673)	(673)	-
Market value at 31 July 2009	2,089	367	2,453	4,909	4,147
Cost at 31 July 2009	1,884	357	2,303	4,544	4,417
Cost at 31 July 2008	1,338	297	2,782	4,417	4,340

The total investment holding as shown in the balance sheet included unrealised investments gains/(losses) of £(490,000) [2008: £651,000] on equities and £103,000 [2008: £(270,000)] on Fixed Interest Securities, a net total of £(387,000) [2008: 381,000].

	<b>2009 £'000</b>	<b>2008 £'000</b>
(c) Cash held for investment purposes	1,827	1,977
(d) Unsettled investment transactions	(104)	-
(e) Total market value (including cash)	16,479	21,029

**THE BRAIN RESEARCH TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2009**

<b>9. SUNDRY DEBTORS</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
Accrued interest	54	48
Sundry debtors	9	23
Prepayments	14	10
	<b>77</b>	<b>81</b>
<b>10. SUNDRY CREDITORS</b>		
Trade creditors	37	3
Grants payable	531	535
Accruals	109	73
	<b>677</b>	<b>611</b>

**11. COMMITMENTS**

In addition to the grants payable noted above, the Trustees have also approved from the Main Fund 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 31 July 2009 are as follows:

	<b>2009 £'000</b>	<b>2008 £'000</b>
Within one year	781	661
Within two years	306	185
Within two to three years	132	97
	<b>1,219</b>	<b>943</b>

**12. GRANTS PAYABLE**

During the year grants totalling £1,760,036 (2008: £1,586,339) were paid 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:

	<b>2009 £'000</b>	<b>2008 £'000</b>
Main Fund	522	742
Neurosurgery Fund	18	22
Kinross Fund	-	124
Marks Fund	106	8
Muller Fund	402	381
Sobell Fund	180	167
Watts Fund	182	117
Other restricted funds	350	25
	<b>1,760</b>	<b>1,586</b>

**THE BRAIN RESEARCH TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2009**

**13. STATEMENT OF FUNDS**

**UNRESTRICTED FUND**

	<b>At 31 July 2008 £'000</b>	<b>Income £'000</b>	<b>Grants Payable £'000</b>	<b>Other Expenditure £'000</b>	<b>Investment Gains/ (Losses) £'000</b>	<b>Transfers £'000</b>	<b>At 31 July 2009 £'000</b>
Main Fund	-	1,515	-	(456)	(449)	(610)	-
Investment Fund	6,719	-	-	-	-	(223)	6,496
Grants Fund - designated fund	943	-	(522)	-	-	798	1,219
<b>Total unrestricted fund</b>	<b>7,662</b>	<b>1,515</b>	<b>(522)</b>	<b>(456)</b>	<b>(449)</b>	<b>(35)</b>	<b>7,715</b>

**RESTRICTED FUNDS**

	<b>At 31 July 2008 £'000</b>	<b>Income £'000</b>	<b>Grants Payable £'000</b>	<b>Other Expenditure £'000</b>	<b>Investment Gains/ (Losses) £'000</b>	<b>Transfers £'000</b>	<b>At 31 July 2009 £'000</b>
Neurosurgery Income Fund	1,349	62	(18)	(9)	(92)	-	1,292
Parkinson's Fund	876	40	(103)	(3)	-	-	810
Kinross Income Fund	443	14	-	(4)	-	(453)	-
Marks Income Fund	37	60	(88)	(9)	-	-	-
Muller Income Fund	-	191	(172)	(19)	-	-	-
Sobell Income Fund	-	87	(76)	(11)	-	-	-
Watts Income Fund	17	81	(89)	(9)	-	-	-
Brain Tumour Fund	315	106	(86)	(4)	-	-	331
Other Funds	-	126	(161)	-	-	35	-
<b>Total restricted funds</b>	<b>3,037</b>	<b>767</b>	<b>(793)</b>	<b>(68)</b>	<b>(92)</b>	<b>(418)</b>	<b>2,433</b>

**ENDOWMENT FUNDS**

	<b>At 31 July 2008 £'000</b>	<b>Income £'000</b>	<b>Grants Payable £'000</b>	<b>Other Expenditure £'000</b>	<b>Investment Gains/ (Losses) £'000</b>	<b>Transfers £'000</b>	<b>At 31 July 2009 £'000</b>
Kinross Fund	2,939	-	-	-	(209)	(2,730)	-
Marks Fund	1,471	23	(18)	-	(88)	-	1,388
Muller Fund	3,862	-	(230)	-	(318)	-	3,314
Sobell Fund	1,654	35	(104)	-	(127)	-	1,458
Watts Fund	1,665	5	(93)	-	(118)	-	1,459
<b>Total endowment funds</b>	<b>11,591</b>	<b>63</b>	<b>(445)</b>	<b>-</b>	<b>(860)</b>	<b>(2,730)</b>	<b>7,619</b>

Designated funds represent amounts set aside by the Trustees as disclosed within the Trustees' Report on page 3.

All the endowment funds are expendable. A designated 'Grants Fund' has been set up to match the commitment disclosed in note 11. After discussion with the Trustees of The Mary Kinross Charitable Trust in July 2008, it was agreed that the Kinross Fund should be returned to The Mary Kinross Charitable Trust. The Fund, valued at £3,183,000, was transferred in September 2008.

**THE BRAIN RESEARCH TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 JULY 2009**

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 31 JULY 2009**

	<b>Investments £'000</b>	<b>Net Current Assets £'000</b>	<b>Total 2009 £'000</b>	<b>Total 2008 £'000</b>
Main/Investment/Grants Funds	6,990	725	7,715	7,662
Neurosurgery Fund	1,111	181	1,292	1,349
Parkinson's Fund	805	5	810	876
Kinross Fund	-	-	-	3,382
Marks Fund	1,071	317	1,388	1,508
Muller Fund	3,270	44	3,314	3,862
Sobell Fund	1,541	(83)	1,458	1,654
Watts Fund	1,436	23	1,459	1,682
Brain Tumour Fund	255	76	331	315
	<b>16,479</b>	<b>1,288</b>	<b>17,767</b>	<b>22,290</b>

PROJECTS FUNDED 2008-09

**Description**

**Research Grants (Main Fund Unrestricted)**

Advanced MRI techniques for assessment and prediction of treatment effects in primary and secondary brain tumours  
MRC Capacity Building Studentship  
Movement Disorder Archive  
Connectivity of thoracic motoneurons in spinal cord repair  
Peripheral markers of neuronal excitability in CNS channelopathies  
Cortical mechanisms of sequence learning  
Nano-diffusion in the brain extracellular space  
The pathogenicity of skeletal muscle channelopathies  
Investigating the role of Tau in neurodegeneration by the development of a Tau Tubulin Kinase Drosophila model  
Genome wide RNA interference libraries for identifying gene function  
Axonal protection by sodium channel blockade in experimental allergic neuritis and Guillain Barré syndrome  
Mitochondrial oxidative damage in Parkinson's disease  
Investigating the pathogenesis of DYT1 dystonia through study of torsin A and its interacting protein partners

**Disease**

**£**

Brain Tumours 3,746  
Alzheimers 2,498  
Parkinson's, Huntingdon's 15,705  
Spinal Cord repair 35,145  
Epilepsy, Ataxia 19,884  
Parkinson's, schizophrenia 3,130  
Epilepsy 39,821  
Neuro-muscular diseases 42,815  
Ataxia, Dementia 15,466  
Neurodegeneration 50,000  
Guillain-Barré 23,638  
Parkinson's disease 3,669  
3,569  
Research sub-total 259,086

**PhD Studentships (Main Fund Unrestricted)**

The influence of dopamine in trigeminal nociceptive neurotransmission and migraine  
Understanding cellular mechanisms in prion-mediated neurodegeneration.  
Role of metabotropic glutamate receptors in controlling microglial activation and neurotoxicity in neuro-inflammatory diseases  
Understanding cognitive dysfunction and localizing the epileptogenic zone  
Misregulation of alternative splicing in neurological disorders: Predictions for treatments  
The effects of attentional and working memory load on feature processing in the human brain  
Mutations in P/Q-type calcium channels and molecular mechanism of migraine  
Counterfactual thinking and behavioural regulation  
Intracellular trafficking of the abnormal prion protein (PrP<sup>Sc</sup>) and the subcellular compartments where PrP<sup>Sc</sup> mediated neurotoxicity occurs  
Role of plasma constituents in the pathophysiology and pathology of Multiple Sclerosis  
Identifying genetic pathways determining brain tumour phenotypes  
Neuronal signaling studied with light-activated Ion Channels

Migraine 1,907  
vCJD 342  
MS, Alzheimer's disease 464  
Epilepsy, memory 36,064  
ALS, Parkinson's, epilepsy 26,393  
Stroke 38,013  
Migraine, ataxia, epilepsy 34,408  
Prefrontal dementias, Parkinson's, depression 31,493  
Prion disease, neuro-degenerative disease 25,262  
Multiple Sclerosis 18,098  
Brain Tumours 24,429  
Epilepsy 27,593  
PhD sub-total 264,466

**Charitable Trusts + Main Fund Restricted**

Dr Nicola Potter - (Colin Oliphant C. T., Rosetrees Trust)  
Emen Edet Amana - Stone Malabar Charitable Trust  
Dr Jenny Pocock - Rosetrees Charitable Trust  
Dr Linda Greensmith - Rosetrees Charitable Trust  
Senior Research Fellow in Molecular Neuroscience  
Brain Tumour Fellowship  
Electrical Engineer for Sobel Department of Motor Neuroscience & Movement Disorder

Brain Tumours 54,820  
Motor Neurone Disease 22,400  
Multiple Sclerosis 5,840  
Motor Neurone Disease 10,000  
Alzheimers 52,636  
Brain Tumours 86,103  
Neurophysiology 15,513  
Trusts sub-total 247,312

**Other research support to the Institute (Endowment & Restricted Funds)**

Miriam Marks Department of Neurochemistry: for research into the blood-brain barrier, cell signaling and oxidative stress  
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?  
Graham Watts Laboratory: for research into the mechanisms underlying Motor neurone disease  
A transcriptomic analysis of the role of axonal transport defects in a model of Kennedy's disease  
Leopold Muller Functional Imaging Laboratory  
University Department of Neurosurgery: Dr Tracy Warr  
Unit of Functional Neurosurgery - Deep Brain Stimulation Operations

Neurochemistry 106,102  
Neurophysiology 179,635  
Motor Neurone Disease 125,349  
Kennedy's Disease 56,222  
Cognitive Neurology 401,500  
Brain Tumours 17,794  
Parkinson's Disease 102,570  
Other research sub-total 989,172

**Grand Total**

**£1,760,036**