

REGISTERED CHARITY NUMBER: 264139

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2018
FOR
THE GUARANTORS OF BRAIN**

THE GUARANTORS OF BRAIN
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FOR THE YEAR ENDED 31 MARCH 2018

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THE GUARANTORS OF BRAIN
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

The trustees present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity aims to promote teaching and research into the science of neurology, or for the furthering of other scientific and charitable purposes. The Trustees ensure that the aims and objectives of the Trust meet with the Charity Commission's guidance on public benefit, in current Trust policy and as a principle upheld when reviewing the policy for the year.

The Charity's activities include:

1. Contributing to the cost for neuroscientists, whether clinical or preclinical, to travel to scientific conferences or meetings, to visit other laboratories and departments, in the UK or abroad. Awards are made to individuals at an early stage of their career, in support of work undertaken in the UK.
2. Scholarships for trainee neurologists for one year's salary support, enabling them to bridge between clinical and research training, either (i) immediately before a higher research degree; or (ii) after a higher research degree but before a permanent faculty appointment. Trainees on the cusp of their CCT will be considered, but the posts are not intended for established consultants.
3. Clinical research training fellowships for UK registered neurology trainees in neurology (or closely related specialities such as paediatric neurology) for three years' salary and modest research expenses, in order for them to undertake a PhD in an academic centre of excellence in the UK
4. Non-clinical post-doctoral research fellowships in neurological science in an academic centre of excellence in the UK, where their expertise is required to prosecute a clinical or translational research program led by a Neurologist. Up to three years, salary plus consumables.
5. Financial support for meetings in the UK, especially those of interest to neurological, psychiatric or neuroscience scientists and trainees
6. Support for internationally distinguished academic clinical scientists to visit the UK, for special lectures or short tours.
7. Support for UK neurologists to travel to low income countries for teaching and research, and for Newsom-Davis Fellows to visit the UK from low and middle-income countries.

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ACHIEVEMENT AND PERFORMANCE

Developments, Activities and Achievements of the Charity in the Period

The journal Brain is published by Oxford University Press (OUP). It continues to be highly successful, both academically and financially. The OUP makes a profit share to the Charity, which in 2017-18 was £ 692,306, mainly from subscriptions and institutional access charges. Whereas there remains a medium to long term risk of a major change in the publishing model, such as increased Open Access or author-pays publishing that would undermine the income from OUP to the Charity, this change has not yet arisen. The trends in publishing at OUP and comparable publishers of biomedical journals are monitored and discussed at the Board of Management. The success of the journal Brain underpins the work of the Charity.

The current impact factor of the journal is 10.8 reflecting the high calibre and range of publications and citations under the Editorship of Dimitri Kullmann. The journal receives approximately 2500 submissions per year, with an editorial team (three editorial assistants and an assistant editor) and associate editors. The associate editors are drawn from clinical and preclinical scientists to reflect the range of expertise and knowledge covered by the journal. Editorial expenses arise mainly from the salary costs of the assistant editor and editorial assistants, together with the lease, miscellaneous expenses and insurance of office space. The Board of Management is not paid, but the Editor and Associate editors are entitled to claim for travel expenses.

The portfolio of charitable activities is broad. The following were approved by the Board of Management (Scholarships, Fellowships, meetings and lecturers) or Treasurer (Travel awards):

1. Nearly 400 Travel awards for young scientists.
2. Two new three-year Clinical Research Training Fellowships awarded March 2018 to Dr Jeremy Johnson, and Dr Samuel Shribman, in partnership with ABN.
3. Two new 1-year clinical fellowships were awarded to Dr Janev Fehmi, Bristol, and Dr Yige Huang, Oxford
4. Three post-doctoral fellowships awarded, to Dr Christian Lambert (1 year, SGUH clinical), Dr Ferran Prado Carrasco (3 years, UCLH, non-clinical), Dr Rafael Romero Garcia, (3 years, Cambridge, non-clinical).
5. Teaching courses and UK institutional meetings as follows (i) 8TH Annual UK & Ireland Early Career BBB Symposium (ii) Young Epilepsy Society conference, London (iii) International Society for Serotonin Research; (iv) Reading Emotions Neuroscience symposium; (v) Clock Club, Manchester (vi) Oxford Autumn School (vii) 10th European Meeting on Human Fear Conditioning conference, Swansea (viii) Interpreting BOLD: furthering the dialogue between cognitive and cellular neuroscience, Oxford. (ix) Grid Cells symposium, Sainsbury/Wellcome Centre, (x) The Cerebellum: From cells to systems, and from bench to bedside, Royal Holloway, (xi) 3rd UK Dementia Imaging, meeting, Cambridge, (xii) Monitoring Molecules in Neuroscience 2018, Oxford.
6. A Public Understanding of Neurology award to Drs Heather Ging and Chris Lovejoy, for "Creative Reactions – a Pint of Science Event"
7. Global Brain Initiative support to Dr Peter Kennedy for neurology teaching tour in Ethiopia.
8. The 2018 Gordon Holmes distinguished lecturer was Prof John Tojanowski sponsored by Brain at the Association of British Neurologists annual meeting.
9. A Newson Davis Fellowship to Dr Elżbieta Klimiec

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

FINANCIAL REVIEW

The objective of this annual report and accounts is to provide information about the Charity's financial performance and financial position so as to be useful to a wide range of stakeholders in assessing the Trustees' stewardship and management of charitable funds, and to assist the user of the accounts to make economic decisions in relation to the charity

The Trustees' power to invest is governed by the Trustee Act 2000. The Charity Commission's Statement of Recommended Practice (SORP) applies to the Charity's activities, and the Charity's policy on the use of income and assets, and the reporting of the Charity's financial activity. For reporting purposes, our assets and small staff mean that the Guarantors of Brain Charity is a Smaller Entity.

The Charity's funds are almost all unrestricted. The Newson-Davis fund for short term fellowships is restricted to clinicians from Eastern Europe, but is approximately 0.1% of the Charity's overall assets. The scope of the Newson Davis fund was broadened in June 2015 following an extraordinary general meeting, to include other low income countries.

In recent years, the investment objectives were to generate income to fund the charitable activities, reinvesting income where it is not required, and to maintain the capital value of the funds. The active management policy accepts moderate risk, and aims for long term growth and income options. In 2017-18, 100% of investment income was re-invested, as the Charity's income from the journal Brain was sufficient to cover the committed expenses.

The investment policy includes the avoidance of direct investment of companies with a significant interest in tobacco and armaments.

The investment policy is reviewed on behalf of the Trustees by the Board of Management, at intervals of no more than 15 months.

Approximately one tenth of the funds is held as cash, providing credit and liquidity requirements necessary to support the activities of the Charity. The latter requirements include the ability to meet short and medium term salary commitments and fellowships of the Charity, in the event of a sudden drop in income or sudden devaluation of investments.

The Secretary and Treasurer is authorized to act on behalf of the Trustees in connection with the investment funds, and for day to day financial administration of the Charity.

At the year end the charity had unrestricted reserves of £6,448,957 (2017: £6,634,346)

Plans for the future

The charity will continue to consider new ways to support research and teaching in neurology and neuroscience, both clinical and basic science. We will seek to enhance our income, through the support of the journal Brain, and through investment of the Charity's reserves. The Board of Management and the Trustees, will consider new ways to meet the aims of the Charity, including but not restricted to revisions of the Fellowships and Scholarships schemes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document and Governing Bodies

The Charity was founded in 1955 and is governed according to the Trust deed, that established an unincorporated charity. The charity has a body of Guarantors, numbering between 30 and 41. Current Guarantors and their roles are listed above. Guarantors (Trustees) serve for a renewable five years' term, and are required to attend at least two out of five Annual General Meetings, and be primarily resident and professionally active in the UK. New Guarantors are invited following an election by the Guarantors (transferable vote system).

The Charity is managed by a Board of Management that consists of Guarantors elected from the Trustees; the Chairman, Editor of Brain, Deputy Editor, Secretary/treasurer and two other members. The Board of Management is unpaid, and meet twice a year.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Reserve policy and risk management

The Charity has established reserves that would enable continuity of current and planned activities even in the event of a significant loss of income. Potential risks to income are reviewed by the Board of Management and the Trustees. No significant change in risk was identified in the current financial year.

HSBC Private Bank is engaged to provide long term active asset management with medium risk exposure and long term growth aims. The assets minimise the risk to the activities of the Charity in the event of a substantial loss of income. Capital appreciation and re-investment of income has led to a substantial increase in the Charities financial security, despite the challenging economic climate of recent years. Income from the journal Brain has been the major source of funds to support individuals with short, intermediate and long term awards and fellowships, and provide new ways to support teaching and research across the disciplines of neurology, psychiatry and related preclinical neuroscience.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

264139

Principal address

Department of Clinical Neurosciences
University of Cambridge
Herchel Smith Building
Robinson Way
CB2 0SZ

THE GUARANTORS OF BRAIN
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

The Trustees of the Charity, the Guarantors, are academic or clinical neuroscientists based in the UK. They contribute to the governance of the Charity; advise on policy; review papers in a timely fashion for the journal Brain if requested; represent the Trustees on the twice yearly Board of Management meetings, if required; act as a mentor for Brain Entry & Exit Fellows or three year Fellows as required; assist the Chair of the Board of Management in selecting an Editor for the journal every five years; assist the Chair of the Board of Management in selecting a Secretary and Treasurer every five years as required; assist the Board of Management in the shortlisting and interview process for Brain Fellowships. They are elected for five year terms, renewable. An election by postal ballot with single transferrable vote is held to appoint new Guarantors. The Guarantors in 2017-18 are:

Professor R. Barker
Professor G Bates
Professor D Brooks (from 2017)
Professor P Brown
Professor D Burn
Professor PF Chinnery
Professor J Collinge
Professor DAS Compston
Professor E Fisher
Professor P Fletcher
Professor P Goadsby
Professor M Hanna
Professor M Husain (Board of Management)
Professor H Johansen-Berg (from 2017)
Professor P Kennedy
Professor D Kullmann (Editor, and Board of management)
Professor G Mallucci
Professor P Matthews (Chair, Board of management)
Professor DH Miller
Professor K Mills
Professor RGM Morris (until 2017)
Professor G Rees
Professor M Reilly
Professor A Rosser
Professor J Rothwell
Professor J Rowe (Secretary and Treasurer, and Board of management)
Professor AHV Schapira
Professor N Scolding
Professor P Shaw
Professor S Shorvon (until 2017)
Professor M Spillantini
Professor S Tabrizi (Board of management)
Professor K Talbot
Professor AJ Thompson
Professor I Tracey
Professor DM Turnbull
Professor A Vincent
Professor M Walker
Professor H Willison
Professor NW Wood (Board of management)

Secretary and Treasurer

Professor James Rowe
Secretary and Treasurer to the Guarantors of Brain
Department of Clinical Neurosciences Herchel Smith Building, Forvie Site

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Cambridge Biomedical Campus
CB2 0SZ

Auditors

Wilkins Kennedy Audit Services
Statutory Auditor
5 Yeomans Court
Ware Road
Hertford
Hertfordshire
SG13 7HJ

Bankers

HSBC Bank PLC
431 Oxford Street
London
W1C 2DA

The Charity was founded in 1955 and is registered with the Charity Commission under charity number 264139. Particulars of the Charity's Professional advisers and principal address of the charity are listed above.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Approved by order of the board of trustees on and signed on its behalf by:

.....
Professor J Rowe - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE GUARANTORS OF BRAIN

Opinion

We have audited the financial statements of The Guarantors of Brain (the 'charity') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources 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 Charities Act 2011.

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 Auditors 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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
THE GUARANTORS OF BRAIN**

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Wilkins Kennedy Audit Services
Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
5 Yeomans Court
Ware Road
Hertford
Hertfordshire
SG13 7HJ

Date:

THE GUARANTORS OF BRAIN

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2018

	Not es	Unrestricted fund £	Restricted fund £	2018 Total funds £	2017 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Journal income	3	692,306	-	692,306	716,552
Book royalties		4,513	-	4,513	6,506
Investment income	2	175,299	-	175,299	140,589
Total		872,118	-	872,118	863,647
EXPENDITURE ON					
Investment management costs	4	43,503	-	43,503	33,103
Charitable activities					
Editorial expenses	5	66,673	-	66,673	75,960
Grants to Individuals		817,349	-	817,349	762,767
Other		26,040	-	26,040	26,947
Total		953,565	-	953,565	898,777
Net gains/(losses) on investments		(103,942)	-	(103,942)	1,048,275
NET INCOME/(EXPENDITURE)		(185,389)	-	(185,389)	1,013,145
RECONCILIATION OF FUNDS					
Total funds brought forward		6,634,346	-	6,634,346	5,621,201
TOTAL FUNDS CARRIED FORWARD		6,448,957	-	6,448,957	6,634,346

The notes form part of these financial statements

THE GUARANTORS OF BRAIN

**BALANCE SHEET
AT 31 MARCH 2018**

	Not es	Unrestricted fund £	Restricted fund £	2018 Total funds £	2017 Total funds £
FIXED ASSETS					
Intangible assets	12	14,480	-	14,480	23,049
Tangible assets	13	1,631	-	1,631	1,918
Investments	14	<u>6,288,071</u>	-	<u>6,288,071</u>	<u>6,165,808</u>
		6,304,182	-	6,304,182	6,190,775
CURRENT ASSETS					
Debtors	15	174,575	-	174,575	162,940
Cash at bank and in hand	16	<u>408,682</u>	-	<u>408,682</u>	<u>824,585</u>
		583,257	-	583,257	987,525
CREDITORS					
Amounts falling due within one year	17	<u>(438,482)</u>	-	<u>(438,482)</u>	<u>(543,954)</u>
NET CURRENT ASSETS		<u>144,775</u>	-	<u>144,775</u>	<u>443,571</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,448,957</u>	-	<u>6,448,957</u>	6,634,346
NET ASSETS		<u><u>6,448,957</u></u>	-	<u><u>6,448,957</u></u>	<u>6,634,346</u>
FUNDS					
Unrestricted funds	19			<u>6,448,957</u>	<u>6,634,346</u>
TOTAL FUNDS				<u><u>6,448,957</u></u>	<u>6,634,346</u>

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
Professor J Rowe -Trustee

The notes form part of these financial statements

THE GUARANTORS OF BRAIN
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(260,849)</u>	<u>68,300</u>
Net cash provided by (used in) operating activities		<u>(260,849)</u>	<u>68,300</u>
Cash flows from investing activities:			
Purchase of intangible fixed assets		(3,990)	(23,873)
Purchase of tangible fixed assets		-	(1,080)
Purchase of fixed asset investments		(2,562,731)	(3,018,159)
Sale of fixed asset investments		2,336,526	2,865,115
Interest received		<u>45,623</u>	<u>26,780</u>
Net cash provided by (used in) investing activities		<u>(184,572)</u>	<u>(151,217)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period	2	<u>797,632</u>	<u>880,549</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>352,211</u></u>	<u><u>797,632</u></u>

The notes form part of these financial statements

THE GUARANTORS OF BRAIN
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(185,389)	1,013,145
Adjustments for:		
Depreciation charges	12,846	11,863
Losses/(gain) on investments	103,942	(1,048,275)
Interest received	(45,623)	(26,780)
(Increase)/decrease in debtors	(11,635)	24,642
(Decrease)/increase in creditors	(134,990)	<u>93,705</u>
Net cash provided by (used in) operating activities	<u>(260,849)</u>	<u>68,300</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash in hand	13	13
Notice deposits (less than 3 months)	408,669	824,572
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(56,471)</u>	<u>(26,953)</u>
Total cash and cash equivalents	<u>352,211</u>	<u>797,632</u>

THE GUARANTORS OF BRAIN

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a republic benefit entity under FRS102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland and the charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The address of the principal office is given on the information page 1 of these financial statements. The nature of the charity's operations and principal activities are set out on page 2.

The financial statements are presented in sterling (£) which is also the functional currency for the company.

Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Significant judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a continuing basis. 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 both current and future periods.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

THE GUARANTORS OF BRAIN

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Governance costs

Governance costs comprise the cost of running the charity, including external audit and all costs complying with constitutional and statutory requirements, such as costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Allocation and apportionment of costs

Intangible assets

Website costs are amortised through the profit and loss account over its estimated useful life which is assessed by the trustees.

Website costs - 33% on cost

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 15% on reducing balance

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

THE GUARANTORS OF BRAIN

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

1. ACCOUNTING POLICIES - continued

Fixed asset investments

Fixed asset investments are stated at market value. Any gains and losses arising from changes in market value are recognised in the income statement.

Cash at bank and cash in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. INVESTMENT INCOME

	2018 £	2017 £
Dividends received	129,676	113,809
Deposit account interest	<u>45,623</u>	<u>26,780</u>
	<u>175,299</u>	<u>140,589</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Journal income £	Book royalties £	2018 Total activities £	2017 Total activities £
Oxford University Press	692,306	-	692,306	716,552
Elsevier	<u>-</u>	<u>4,513</u>	<u>4,513</u>	<u>6,506</u>
	<u>692,306</u>	<u>4,513</u>	<u>696,819</u>	<u>723,058</u>

The journal income of £153,209 (2017: £267,703) has been deferred due to the payments made in advance by the Oxford University Press.

4. INVESTMENT MANAGEMENT COSTS

Investment management costs

	2018 £	2017 £
Portfolio management	<u>43,503</u>	<u>33,103</u>

THE GUARANTORS OF BRAIN

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 6)	Totals
	£	£	£
Editorial expenses	66,673	-	66,673
Grants to Individuals	<u>-</u>	<u>817,349</u>	<u>817,349</u>
	<u>66,673</u>	<u>817,349</u>	<u>884,022</u>

6. GRANTS PAYABLE

	2018	2017
	£	£
Grants to Individuals	<u>817,349</u>	<u>762,767</u>

The total grants paid to individuals during the year was as follows:

	2018	2017
	£	£
Brain Scholarships	455,573	423,346
Travel grants	342,127	315,358
Conference sponsorship	17,649	22,063
British Neuropsychiatry Association	<u>2,000</u>	<u>2,000</u>
	<u>817,349</u>	<u>762,767</u>

7. SUPPORT COSTS

	Governance costs
	£
Other resources expended	<u>26,040</u>

Support costs, included in the above, are as follows:

Governance costs

	2018	2017
	Other resources expended	Total activities
	£	£
Auditors' remuneration	5,700	5,700
Auditors' remuneration for non audit work	9,948	10,368
Annual dinner	9,344	9,748
Bank charges	<u>1,048</u>	<u>1,131</u>
	<u>26,040</u>	<u>26,947</u>

THE GUARANTORS OF BRAIN

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' expenses

During the year 7 trustees (2017 - 3 Trustees) were reimbursed a total of £43,493 (2017: £49,692) for travel, subsistence and accommodation expenses incurred during the year.

9. STAFF COSTS

	2018	2017
	£	£
Gross wages	117,440	116,564
Employers NI	8,700	11,605
Pension costs	<u>7,875</u>	<u>11,639</u>
	<u>134,015</u>	<u>139,808</u>

The average monthly number of employees during the year was as follows:

	2018	2017
Assistant editor	<u>1</u>	<u>1</u>
Editorial assistant	<u>3</u>	<u>3</u>
	<u>4</u>	<u>4</u>

No employees received emoluments in excess of £60,000.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted fund	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Journal income	716,552	-	716,552
Book royalties	6,506	-	6,506
Investment income	<u>140,589</u>	<u>-</u>	<u>140,589</u>
Total	863,647	-	863,647
EXPENDITURE ON			
Charitable activities			
Investment management costs	33,103	-	33,103
Editorial expenses	75,960	-	75,960
Grants to Individuals	762,767	-	762,767
Other	<u>26,947</u>	<u>-</u>	<u>26,947</u>
Total	898,777	-	898,777

THE GUARANTORS OF BRAIN

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued	Unrestricted fund £	Restricted fund £	Total funds £
Net gains/(losses) on investments	1,048,275	-	1,048,275
NET INCOME/(EXPENDITURE)	1,013,145	-	1,013,145
RECONCILIATION OF FUNDS			
Total funds brought forward	5,621,201	-	5,621,201
TOTAL FUNDS CARRIED FORWARD	6,634,346	-	6,634,346

11. OXFORD UNIVERSITY PRESS

		2018 £	£	2017 £
Income:				
Sales		376,289		369,454
Consortia revenue		515,013		486,988
Secondary rights		156,681		109,279
Advertising		3,119		55,521
Offprints		1,016		22,120
Other		177,196		218,188
		1,229,134		1,261,550
Expenditure:				
Production	77,061		60,662	
Postage	23,997		42,298	
Publicity	11,185		10,679	
Editorial expense	165,637		163,912	
		277,880		277,551
Gross margin:		865,382		983,999
Less:	Less OUP overhead (7% of Revenue)	86,052		88,309
Net Profit		865,382		895,690
Less:	20% due to OUP	173,076		179,138
		692,306		716,552

THE GUARANTORS OF BRAIN

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

12. INTANGIBLE FIXED ASSETS

	Website development costs £
COST	
At 1 April 2017	34,573
Additions	<u>3,990</u>
At 31 March 2018	<u>38,563</u>
 AMORTISATION	
At 1 April 2017	11,524
Charge for year	<u>12,559</u>
At 31 March 2018	<u>24,083</u>
 NET BOOK VALUE	
At 31 March 2018	<u>14,480</u>
At 31 March 2017	<u>23,049</u>

13. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 April 2017 and 31 March 2018	<u>2,726</u>
 DEPRECIATION	
At 1 April 2017	808
Charge for year	<u>287</u>
At 31 March 2018	<u>1,095</u>
 NET BOOK VALUE	
At 31 March 2018	<u>1,631</u>
At 31 March 2017	<u>1,918</u>

THE GUARANTORS OF BRAIN

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2017	6,165,808
Additions	2,562,731
Disposals	(2,336,526)
Revaluations	<u>(103,942)</u>
At 31 March 2018	<u>6,288,071</u>
 NET BOOK VALUE	
At 31 March 2018	<u>6,288,071</u>
At 31 March 2017	<u>6,165,808</u>

	2018 £	2017 £
Investments at market value comprised:		
Equities	5,375,953	3,509,791
Fixed interest securities	661,962	2,423,208
Alternative investments	<u>250,157</u>	<u>232,809</u>
	<u>6,288,071</u>	<u>6,165,808</u>

The total cost of investment held outside the UK as at 31 March 2018 amounted to £948,941 (2017: £1,229,224).

The total market value of these investments as at 31 March 2018 amounted to £1,155,406 (2017: £1,393,659).

The historical cost of the investments as at 31 March 2018 was £5,510,543 (2017: £5,258,993).

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other debtors	<u>174,575</u>	<u>162,940</u>

THE GUARANTORS OF BRAIN

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

16. CASH AT BANK AND IN HAND

	General fund	2018 Total funds	2017 Total funds
	£	£	£
Cash in hand	13	13	13
Bank account no. 2	100	100	100
Bank account no. 4	3,060	3,060	3,060
Bank account no. 5	1	1	76
Bank account no. 6	204,032	204,032	203,573
Bank account no. 7	201,476	201,476	582,920
Bank account no. 8	-	-	34,843
Total	<u>408,682</u>	<u>408,682</u>	<u>824,585</u>

Cash at bank balances were as follows: unrestricted funds £408,682 (2017: £824,585),

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 18)	56,471	26,953
Other creditors	<u>382,011</u>	<u>517,001</u>
	<u>438,482</u>	<u>543,954</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	<u>56,471</u>	<u>26,953</u>

19. MOVEMENT IN FUNDS

	At 1.4.17	Net movement in funds	At 31.3.18
	£	£	£
Unrestricted funds			
General fund	6,634,346	(185,389)	6,448,957
TOTAL FUNDS	<u>6,634,346</u>	<u>(185,389)</u>	<u>6,448,957</u>

THE GUARANTORS OF BRAIN

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2018**

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	872,118	(953,565)	(103,942)	(185,389)
	<u>872,118</u>	<u>(953,565)</u>	<u>(103,942)</u>	<u>(185,389)</u>
TOTAL FUNDS	<u>872,118</u>	<u>(953,565)</u>	<u>(103,942)</u>	<u>(185,389)</u>

Comparatives for movement in funds

	At 1.4.16 £	Net movement in funds £	At 31.3.17 £
Unrestricted Funds			
General fund	5,621,201	1,013,145	6,634,346
	<u>5,621,201</u>	<u>1,013,145</u>	<u>6,634,346</u>
TOTAL FUNDS	<u>5,621,201</u>	<u>1,013,145</u>	<u>6,634,346</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	863,647	(898,777)	1,048,275	1,013,145
	<u>863,647</u>	<u>(898,777)</u>	<u>1,048,275</u>	<u>1,013,145</u>
TOTAL FUNDS	<u>863,647</u>	<u>(898,777)</u>	<u>1,048,275</u>	<u>1,013,145</u>

20. PENSION COMMITMENTS

The Charity operates a defined contribution (money purchase) pension scheme for the benefit of the employees.

The cost of the contributions are charged to the financial statement of the financial activities as incurred. The cost to the charity for the period amounted to £7,875 (2017 - £11,639). No amounts were outstanding at the year end.

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2018.

THE GUARANTORS OF BRAIN
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
INCOME AND ENDOWMENTS		
Investment income		
Dividends received	129,676	113,809
Deposit account interest	<u>45,623</u>	<u>26,780</u>
	175,299	140,589
Charitable activities		
Oxford University Press	692,306	716,552
Elsevier	<u>4,513</u>	<u>6,506</u>
	696,819	723,058
Total incoming resources	872,118	863,647
EXPENDITURE		
Investment management costs		
Portfolio management	43,503	33,103
Charitable activities		
Assistant editor's salary	25,949	25,755
Editorial assistants' salaries	91,491	90,809
Employer pension contribution	7,875	11,639
Employers NI	8,700	11,605
Editorial administration and office expense	55,743	60,450
Editorial board expenses	12,935	12,706
Depreciation	287	338
Contribution from OUP	(148,866)	(148,866)
Development costs	12,559	11,524
Grants	<u>817,349</u>	<u>762,767</u>
	884,022	838,727
Support costs		
Governance costs		
Auditors' remuneration	5,700	5,700
Auditors' remuneration for non audit work	9,948	10,368
Annual dinner	9,344	9,748
Bank charges	<u>1,048</u>	<u>1,131</u>
	26,040	26,947
Total resources expended	953,565	898,777
Net expenditure before gains and losses	(81,447)	(35,130)

This page does not form part of the statutory financial statements

THE GUARANTORS OF BRAIN
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	£	£
Realised recognised gains and losses		
Gains/(losses) on fixed asset investments	(103,942)	1,048,275
	<hr/>	<hr/>
Net (expenditure)/income	<u>(185,389)</u>	<u>1,013,145</u>

This page does not form part of the statutory financial statements
