

**The Baily Thomas Charitable Fund  
- A Registered Charity**

Report and Financial Statements

30 September 2016

# The Baily Thomas Charitable Fund - A Registered Charity

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# The Baily Thomas Charitable Fund - A Registered Charity

## TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2016

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The Trustees present their annual report and financial statements for the year ended 30 September 2016. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland published on 16 July 2014.

### Reference and Administration Details of the Charity, its Trustees and Advisors

Settlor	Frank Bruce Baily Thomas - died 7 January 1997
Date of Settlement Deed	2 October 1970
Trustees	Mrs Suzanne Jane Marriott, BA (Hons), Dip Law, TEP, Notary Public - Chair of Trustees Professor Anne Elizabeth Farmer, MD, FrcPsych Kenneth Robert Young, FCA Professor Sally-Ann Cooper BSc, MB, BS, MD, FrcPsych Jonathan Philip Snow, BSc (Hons), ASIP
Principal Address	c/o TMF Global Services (UK) Ltd 400 Capability Green Luton LU1 3AE
Registered Charity Number	262334
Secretary to the Trustees	Ann Cooper, TMF Global Services (UK) Ltd
Solicitors	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD
Administrators and Accountants	TMF Global Services (UK) Ltd 400 Capability Green Luton LU1 3AE
Auditors	FKCA Limited Prospero House 46-48 Rothesay Road Luton LU1 1QZ
Bankers	CAF Charity Money Management Kings Hill West Malling Kent ME19 4TA

# The Baily Thomas Charitable Fund - A Registered Charity

## TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2016

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### Reference and Administration Details of the Charity, its Trustees and Advisors - continued

Investment Managers  
Artemis Asset Management Limited  
42 Melville Street  
Edinburgh EH3 7HA

BlackRock  
12 Throgmorton Avenue  
London EC2N 2DL

Ruffer LLP  
80 Victoria Street  
London SW1E 5JL

Investment Consultants  
Stanhope Consulting  
35 Portman Square  
London W1H 6LR

### Structure, Governance and Management

The Charity is an unincorporated trust constituted under a trust deed dated 2 October 1970 and is a registered charity, number 262334. The deed settled the Trust Fund as to capital and income on a discretionary trust for application to charitable purposes or to charitable institutions connected with the prevention, treatment or relief of mental or other forms of illness. There was a twenty-one year power to accumulate income to 2 October 1991. The Charity does not actively fundraise and seeks to meet its charitable objectives through the careful stewardship of its existing resources.

The Trustees have wide powers of investment as though beneficially entitled.

A Charity Commission order was endorsed on 7 August 2003 giving the necessary authority to the provision of indemnity insurance for the Charity Trustees out of the funds of the Charity.

The power of appointing Trustees is vested in the surviving Trustees or Trustee for the time being, save that the President for the time being of the Law Society has power to appoint a new Trustee in the place of Mrs S J Marriott and the President for the time being of the Royal College of Physicians has power to appoint a new Trustee in the place of Professor A E Farmer.

The appointment of new Trustees is considered by the existing Trustees to ensure that the board of Trustees has the appropriate skill sets to carry out its responsibilities.

The induction process for new Trustees comprises an initial meeting with the Chair of the Trustees at which the new Trustee is briefed on the grant making activities, the investment strategy of the Charity, the administration arrangements and the responsibilities of Trustees. New Trustees are provided with a copy of the Charity's most recent annual financial statements, a brief history of the trust and other relevant documents.

# The Baily Thomas Charitable Fund - A Registered Charity

## TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2016

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### **Structure, Governance and Management - continued**

The Trustees consider the Board of Trustees and the Secretary to the Trustees as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the charity on a day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 6 and 11 to the financial statements.

The Trustees are required to disclose all relevant interests and register them with the Chair and in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

The Trustees who have served during the year and since the year end are set out on page 1. They usually meet bi-annually to discuss the affairs of the Fund including the consideration of applications, the approval or refusal of grants, to consider the performance of their investment portfolio and review policies on reserves and risk assessment. During the year, the Trustees held an additional interim grants meeting in March. They consider recommendations for, and make final decisions on, the awarding of grants over £5,000.

The Trustees have delegated the power to make grants of £5,000 and below to the Chair of Trustees, unless they fall into the area of research in which case the power has been delegated to both Medical Trustees. Such grants are usually made on a monthly basis, or as demand decrees, and are ratified retrospectively by the Trustees at their meetings.

The Trustees have a panel of Grant Assessors who visit and report on applicants specified by the Trustees.

The day to day administration of the Fund is carried out by TMF Global Services (UK) Ltd to include the processing of grant application forms prior to consideration by the Trustees and the preparation of grant cheques for approval and signature by the Trustees.

### **Objectives and Activities for the Public Benefit**

The Trust's only charitable activity is its grant-making programme, through which the Trustees seek to support charitable projects within the Fund's remit. During the year the Trustees have continued to make grants in accordance with their charitable objectives of the prevention, treatment or relief of mental or other forms of illness. Since June 2001 the Trustees' funding priority has been solely learning disability. The Trustees consider under learning disability the conditions generally referred to as severe learning difficulties, together with autism.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

# The Baily Thomas Charitable Fund - A Registered Charity

## TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2016

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### **Objectives and Activities for the Public Benefit - continued**

The Trust furthers its charitable purposes for the public benefit through its grant-making policy which aims at:

- funding research into learning disabilities and will fund the salaries of Professors where their role includes research activity that will further the objects of the charity;
- financing scholarships to individuals undertaking postgraduate research, normally at PhD level, where the student's area of interest furthers the objects of the charity; and by
- providing grants to projects that seek to benefit the learning disabled by funding capital projects and core costs to include staff costs, general running and office costs at charitable organisations, schools and centres.

Applications to the Trust for general grants are by completion of the on-line grant application form within the website. Funding is normally considered for capital and revenue costs and for both specific projects and for general running/core costs. Applications will only be considered from voluntary organisations which are registered charities or are associated with a registered charity. Grants are not normally awarded to individuals. Financial circumstances will be relevant only in determining the amount of an award.

Applications for grants in the area of research are made in writing to the Trustees and should be in the form of a scientific summary with a research plan to include a brief background and a short account of the design of the study and number of subjects, the methods of assessment and analysis, timetable, main outcomes and some indication of other opportunities arising from the support of such research. Applications are only considered from established research workers and are subject to normal professional peer review procedures. Any benefit by researchers and research institutions is purely incidental to the objects of the Trust's work.

Applications for the Baily Thomas Doctoral Fellowship are by completion of the application form which is published on the website.

Details of how to apply for grants and scholarships, together with the relevant forms, are available on the Trust's website: [www.bailythomas.org.uk](http://www.bailythomas.org.uk).

### **Grant Making Policy, Achievements and Performance**

The Trust has established its grant making policy to achieve its objects for the public benefit to improve the lives of the learning disabled. A learning disability is a disorder in which a person has difficulty learning in a typical manner making it problematic for a person to learn as quickly, or in the same way as someone who is not affected by a learning disability. A learning disability cannot be cured or fixed but with the right support and intervention, people with learning disabilities can succeed in school and go on to be successful in life. The beneficiaries of the Trust's grant making programme are ultimately the learning disabled, regardless of age, gender or creed.

The Trustees set an annual budget for grants to be awarded which is calculated with reference to the average value of the portfolio over the previous three years. During the year under review 338 grants totalling £2,983,665 (excluding returned grants) were made from the Baily Thomas Charitable Fund (2015 - £2,729,332). This was within the budget set for the year.

# The Baily Thomas Charitable Fund - A Registered Charity

## TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2016

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### Grant Making Policy, Achievements and Performance - continued

All grants over £20,000 are listed in note 4 to the accounts. Although they are analysed in separate categories for disclosure purposes, the Trust fund's charities are in a broad range of areas and the Trustees are interested in supporting initiatives which meet their selection criteria regardless of the charitable area into which the project falls; any fluctuation in the level of grants funded across the categories is, therefore, a reflection of the applications received rather than of a change in the Trustees' priorities. The size of general grants range from £500 to Through the Roof towards a family holiday for children on the Autism Spectrum, to a capital grant for £40,000 to Beyond Autism towards the rebuilding of school premises.

A total of 11 grants were awarded during the year for research in the area of learning disabilities. The largest research grant of £99,994 was awarded to Great Ormond Street Hospital Children's Charity, towards a study over 36 months entitled 'Neurofibromatosis type 1: spotting early signs of autism and ADHD in babies'.

During the year the Fund launched its inaugural round of the Baily Thomas Doctoral Fellowship award. Applications were first considered at the meeting in June and 2 Fellowships were awarded:

**University of Glasgow** **£76,071**

Towards the study 'The mental health of father carers of a son or daughter with a learning disability: A mixed methods approach'.

**University of Nottingham** **£76,071**

Towards the study 'An investigation into the role of attentional control in autism spectrum disorders'.

Major donations made during the year are as follows:-

**General grants**

**Beyond Autism** **£40,000**

Towards rebuilding at Rainbow school for secondary and 6th form students with Autism.

**FitzRoy Support** **£35,000**

Towards Love4Life - enabling independent living.

**The Hextol Foundation** **£30,000**

Towards salary costs

**Hijinx Theatre** **£30,000**

Towards core funding over 3 years for professional performance training.

**Rose Road Association** **£30,000**

Towards capital costs and funding of short breaks.

**Stepping Stones Play and Learn Group** **£25,000**

Towards core costs of Play Group.

**Willow Tree Garden** **£30,000**

Towards refurbishment and development of buildings connected with the woodworking workshops.

# The Baily Thomas Charitable Fund - A Registered Charity

## TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2016

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### Grant Making Policy, Achievements and Performance - continued

#### Research grants

##### **Great Ormond Street Hospital Children's Charity**

**£99,994**

For 36 months study 'Neurofibromatosis type 1: spotting early signs of autism and ADHD in babies'.

##### **University College London**

**£94,463**

For 24 months study 'Feasibility randomised controlled trial of individual Cognitive Stimulation Therapy (iCST) for dementia in people with intellectual disabilities'.

##### **University of Bristol**

**£74,096**

For 24 months study 'Population based studies to understand depression, anxiety, suicidality and self-harm as adolescent and early adulthood outcomes of autism'.

##### **City University London**

**£70,000**

For 18 months study 'Learning and Reward processing in Autism: A systematic computational approach'.

##### **Kingston University and St George's University of London**

**£61,064**

For 18 months study 'How widespread is the practise on non-disclosure of expected death (of self or others) to adults with learning disabilities who live in supported living and residential settings in the United Kingdom? A comprehensive survey of support and care-workers'.

##### **University of Roehampton**

**£60,040**

For 36 months study 'Researching the potential role of music in enhancing the lives of children with neuro-degeneration ('MIND') Phase 1: Batten Disease'.

The Trustees are confident that together these grants demonstrate a high degree of public benefit in accordance with the guidance published by the Charity Commission.

### Financial Review and Reserves Policy

The grant-making programme is funded from income generated from its investment portfolio, distributions received from the Provident Fund and cash drawdown from investments.

Total income generated from the Charity's own investments rose by £120,600 to £1,533,232. Income received from the Provident Fund fell by £70,943 (28%) to £178,504 which after accounting for reclaimable tax due, resulted in a total distribution for the year of £300,296 (2015 £392,432). During the year there was an overall increase of income to £1,833,528 (2015 £1,805,064).

The future needs of the beneficiaries of the Provident Fund, who are ex-employees of Mansfield Brewery, remain difficult to quantify by the Provident Fund Trustees and they are therefore unable to predict the level of future income distributions to the Charitable Fund.

# The Baily Thomas Charitable Fund - A Registered Charity

## TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2016

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### **Financial Review and Reserves Policy - continued**

The Trustees set an annual budget for grants to be awarded which is calculated with reference to the average value of the portfolio over the previous three years. The grant distribution is taken from both income and capital receipts. To meet the grant making objectives throughout the year the Trustees elected to drawdown cash from investments. The holding of BlackRock Institutional Liquidity Fund was sold in April which realised cash of £1,006,961 and a total of £1,500,000 was withdrawn in June from the holding of BIJF Dynamic Diversified Growth Fund and reinvested in the Liquidity Fund on a short-term basis.

The whole of the Trust's endowment is expendable. In view of this and the Trustees' change of investment strategy in June 2011 to adopting a policy of total return, the distinction between capital and income is not relevant. Since the change of investment strategy, income has fallen on previous years but during this same period the value of the portfolio has increased from £71.7m to £88.4m. The Trustees recognise that there will always be a net deficit on income in any one year but accept that this is based upon the revised investment policy. The Trustees, having taken advice, have an investment strategy on the portfolio which looks at the total growth of the fund rather than just the income generated and which should allow the unrestricted fund to grow sufficiently over the long term to keep pace with inflation so that the grant giving capacity of the Trust will not diminish in real terms.

### **Investment Policy and Performance**

By their Order of 15 December 1999, The Charity Commissioners for England and Wales authorised the Trustees to appoint Investment Managers and delegate to them power at their discretion to buy and sell investments on their behalf in accordance with the investment policy laid down by the Trustees, which are on terms consistent with the Order of the Charity Commissioners.

The investments made by the Trustees are after taking appropriate investment advice, and such services are currently provided by Stanhope Consulting who also monitor the investments' performance.

The Chair of Trustees, Mr Young, Mr Snow and Mr Nangle (a Trustee until November 2012 whose services have been retained as Co-opted Advisor) sit on the Investment Committee. Meetings of the Committee are usually held bi-annually with Stanhope Consulting, to consider overall strategy, investment performance and the appointment of Fund Managers.

Following a review in November 2010, the Trustees resolved to target a specific return rather than a strategic asset allocation. In June 2011 the Trustees appointed Ruffer LLP and BlackRock as absolute managers. The Trustees resolved to retain Artemis Asset Management Limited who were appointed in September 2008.

As at September 2016 the investments comprise 4 funds, the Artemis Institutional Equity Income Fund, the BIJF Dynamic Diversified Growth Fund, the BlackRock Institutional Liquidity Fund and the CF Ruffer Absolute Return Fund, currently managed by Artemis Asset Management Limited, BlackRock and Ruffer LLP. The capital value of the portfolio as at September 2016 stands at £89,956,056, which represents Fixed Assets investments with a total value of £88,453,670 and Current Asset cash equivalent investments of £1,502,386.

# The Baily Thomas Charitable Fund - A Registered Charity

## TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2016

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### **Investment Policy and Performance**

**- continued**

The long term objective/benchmark is to achieve RPI +3.5% p.a. over the long term. The benchmark for the BlackRock Dynamic Diversified Growth Fund is to achieve 3 month LIBOR +3% p.a. net of fees over rolling three year periods. The CF Ruffer Absolute Return Fund does not have a formal benchmark. The investment objective is to achieve an absolute return net of fees in excess of cash. The benchmark for the Artemis Institutional Equity Income Fund is the FTSE All Share Index. The benchmark for the BlackRock Institutional Liquidity Fund is BofA ML 7 day Sterling LIBID.

On current assumptions, the current asset allocation of the portfolio is projected to achieve a long term nominal return of 4.9% p.a. or 1.9% p.a. in real terms, being less than the long term return objective. Return projections assume that economic growth trends back towards the twenty year average and RPI inflation in the UK averages 3% p.a. over the next five to ten years, in line with the Bank of England's official target of 2% for CPI inflation.

Over the past 12 months the combined portfolio has outperformed the benchmark and has produced an overall excess return. Since inception the performance of the portfolios for two of the Fund Managers has exceeded the benchmark with one Fund Manager generating a negative return of 0.5%.

### **Plans for Future**

The Trustees plan to continue their existing strategy of making grants to organisations for the prevention, treatment or relief of severe learning difficulties and autism.

### **Risk Management**

The major risks to which the Fund is exposed, as identified by the Trustees, have been reviewed and the Trustees are satisfied that the systems in place mitigate those risks. The Trustees consider the variability of investment returns to constitute the Charity's major risk. This is mitigated by retaining expert Investment Consultants, having a diversified investment portfolio and the technical skill-set of the Investment Committee panel.

# The Baily Thomas Charitable Fund - A Registered Charity

## TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2016

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### Statement of Trustees' responsibilities for the financial statements

Law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the Charity and which enable them to ascertain the financial position of the Charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. The Trustees are 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 the Trustees on:

10 November 2016

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Date

and signed on their behalf by:

S J Marriott

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Trustee

## **INDEPENDENT AUDITORS' REPORT**

### **to the Trustees of the The Baily Thomas Charitable Fund - A Registered Charity**

We have audited the financial statements of The Baily Thomas Charitable Fund for the year ended 30 September 2016 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's Trustees, in accordance with the Charities Act 2011 and the regulations made under Section 154 of the Act. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to it 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 Trustees, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Trustees' Responsibilities Statements set out on page 9, the Trustees are responsible for the preparation of the financial statements and for being satisfied they give a true and fair view.

We have been appointed as auditor under 144 (82) of the Charities Act 2011 and report in accordance with regulations made under 154 of the Act.

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

#### **Scope of the audit of the financial statements**

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

#### **Opinion on the financial statements**

In our opinion

- I the financial statements give a true and fair view of the state of the charity's affairs as at 30 September 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- I the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- I the financial statements have been prepared in accordance with the Charities Act 2011.

## **INDEPENDENT AUDITORS' REPORT**

### **to the Trustees of the The Baily Thomas Charitable Fund - A Registered Charity**

#### **Matters on which we are required to report by exception**

- | the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- | the charitable company has not kept adequate accounting records; 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 the audit.

FKCA Limited  
Statutory Auditors  
Prospero House  
46-48 Rothesay Road  
Luton  
LU1 1QZ

16 December 2016

# The Baily Thomas Charitable Fund - A Registered Charity

## STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 September 2016

	Note	Unrestricted Fund 2016 £	Unrestricted Fund 2015 £
<b>INCOME AND ENDOWMENTS from:</b>			
Investment income	2a	1,533,232	1,412,632
Other income	2b	300,296	392,432
<b>Total income</b>		<u>1,833,528</u>	<u>1,805,064</u>
<b>EXPENDITURE on:</b>			
Cost of raising funds	3	27,282	26,930
Charitable activities	4	3,117,056	2,782,554
<b>Total expenditure</b>		<u>3,144,338</u>	<u>2,809,484</u>
<b>NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS</b>		(1,310,810)	(1,004,420)
Net gains/(losses) on investments	7	4,785,208	(1,049,426)
<b>NET INCOME/(EXPENDITURE) AFTER GAINS AND LOSSES ON INVESTMENTS</b>		3,474,398	(2,053,846)
<b>OTHER RECOGNISED GAINS AND LOSSES</b>			
(Losses)/gains on currency		-	(134)
<b>NET MOVEMENT IN FUNDS</b>		3,474,398	(2,053,980)
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<u>85,813,026</u>	<u>87,867,006</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>89,287,424</u></u>	<u><u>85,813,026</u></u>

# The Baily Thomas Charitable Fund - A Registered Charity

## BALANCE SHEET

as at 30 September 2016

	Note	2016 £	2015 (restated) £
<b>FIXED ASSETS</b>			
Investment assets	7	88,453,670	84,899,184
<b>CURRENT ASSETS</b>			
Debtors	8	246,940	325,219
Cash and cash equivalents	8	1,904,530	1,835,559
<b>LIABILITIES: amounts falling due within one year</b>			
	9	2,151,470 (1,208,091)	2,160,778 (1,202,063)
<b>NET CURRENT ASSETS</b>			
		943,379	958,715
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		89,397,049	85,857,899
<b>LIABILITIES: amounts falling due after one year</b>			
	10	(109,625)	(44,873)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		89,287,424	85,813,026
Representing:			
<b>RESERVES AND FUNDS</b>			
Unrestricted fund		89,287,424	85,813,026

Approved by the Trustees on:

10 November 2016

Date

and signed on their behalf by:

S J Marriott

Trustee

# The Baily Thomas Charitable Fund - A Registered Charity

## STATEMENT OF CASHFLOWS

for the year ended 30 September 2016

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	Note	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	13	(2,694,983)	(2,654,412)
<b>Cash flows from investing activities:</b>			
Investment income		1,533,232	1,412,632
Proceeds from sale of investments		1,500,000	1,033,533
Purchase of investments		(269,278)	(279,195)
<b>Net cash provided by (used in) investing activities</b>		2,763,954	2,166,970
<b>Change in cash and cash equivalents in the year</b>		68,971	(487,442)
Cash and cash equivalents at the beginning of the year		1,835,559	2,323,001
<b>Cash and cash equivalents at the end of the year</b>		1,904,530	1,835,559

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# The Baily Thomas Charitable Fund - A Registered Charity

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2016

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### 1. ACCOUNTING POLICIES

The principal accounting policies adopted are as follows:

#### a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. With respect to the next reporting period, 2016-17, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustees' annual report for more information).

#### b) Reconciliation with previous Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/(losses) as a component of reported income.

Reconciliation of reported net income	£
Net income/(expenditure) as previously stated	(1,004,420)
Adjustment for gains/(losses) on investments now treated as a component of net income	<u>(1,049,426)</u>
2015 net income as restated	<u><u>(2,053,846)</u></u>

The only restatement to this years' accounts is as a result of the reclassification of the holding of BlackRock Institutional Liquidity Fund from a fixed asset investment to a cash equivalent asset.

#### c) Fund structure

The unrestricted income fund comprises funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

#### d) Income recognition

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

Interest on funds held is included upon notification of the interest paid or payable. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. Credit is taken in the accounts for income tax deducted from investment income which has or will be reclaimed from the H M Revenue & Customs.

Distributions from the Baily Thomas Provident Fund are accounted for when they are advised to the Charity. They are credited in the Statement of Financial Activities including recoverable income tax. The distribution included in 2016 is based on the accounts of the Provident Fund for the year ended 5 April 2016.

# The Baily Thomas Charitable Fund - A Registered Charity

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2016

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### 1. ACCOUNTING POLICIES - continued

#### e) Expenditure recognition

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 settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the Statement of Financial Activities. For more information on this allocation refer to note f) below.

Grants payable are payments made in furtherance of the charitable objectives of the charity. Provision is made for grants approved by the Trustees in the year. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Charity.

#### f) Allocation of governance and other support costs

Governance and support costs have been allocated between charitable activities and governance based on the activity to which they relate. The allocation is analysed in note 5.

Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to the statutory audit of the Charity, legal and accountancy charges, together with an apportionment of overhead and support costs.

#### g) Cost of raising funds

The cost of generating funds comprises the investment consultancy charges.

#### h) Charitable activities

The expenditure on charitable activities comprises grants made in the year, governance costs and an apportionment of support costs as shown in note 5.

#### i) Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the Balance Sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

#### j) Cash and cash equivalents

Cash at bank and cash equivalents are held to meet short-term cash commitments as they fall due. The Charity has defined its holding of BlackRock Institutional Liquidity Fund as a cash equivalent, highly liquid investment which can be called upon without notice. The Liquidity Fund seeks to maximise current income consistent with the preservation of principal and liquidity through the maintenance of a portfolio of high quality short-term "money market" instruments.

#### k) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

#### l) Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates and translation differences are taken to the Statement of Financial Activities.

# The Baily Thomas Charitable Fund - A Registered Charity

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2016

### 2. INCOME AND ENDOWMENTS

a) Investment income	2016	2015
	£	£
<b>Geographically:</b>		
Within the UK	1,602,742	1,563,409
Outside the UK	5,139	1,065
	<u>1,607,881</u>	<u>1,564,474</u>
Less: non recoverable and overseas tax	(75,741)	(156,341)
Interest on cash deposits	1,092	4,499
	<u>1,533,232</u>	<u>1,412,632</u>

#### b) Other income

The Charity is entitled under the trust deed of the Baily Thomas Provident Fund to surplus income each year not applied for the benefit of former employees of Mansfield Brewery plc. The surplus income for the year was £178,504 (2015 £249,447) with tax reclaimable thereon of £121,792 (2015 £142,985).

The Charity also holds a reversionary interest in the capital of the Fund. At 5 April 2016 the accounts show the value of the Fund was £34,077,180 (2015 £34,278,635).

### 3. COST OF RAISING FUNDS

	2016	2015
	£	£
Investment consultancy charges	<u>27,282</u>	<u>26,930</u>

Following the Trustees' change of investment objective from June 2011, the Charity holds units in funds and as such all fees are taken into account and reflected through the performance of the units. The total charges for the year attributable to the Charity are estimated at £714,086 (2015 £725,247).

### 4. ANALYSIS OF CHARITABLE ACTIVITIES

The Charity undertakes its charitable activities through grant making and awarded grants to a number of institutions in furtherance of its charitable objectives.

	2016	2015
	£	£
Grant funded activity	2,881,849	2,549,949
Support and governance costs		
- Charitable activities	165,841	158,300
- Governance	69,366	74,305
	<u>3,117,056</u>	<u>2,782,554</u>

#### Grants refunded/withdrawn

The Trustees require Charities to return any money which they have not utilised for the purpose of their original appeal. Accordingly during the year 4 grants totalling £68,316 (2015, 4 grants £10,383) have been refunded and 5 grants totalling £33,500 (2015, 7 grants £169,000) have been withdrawn.

# The Baily Thomas Charitable Fund - A Registered Charity

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2016

### 4. ANALYSIS OF CHARITABLE ACTIVITIES - continued

	Commitments B/F £	Grants awarded in the year £	Grants paid in the year £	Commitments C/F £
<b>Grants of £20,000 and over</b>				
Autism Concern	-	20,000	20,000	-
Autism East Midlands	-	20,000	20,000	-
Bentilee Volunteers Community Association	-	20,000	20,000	-
Beyond Autism	-	40,000	-	40,000
City University London	-	70,000	70,000	-
Corbets Tey School Parents and Friends Association	-	20,000	-	20,000
FitzRoy Support	-	35,000	35,000	-
Gateway North East	-	20,000	20,000	-
Glasgow Caledonian University	-	58,778	58,778	-
Great Ormond Street Hospital Children's Charity	-	99,994	42,355	57,639
The Hextol Foundation	-	30,000	20,000	10,000
Hijinx Theatre	-	30,000	30,000	-
Jigsaw +	-	20,000	-	20,000
Kingston University and St George's, University of London	-	61,064	-	61,064
Landau Limited	-	20,000	20,000	-
Nansen Highland	-	20,000	20,000	-
PAMIS	-	20,000	20,000	-
Pennyhooks Farm Trust	-	20,000	20,000	-
Rix-Thompson-Rothenberg Foundation	-	70,000	35,000	35,000
Rose Road Association	-	30,000	20,000	10,000
Stepping Stones Play and Learn Group	-	25,000	20,000	5,000
University College London	-	94,463	-	94,463
University of Birmingham	-	51,520	-	51,520
University of Bristol	-	74,096	45,975	28,121
University of Glasgow	-	76,071	25,357	50,714
University of Nottingham	-	76,071	25,357	50,714
University of Roehampton	-	60,040	20,469	39,571
University of Warwick	-	44,038	44,038	-
Willow Tree Garden	-	30,000	-	30,000
Worcester Snoezelen	-	20,000	-	20,000
<b>GRANTS of £20,000 and over</b>	-	1,276,135	652,329	623,806
<b>ALL OTHERS</b>	1,233,768	1,707,530	2,223,168	718,130
<b>TOTAL GRANTS</b>	1,233,768	2,983,665	2,875,497	1,341,936
<b>Grants refunded</b>	-	(68,316)	(68,316)	-
<b>Grants withdrawn</b>	-	(33,500)	-	(33,500)
	1,233,768	2,881,849	2,807,181	1,308,436
Falling due in one year				1,198,811
Falling due after more than one year				109,625
				1,308,436

# The Baily Thomas Charitable Fund - A Registered Charity

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2016

### 4. ANALYSIS OF CHARITABLE ACTIVITIES - continued

GRANTS BY CATEGORY	2016 £	2015 £
Rix-Thompson-Rothenberg Foundation - grant making	70,000	70,000
Research projects	799,738	719,492
<u>Main grants programme</u>		
Major capital building/refurbishment costs	293,657	414,000
Other capital building/refurbishment costs	20,000	36,000
Major running costs/revenue costs	895,000	780,695
Other running costs/revenue costs	247,690	172,460
Equipment costs	79,000	69,000
<u>Small grants programme</u>		
Capital building/refurbishment costs	22,000	43,500
Running costs/revenue costs	485,830	371,039
Equipment costs	70,750	53,146
	2,983,665	2,729,332
	2,983,665	2,729,332

### GRANTS BY VALUE

Value	2016		2015	
	Total value £	No. of grants	Total value £	No. of grants
£100 - £5,000	669,063	212	516,185	172
£5,001 - £10,000	621,508	67	518,556	58
£10,001 - £15,000	383,302	27	387,000	27
£15,001 - £25,000	278,657	14	401,704	19
£25,001 - £80,000	836,678	16	601,700	12
£80,001 - £100,000	194,457	2	194,730	2
£100,001 - £150,000	-	-	109,457	1
	2,983,665	338	2,729,332	291
	2,983,665	338	2,729,332	291

All grants were made to institutions.

### GRANT COMMITMENTS

The Trustees have also made further non-binding grant commitments to 6 future projects, the timing of which is unknown, totalling £80,000 (2015 £22,500).

# The Baily Thomas Charitable Fund - A Registered Charity

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2016

### 5. ALLOCATION OF GOVERNANCE AND OTHER SUPPORT COSTS

Overhead and support costs were allocated between governance and charitable activities as detailed below:

Unrestricted Fund	2016		2015	
	Charitable	Governance	Charitable	Governance
	Activities		Activities	
	£	£	£	£
Audit fees	-	4,980	-	4,620
Legal and professional costs (inc. expenses)	-	55,514	-	59,195
Accountancy and administration (inc. expenses)	146,766	7,953	142,221	9,579
Employers' liability insurance	-	162	-	177
Trustees' indemnity insurance	-	688	-	668
Grant assessors' expenses	12,093	-	9,315	-
Trustees' expenses	614	-	782	-
Doctoral interviews	386	-	-	-
Bank charges	-	34	-	31
Website development and hosting	5,982	-	5,982	-
Information Commissioner	-	35	-	35
	<u>165,841</u>	<u>69,366</u>	<u>158,300</u>	<u>74,305</u>

### 6. TRUSTEES EXPENSES AND REMUNERATION

The Trustees sought advice from the Charity Commission regarding the payment of fees and expenses to the two Medical Trustees. On their recommendation the two Trustees may invoice the Fund for their time spent on evaluating research applications and also on the Charity's work and reclaim any out of pocket expenses incurred.

Expenses of £614 (2015 £782) were charged by one Trustee (2015 two) in the year ended 30 September 2016.

	2016	2015
	£	£
Travel	614	782

### 7. FIXED ASSET INVESTMENTS

	2016	2015
	£	(restated) £
<b>Movement in fixed asset listed investments</b>		
Market value at 30 September 2015	84,899,184	86,702,948
Less: sale proceeds	(1,500,000)	(1,033,533)
Add: acquisitions at cost	269,278	279,195
Net gains/(losses) on revaluation and disposal	4,785,208	(1,049,426)
	<u>88,453,670</u>	<u>84,899,184</u>
Market value at 30 September 2016	88,453,670	84,899,184
	<u>70,405,783</u>	<u>71,456,476</u>

All investments are listed on a recognised stock exchange.

# The Baily Thomas Charitable Fund - A Registered Charity

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2016

### 7. FIXED ASSET INVESTMENTS - continued

As at 30 September 2016, the market value of investments listed in the UK amounted to £54,172,215. The remainder of £34,281,455 represented investments listed overseas.

All holdings as at 30 September 2016 represented more than 5% of the total fund and comprised of the following:

	<b>Market value 30/9/16 £</b>	<b>Historical value £</b>
38,511,941.478 Artemis Institutional Equity Income Fund	31,706,881	22,165,866
251,244.09 Blackrock BIJF Dynamic Diversified GR units	34,281,455	29,575,482
10,561,981.19 CF Ruffer Absolute Return units	22,465,334	18,664,435

### 8. CURRENT ASSETS

	<b>2016 £</b>	<b>2015 £</b>
Debtors - Taxation reclaim	121,792	134,210
- Due from Provident Fund	113,505	179,447
- Prepayments	11,643	11,562
BlackRock Institutional Liquidity Fund	1,502,381	1,004,207
CAF Charity Money Management	402,145	831,352
Cash at Investment Managers	4	-
	<u>2,151,470</u>	<u>2,160,778</u>

### 9. LIABILITIES: amounts falling due within one year

	<b>2016 £</b>	<b>2015 £</b>
Accruals - Charles Russell Speechlys LLP	3,168	4,288
- Wilkins Kennedy	900	3,300
- Auditor's fees	4,800	4,620
- Accounting and taxation services	412	960
Grants	1,198,811	1,188,895
	<u>1,208,091</u>	<u>1,202,063</u>

### 10. LIABILITIES: amounts falling due after one year

	<b>2016 £</b>	<b>2015 £</b>
Grants	109,625	44,873
	<u>109,625</u>	<u>44,873</u>

# The Baily Thomas Charitable Fund - A Registered Charity

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2016

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### 11. RELATED PARTIES

Mrs Suzanne Marriott, a Trustee of the Fund, is a partner of Charles Russell Speechlys LLP. In the year ended 30 September 2016 legal costs of £39,314 (including reimbursed expenses of £276) were charged to the Charity by Charles Russell Speechlys LLP (2015 £39,095 including expenses of £198). Accrued fees of £3,168 were outstanding at the year end.

Mrs Marriott is also a Trustee/Governor of The Rix-Thompson-Rothenburg Foundation charity which received a grant of £70,000 from the Fund during the year (2015 £70,000).

Mr Kenneth Young, a Trustee of the Fund, is a partner of Wilkins Kennedy. In the year ended 30 September 2016 fees of £16,200 were charged to the Charity by Wilkins Kennedy (2015 £20,100). Accrued fees of £900 were outstanding at the year end.

### 12. VOLUNTEERS

The Charity does not receive any contributions from volunteers.

### 13. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Net movement in funds (as per the Statement of Financial Activities)	3,474,398	(2,053,980)
(Gains)/losses on investments shown in investing activities	(4,785,208)	1,049,426
Deduct investment income shown in investing activities	(1,533,232)	(1,412,632)
(Increase)/decrease in debtors	78,279	171,268
Increase/(decrease) in creditors	70,780	(408,494)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	<u>(2,694,983)</u>	<u>(2,654,412)</u>