

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

Report and Financial Statements

30 September 2018

The Baily Thomas Charitable Fund - A Registered Charity

CONTENTS

	Page
TRUSTEES' ANNUAL REPORT	1 - 9
AUDITORS' REPORT	10 - 11
STATEMENT OF FINANCIAL ACTIVITIES	12
BALANCE SHEET	13
CASHFLOW STATEMENT	14
NOTES TO THE FINANCIAL STATEMENTS	15 - 22

The Baily Thomas Charitable Fund - A Registered Charity

TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2018

The Trustees present their annual report and financial statements for the year ended 30 September 2018. 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 Emeritus Professor Anne Elizabeth Farmer, MD, FrcPsych Kenneth Robert Young, FCA Professor Sally-Ann Cooper OBE, BSc, MBBS, 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 2018

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

Investment Managers

Artemis Asset Management Limited
42 Melville Street
Edinburgh
EH3 7HA

Baillie Gifford
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN

Pictet Asset Management
PO Box 12265
Chelmsford
CM99 2EH

Royal London Asset Management - appointed September 2018
PO Box 9035
Chelmsford
CM99 2XB

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 Baily Thomas Charitable Fund - A Registered Charity

TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2018

Structure, Governance and Management - continued

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 time 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 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.

The Baily Thomas Charitable Fund - A Registered Charity

TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2018

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 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.

The Baily Thomas Charitable Fund - A Registered Charity

TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2018

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 312 grants totalling £3,472,922 (excluding returned grants) were made from the Baily Thomas Charitable Fund (2017 - £2,575,848). This was within the budget set for the year and included an underspend carried forward from the prior year which the Trustees allocated towards the research programme.

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 varied, for example £493 to Halifax Opportunities Trust towards the Jubilee Children's Centre Sensory Room, to a grant for £50,000 to Calvert Trust Kielder to provide critical bursary support for those in financial need.

A total of 21 grants were awarded during the year for research in the area of learning disabilities. The largest research grant of £109,310 was awarded to University of Edinburgh, towards a study over 18 months entitled 'Understanding the effects of prenatal maternal infections in development outcomes, autism spectrum disorder and learning disabilities'.

During the year the Trustees awarded the following Fellowships:

Aston University **£78,722**

Towards the study 'Person and environmental characteristics associated with anxiety in minimally verbal individuals with autism'.

Durham University **£79,011**

Towards the study 'Social Vulnerability in Developmental Disorders: Focusing on Autism and Williams syndrome to understand the role of learning disability, social behaviour and anxiety'.

Major donations made during the year included:-

General grants

Ambitious about Autism **£35,000**

Towards funding of specialist facilities including a life skills kitchen, sensory room and art/music space at Ambitious College.

Lifelong Family Links **£30,000**

Towards the development of a well-being and employment project.

The Baily Thomas Charitable Fund - A Registered Charity

TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2018

Grant Making Policy, Achievements and Performance - continued

General grants - continued

Mencap Liverpool £30,000
Towards general running costs.

Bedfordshire Opportunities for Learning Disabilities £25,000
Towards the building of a new education and work training centre.

Derwen College £25,000
Towards hydrotherapy pool and changing rooms at the therapy and fitness centre.

The Burton Street Foundation Ltd £25,000
Towards the specialist therapy and sensory stimulation centre.

The Stable Family Home Trust £25,000
Towards the purchase of a house to accommodate adults with learning disabilities in a supported living environment.

Haswell & District Mencap £20,400
Towards salary costs of a Project Co-ordinator.

Research grants

University of Edinburgh £109,310
For 18 months study 'Understanding the effects of prenatal maternal infections on developmental outcomes, autism spectrum disorder and learning disabilities'.

City, University of London £101,924
For 24 months study 'Language, literacy and procedural memory in children and adolescents with intellectual disabilities'.

University of Glasgow £97,829
For 24 months study 'Behavioural activation (Beattt) for depression in adults with severe intellectual disabilities. A feasibility randomised controlled study of Beattt versus treatment as usual'.

Liverpool John Moore University £79,970
For 24 months study 'Movement Matters: motor competence and physical activity participation in children with intellectual disabilities'.

Coventry University £78,281
For 28 months study 'Sleeping well, thinking well; do changes in sleep affect executive functioning in children with intellectual disability?'.

University of Birmingham £79,014
For 24 months study 'Exploring Sleep in Neurodevelopmental disorders through Online and Remote Evaluation (e-SNORE): Pilot and feasibility study in tuberous sclerosis complex'.

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.

The Baily Thomas Charitable Fund - A Registered Charity

TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2018

Financial Review and Reserves Policy - continued

Total income generated from the Charity's own investments rose by £514,278 to £2,129,576. Income received from the Provident Fund rose by £136,835 (84%) to £299,668 which after accounting for reclaimable tax due, resulted in a total distribution for the year of £477,323 (2017 £265,521). During the year there was an overall increase of income to £2,606,899 (2017 £1,880,819).

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 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. Cash levels were sufficient to meet the grant making objectives throughout the year without the need to drawdown cash from investments. During the year the Trustees purchased units in Royal London Cash Plus Fund Y to be held on a short-term basis. These funds were divested from CAF Charity Money Management to maximise returns.

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 April 2017 the Trustees appointed Baillie Gifford and Pictet Asset Management as absolute managers. The Trustees resolved at that time to retain Artemis Asset Management Limited, who were appointed in September 2008.

As at September 2018 the investments comprise 4 funds, the Artemis Institutional UK Equity Income Fund, the Baillie Gifford Multi Asset Growth Fund, the Pictet Multi Asset Portfolio and the Royal London Cash Plus Fund, currently managed by Artemis Asset Management Limited, Baillie Gifford, Pictet Asset Management and Royal London Asset Management. The capital value of the portfolio as at September 2018 stands at £92,178,747, which represents Fixed Assets investments with a total value of £90,978,239 and Current Asset cash equivalent investments of £1,200,508.

The Baily Thomas Charitable Fund - A Registered Charity

TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2018

Investment Policy and Performance

- continued

The long term objective is to preserve the capital of the portfolio from inflation whilst meeting the Fund's grant making objectives. The total return target for the investment portfolio has therefore been set at 3.5% p.a. in real terms after inflation as measured by the Retail Price Index (RPI). This implies a total return target of 6.5% p.a. in nominal terms assuming RPI inflation averages 3.0% p.a. in line with the past twenty years' experience and the Bank of England's official 2% target for CPI inflation. The Trustees accept this may be a demanding target in the current environment but believe that it remains a sensible long term aspiration.

The benchmark for the combined portfolio is to achieve RPI +3.5% p.a. over the long term. The benchmark for the Artemis Institutional UK Equity Income Fund is the FTSE All Share Index. The benchmark for the Baillie Gifford Multi Asset Growth Fund is to achieve 3 month LIBOR +3.5% p.a. net of fees over rolling three year periods. The benchmark for the Pictet Multi Asset Portfolio is to achieve 3 month LIBOR +4% p.a. net of fees over rolling three year periods.

Over the past 12 months all fixed asset investment managers have underperformed their benchmark with negative returns generated of 1.6% for Artemis Asset Management Ltd, 2.1% for Pictet Asset Management and 3.3% for Baillie Gifford. Whilst short term performance is disappointing the Trustees recognise the period has been difficult for markets. The Trustees continue to take a long term view on performance.

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 2018

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:

6 December 2018

Date

and signed on their behalf by:

S J Marriott

Chair of Trustees

Mrs S J Marriott

INDEPENDENT AUDITORS' REPORT

to the Trustee of The Baily Thomas Charitable Fund - A Registered Charity

Opinion

We have audited the financial statements of The Baily Thomas Charitable Fund (the 'charity') for the year ended 30 September 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 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 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, 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.

INDEPENDENT AUDITORS' REPORT

to the Trustee of The Baily Thomas Charitable Fund - A Registered Charity

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.

Responsibilities of trustees

As explained more fully in the Trustees Responsibility Statement, 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.

FKCA Limited
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Prospero House
46-48 Rothesay Road
Luton
LU1 1QZ

17 December 2018

Date:

The Baily Thomas Charitable Fund - A Registered Charity

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 September 2018

		Unrestricted Fund 2018 £	Unrestricted Fund 2017 £
INCOME AND ENDOWMENTS from:			
Investment income	2a	2,129,576	1,615,298
Other income	2b	477,323	265,521
Total income		<u>2,606,899</u>	<u>1,880,819</u>
EXPENDITURE on:			
Cost of raising funds	3	55,646	33,876
Charitable activities	4	3,616,777	2,707,698
Total expenditure		<u>3,672,423</u>	<u>2,741,574</u>
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS		(1,065,524)	(860,755)
Net gains/(losses) on investments	7	228,025	3,896,668
NET MOVEMENT IN FUNDS		<u>(837,499)</u>	<u>3,035,913</u>
TOTAL FUNDS BROUGHT FORWARD		<u>92,323,337</u>	<u>89,287,424</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>91,485,838</u></u>	<u><u>92,323,337</u></u>

The Baily Thomas Charitable Fund - A Registered Charity

BALANCE SHEET

as at 30 September 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Investment assets	7	90,978,239	89,982,486
CURRENT ASSETS			
Debtors	8	439,425	227,360
Cash and cash equivalents	8	1,651,119	3,285,656
LIABILITIES: amounts falling due within one year			
	9	2,090,544 (1,415,284)	3,513,016 (1,022,462)
NET CURRENT ASSETS			
		675,260	2,490,554
TOTAL ASSETS LESS CURRENT LIABILITIES			
		91,653,499	92,473,040
LIABILITIES: amounts falling due after one year			
	10	(167,661)	(149,703)
TOTAL ASSETS LESS CURRENT LIABILITIES			
		91,485,838	92,323,337
Representing:			
RESERVES AND FUNDS			
Unrestricted fund		91,485,838	92,323,337

Approved by the Trustees on:

6 December 2018

Date

and signed on their behalf by:

S J Marriott

Chair of Trustees

Mrs S J Marriott

The Baily Thomas Charitable Fund - A Registered Charity

STATEMENT OF CASHFLOWS

for the year ended 30 September 2018

	Note	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	13	(2,996,385)	(2,602,024)
Cash flows from investing activities:			
Investment income		2,129,576	1,615,298
Proceeds from sale of investments		-	58,126,343
Purchase of investments		-	(55,426,000)
Reinvestment of income		(767,728)	(332,491)
Net cash provided by (used in) investing activities		1,361,848	3,983,150
Change in cash and cash equivalents in the year		(1,634,537)	1,381,126
Cash and cash equivalents at the beginning of the year		3,285,656	1,904,530
Cash and cash equivalents at the end of the year		1,651,119	3,285,656
Represented by:			
Current asset investment		1,200,508	-
Cash at bank		450,611	3,285,656
		1,651,119	3,285,656

The Baily Thomas Charitable Fund - A Registered Charity

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2018

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, 2018-19, 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) Fund structure

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

c) 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 2018 is based on the accounts of the Provident Fund for the year ended 5 April 2018.

d) 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 e) 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. Grant 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.

The Baily Thomas Charitable Fund - A Registered Charity

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2018

1. ACCOUNTING POLICIES - continued

e) 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.

f) Cost of raising funds

The cost of generating funds comprises the investment consultancy charges.

g) 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.

h) 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.

i) 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 Royal London Cash Plus Fund as a cash equivalent, highly liquid investment which can be called upon without notice.

j) 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.

k) 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.

l) Currency

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Baily Thomas Charitable Fund - A Registered Charity

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2018

2. INCOME AND ENDOWMENTS

a) Investment income	2018	2017
	£	£
Geographically:		
Within the UK	2,128,355	1,614,688
Interest on cash deposits	1,221	610
	<u>2,129,576</u>	<u>1,615,298</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 £299,668 (2017 £162,833) with tax reclaimable thereon of £177,655 (2017 £102,688).

The Charity also holds a reversionary interest in the capital of the Fund. At 5 April 2018 the accounts show the net asset value of the Fund was £33,032,743 (2017 £31,704,499).

3. COST OF RAISING FUNDS

	2018	2017
	£	£
Investment managers charges	26,734	-
Investment consultancy charges	28,912	33,876
	<u>55,646</u>	<u>33,876</u>

Following the Trustees' change of investment objective from June 2011, the Charity holds units in funds with fees taken into account and reflected through the performance of the units. The total of such charges for the year attributable to the Charity are estimated at £526,019 (2017 £655,378). One of the Charity's investment holdings, acquired in July, is in a non-fee paying share class and the fee is charged outside the fund. A provision has been made for an estimate of fees payable to 30 September 2018.

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.

	2018	2017
	£	£
Grant funded activity	3,356,551	2,471,743
Support and governance costs		
- Charitable activities	176,164	157,580
- Governance	84,072	78,375
	<u>3,616,787</u>	<u>2,707,698</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 £12,371 (2017, 4 grants £60,105) have been refunded and 8 grants totalling £104,000 (2017, 5 grants £44,000) have been withdrawn.

The Baily Thomas Charitable Fund - A Registered Charity

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2018

4. ANALYSIS OF CHARITABLE ACTIVITIES - continued	Commitments B/F £	Grants awarded in the year £	Grants paid in the year £	Commitments C/F £
Grants of £20,000 and over				
Ambitious about Autism	-	35,000	35,000	-
Aston University (2 grants)	-	154,251	25,852	128,399
Bedfordshire Opportunities for Learning Disabilities	-	25,000	-	25,000
Calvert Trust Kielder	-	50,000	40,000	10,000
Cherry Trees	-	20,000	20,000	-
City, University of London	-	101,924	101,924	-
Coventry University	31,792	78,281	31,792	78,281
Derby College	-	20,000	20,000	-
Derwen College	-	25,000	20,000	5,000
Durham University	-	79,011	26,077	52,934
Friends of Highbury School Development Fund	-	20,000	-	20,000
Friends of St Nicholas' Special School	-	20,000	20,000	-
Gateway North East	-	20,000	20,000	-
Greenwich Mencap	-	20,000	20,000	-
Haswell & District Mencap	-	20,400	20,400	-
John Chilton School	-	20,000	20,000	-
Kids in Action	-	20,000	-	20,000
Kingsland School	-	20,000	20,000	-
Kingston University London	-	53,014	53,014	-
Llandau Limited	-	20,000	-	20,000
Lifelong Family Links	-	30,000	20,000	10,000
Liverpool John Moore University	-	79,970	31,355	48,615
Mencap Liverpool	-	30,000	20,000	10,000
Options for Supported Living	-	20,000	-	20,000
Oval Learning Cluster	-	25,000	25,000	-
Pennyhooks Farm Trust	-	20,000	20,000	-
People in Partnership	-	20,000	20,000	-
Pioneering Care Partnership	-	20,000	20,000	-
Reach Learning Disability	-	20,000	20,000	-
Rix-Thompson-Rothenberg Foundation	35,000	100,000	85,000	50,000
Scotts Project Trust	-	20,000	-	20,000
South Leeds Alternative Trading Enterprise Ltd (SLATE)	-	25,000	25,000	-
Speakup Self Advocacy Limited	-	20,000	20,000	-
The Befriending Scheme	-	25,000	20,000	5,000
The Burton Street Foundation Ltd	-	25,000	-	25,000
The Markfield Project Ltd	-	20,000	20,000	-
The Stable Family Home Trust	-	25,000	25,000	-
University of Birmingham	89,279	79,014	125,299	42,994
University of Edinburgh	-	109,310	-	109,310
University of Glasgow (5 grants)	101,568	365,974	76,211	391,331
University of Sussex	-	45,956	45,956	-
University of Warwick	-	53,055	53,055	-
GRANTS of £20,000 and over	257,639	2,000,160	1,165,935	1,091,864
ALL OTHERS	904,849	1,472,762	1,819,614	557,997
TOTAL GRANTS	1,162,488	3,472,922	2,985,549	1,649,861
Grants refunded	-	(12,371)	(12,371)	-
Grants withdrawn	-	(104,000)	-	(104,000)
	1,162,488	3,356,551	2,973,178	1,545,861
Falling due in one year				1,378,200
Falling due after more than one year				167,661
				1,545,861

The Baily Thomas Charitable Fund - A Registered Charity

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2018

4. ANALYSIS OF CHARITABLE ACTIVITIES - continued

GRANTS BY CATEGORY	2018	2017
	£	£
Rix-Thompson-Rothenberg Foundation - grant making	100,000	100,000
Research projects	1,219,559	718,310
<u>Main grants programme</u>		
Major capital building/refurbishment costs	420,000	225,000
Other capital building/refurbishment costs	30,000	30,000
Major running costs/revenue costs	885,400	774,454
Other running costs/revenue costs	276,744	204,763
Equipment costs	62,500	139,814
<u>Small grants programme</u>		
Capital building/refurbishment costs	46,187	20,278
Running costs/revenue costs	377,582	316,979
Equipment costs	54,950	46,250
	3,472,922	2,575,848
	3,472,922	2,575,848

GRANTS BY VALUE

Value	2018		2017	
	Total value £	No. of grants	Total value £	No. of grants
£100 - £5,000	550,834	187	489,333	167
£5,001 - £10,000	405,336	43	548,082	59
£10,001 - £15,000	501,623	35	334,314	23
£15,001 - £25,000	572,400	27	363,507	18
£25,001 - £80,000	767,552	13	297,413	5
£80,001 - £100,000	675,177	7	543,199	6
	3,472,922	312	2,575,848	278
	3,472,922	312	2,575,848	278

All grants were made to institutions.

GRANT COMMITMENTS

The Trustees have also made further non-binding grant commitments to 4 future projects, the timing of which is unknown, totalling £33,000 (2017 £50,000).

The Baily Thomas Charitable Fund - A Registered Charity

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2018

5. ALLOCATION OF GOVERNANCE AND OTHER SUPPORT COSTS

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

Unrestricted Fund	2018		2017	
	Charitable	Governance	Charitable	Governance
	Activities		Activities	
	£	£	£	£
Audit fees	-	5,160	-	4,800
Legal and professional costs (inc. expenses)	-	67,745	-	55,176
Accountancy and administration (inc. expenses)	153,855	10,169	139,749	17,361
Employers' liability insurance	-	184	-	183
Trustees' indemnity insurance	-	706	-	693
Grant assessors' expenses	10,359	-	9,432	-
Trustees' expenses	1,502	-	1,474	-
Doctoral interviews	712	-	154	-
Bank charges	-	68	-	127
Website development and hosting	9,726	-	5,982	-
Information Commissioner	-	40	-	35
Sundry expenses	-	-	789	-
	<u>176,154</u>	<u>84,072</u>	<u>157,580</u>	<u>78,375</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 £1,502 (2017 £1,474) were charged by two Trustees (2017 two) in the year ended 30 September 2018.

	2018	2017
	£	£
Travel	<u>1,502</u>	<u>1,474</u>

7. FIXED ASSET INVESTMENTS

	2018	2017
	£	£
Movement in fixed asset listed investments		
Market value at 30 September 2017	89,982,486	88,453,670
Less: sale proceeds	-	(58,126,343)
Add: acquisitions at cost	767,728	55,758,491
Net gains/(losses) on revaluation and disposal	228,025	3,896,668
	<u>90,978,239</u>	<u>89,982,486</u>
Market value at 30 September 2018	<u>90,978,239</u>	<u>89,982,486</u>
Historical cost of quoted investments at 30 September 2018	<u>78,359,594</u>	<u>77,591,866</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 2018

7. FIXED ASSET INVESTMENTS - continued

As at 30 September 2018, the market value of investments listed in the UK amounted to £90,978,239 with no investments listed overseas.

All holdings as at 30 September 2018 represented more than 5% of the total fund and comprised of the following:

	Market value 30/9/18	Historical value
	£	£
38,511,941.478 Artemis Institutional Equity Income Fund	34,221,711	22,165,866
24,352,372.583 Baillie Gifford Multi Asset Growth Fund	28,224,400	28,338,856
25,438,733.639 Pictet Multi Asset Portfolio	28,532,128	27,854,872

8. CURRENT ASSETS

	2018	2017
	£	£
Debtors - Taxation reclaim	177,655	102,688
- Due from Provident Fund	249,668	112,833
- Prepayments	12,102	11,839
Royal London Cash Plus Fund	1,200,508	-
CAF Charity Money Management	450,611	3,285,656
	<u>2,090,544</u>	<u>3,513,016</u>

9. LIABILITIES: amounts falling due within one year

	2018	2017
	£	£
Accruals - Charles Russell Speechlys LLP	3,800	205
- Wilkins Kennedy	1,158	4,458
- Auditor's fees	4,980	4,800
- Accounting and taxation services	100	-
- Investment managers	26,734	-
- Assessors' expenses	312	180
- Information Commissioner	-	35
Grants	1,378,200	1,012,784
	<u>1,415,284</u>	<u>1,022,462</u>

10. LIABILITIES: amounts falling due after one year

	2018	2017
	£	£
Grants	167,661	149,703
	<u>167,661</u>	<u>149,703</u>

The Baily Thomas Charitable Fund - A Registered Charity

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2018

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 2018 legal costs of £53,705 (including reimbursed expenses of £504) were charged to the Charity by Charles Russell Speechlys LLP (2017 £35,856 including expenses of £168). Accrued fees of £3,800 (including expenses of £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 £100,000 from the Fund during the year (2017 £100,000).

Mr Kenneth Young, a Trustee of the Fund, is a partner of Wilkins Kennedy. In the year ended 30 September 2018 fees of £14,040 were charged to the Charity by Wilkins Kennedy (2017 £19,320). Accrued fees of £1,158 were outstanding at the year end.

Professor Sally-Ann Cooper, a Trustee of the Fund, is a Professor of Learning Disabilities & Honorary Consultant Psychiatrist at the Institute of Health and Wellbeing, University of Glasgow. In the year ended 30 September 2018 the University received grants totalling £365,974 in support of 5 studies (2017 £50,853 for 1 study). Professor Cooper is part of the research team undertaking one of the studies supported during the year (grant £91,498). Professor Cooper has not and will not receive any remuneration for this grant.

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

	2018	2017
	£	£
Net movement in funds (as per the Statement of Financial Activities)	(837,499)	3,035,913
(Gains)/losses on investments shown in investing activities	(228,025)	(3,896,668)
Deduct investment income shown in investing activities	(2,129,576)	(1,615,298)
(Increase)/decrease in debtors	(212,065)	19,580
Increase/(decrease) in creditors	410,780	(145,551)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	(2,996,385)	(2,602,024)
	<hr/> <hr/>	<hr/> <hr/>