

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

Report and Financial Statements

30 September 2021

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 2021

The Trustees present their annual report and financial statements for the year ended 30 September 2021. 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 dated 2 October 1970, the Charities Act 2011 and Accounting and the Charities Statement of Recommended Practice (second edition) and Financial Reporting Standard FRS 102.

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 Emeritus Professor Sally-Ann Cooper OBE, BSc, MBBS, MD, FRCPsych Jonathan Philip Snow, BSc (Hons), ASIP
Principal Address	c/o TMF Global Services (UK) Ltd 960 Capability Green Luton LU1 3PE
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 960 Capability Green Luton LU1 3PE
Auditors	FKCA Limited 260-270 Butterfield Great Marlings Luton LU2 8DL
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 2021

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

GuardCap
George's Quay House
43 Townsend Street
Dublin 2
Ireland

Royal London Asset Management
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 2021

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 facilitation of grant payments for approval by the Trustees.

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TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2021

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. Full details of the Trust's eligibility criteria are published in the website www.bailythomas.org.uk/grants/general-programme/eligibility-criteria

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.

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for the year ended 30 September 2021

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 263 grants totaling £3,171,028 (excluding returned grants) were made from the Baily Thomas Charitable Fund (2020 - £3,002,477). This was within the budget set for the year. In response to the COVID 19 pandemic the Trustees launched an emergency grants funding scheme, to those who have previously received support from the Fund, with appeals heard outside of the usual meeting cycle. Grants awarded have been in the areas of supporting bridge funding for ongoing research studies where research has been impacted by the pandemic, and grants to aid charities suffering financial difficulty where their services have been adversely affected in the short to mid-term. These grants were met from within the budget set for the year.

All grants of £20,000 or over 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 £500 to Warwickshire Social Inclusion Partnership towards Drop In Activities: to support the drop in service and activities such as computer sessions and gardening and outdoor sessions, to a grant for £100,000 to Elsie Normington Foundation towards The Haven Centre: construction costs of the main building. A total of 22 grants were awarded during the year for research in the area of learning disabilities. The largest research grant of £99,968 was awarded to Liverpool John Moores University, towards a study over 24 months 'Movement Matters: Feasibility and preliminary effectiveness of a pilot intervention to improve physical activity, motor competence and quality of life amongst children with intellectual disabilities'. No Doctoral Fellowships were awarded during the year.

Major donations made during the year included:-

General grants

Elsie Normington Foundation	£100,000
Towards The Haven Centre: construction costs of the main building	
Mencap Liverpool & Sefton	£40,000
Towards core service delivery costs.	
Barnet Mencap	£28,798
Towards salary and oncosts for a new Office Worker.	
Horsley and Bookham Riding for the Disabled	£25,000
Towards construction of classroom, kitchen, tack room and viewing area.	

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Grant Making Policy, Achievements and Performance - continued

General grants - continued

St. Rose's School **£25,000**
Towards the new build and refurbishment of residential accommodation.

Colchester Gateway Clubs **£23,000**
Towards core running costs.

Portesbery Partnerships **£22,694**
To fund play areas.

Extratime **£20,000**
To support the core costs of running physical services and virtual offering.

Northumbria Calvert Trust **£20,000**
Towards critical bursary support.

Purple Patch Arts **£20,000**
Towards Lifelong Learning Programmes: core delivery costs.

Research grants

Liverpool John Moores University **£99,968**
For 24 months 'Movement Matters: Feasibility and preliminary effectiveness of a pilot intervention to improve physical activity, motor competence and quality of life amongst children with intellectual disabilities'.

University of Birmingham **£96,803**
For 24 months 'Understanding the Social World through Overhearing in Autistic Children with Intellectual Disabilities'.

Ulster University **£96,391**
For 18 months ''Walk Buds': A walking intervention to increase physical activity, physical fitness and emotional wellbeing, in 9-13yr old children with intellectual disability. A clustered randomised feasibility trial'.

University of Glasgow **£93,433**
For 24 months 'Developing and evaluating the feasibility of a theory-based intervention to increase walking in adults with intellectual disabilities'.

University of Oxford **£88,334**
For 18 months 'Hypogonadism, osteoporosis and risk of fractures in people with intellectual disabilities'.

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

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for the year ended 30 September 2021

Financial Review and Reserves Policy - continued

Total income generated from the Charity's own investments fell by £592,304 to £1,354,334. Income received from the Provident Fund fell by £29,793 (13%) to £195,981 which after accounting for reclaimable tax due, resulted in a total distribution for the year of £319,280 (2020 £327,559). During the year there was an overall decrease of income to £1,776,442 (2020 £2,274,197).

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. To meet the grant making objectives throughout the year the Trustees elected to redeem part of their holding of Royal London Cash Plus Fund units.

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. Following an investment strategy review in early 2020 the Trustees resolved to revise the strategic portfolio allocation. They agreed to widen global equity exposure, to reduce the dependency on the UK equity market, to decrease the exposure to sterling and to increase diversification. The portfolio was restructured and as a result, the investments with the managers were reduced, and two new global equity funds, Baillie Gifford Global Alpha Growth and GuardCap Global Equity Growth, were added to the portfolio.

As at September 2021 the investments comprise 6 funds, the Artemis Institutional UK Equity Income Fund, the Baillie Gifford Multi Asset Growth Fund, the Pictet Multi Asset Portfolio, the Baillie Gifford Global Alpha Growth Fund, the GuardCap Global Equity Fund and the Royal London Cash Plus Fund. These are currently managed by Artemis Asset Management Limited, Baillie Gifford, Pictet Asset Management, GuardCap and Royal London Asset Management. The capital value of the portfolio as at September 2021 stands at £97,387,991, which represents Fixed Assets investments with a total value of £96,878,745 and Current Asset cash equivalent investments of £509,246.

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TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2021

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 Consumer Price Index (CPI). This implies a total return target of 5.5% p.a. in nominal terms assuming CPI inflation averages 2.0% p.a. in line with the past twenty years' experience and the Bank of England's official target. 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 CPI +3.5% p.a. 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. The benchmark for the Baillie Gifford Global Alpha Growth Fund is the MSCI All Country World Index. The benchmark for the GuardCap Global Equity Fund is the MSCI World Index. The benchmark for the Royal London Cash Plus Fund is SONIA.

Over the past 12 months Baillie Gifford (Multi Asset Growth Fund), Pictet Asset Management and Royal London have generated excess returns against benchmark with positive relative returns of 6.8%, 10.3% and 0.2% respectively. Over the same period Artemis Asset Management, Baillie Gifford (Global Alpha Growth Fund) and GuardCap have underperformed their benchmark producing negative relative returns of 1.0%, 2.2% and 7.7% respectively. The combined portfolio (excluding cash) generated a positive absolute return of 18.3% over the year to 30 September 2021, 11.0% ahead of the CPI +3.5% benchmark. The portfolio has continued to benefit from the shift in 2020 from absolute return funds to global equities, with all the global equity funds producing robust returns over the six months to 30 September 2021. Despite the positive return over the year, the combined portfolio has continued to lag the long-term objective of CPI+3.5% p.a. and has lagged over three and five years. The current asset allocation is projected to achieve a long-term nominal return slightly below the long-term target. The Trustees recognise the asset allocation is a snapshot of the current position and is not a long-term strategic asset allocation. 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.

The Coronavirus (COVID 19) pandemic has impacted the charity's investment portfolio. The Trustees have considered the financial health of the charity and, with this in mind and noting that they have no permanent endowment, the Trustees believe that the charity, at the date of signing, will continue as a going concern for the foreseeable future.

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 2021

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:

11 November 2021

Date

and signed on their behalf by:

Suzanne Marriott

Chair of Trustees

Mrs S J Marriott

INDEPENDENT AUDITORS' REPORT

to the Trustees 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 2021 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 2021 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

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the 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.

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.

INDEPENDENT AUDITORS' REPORT

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

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.

Auditors' 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.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff and the board of trustees to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Use of Our report

This report is made solely to the charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state 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.

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.

Tara Aldwin ACA (Senior Statutory Auditor) for and on behalf of FKCA Limited
Statutory Auditor
260 – 270 Butterfield
Great Marlings
Luton
LU2 8DL

Date: 30 December 2021

The Baily Thomas Charitable Fund - A Registered Charity

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 September 2021

	Note	Unrestricted Fund	
		2021	2020
		£	£
INCOME AND ENDOWMENTS from:			
Investment income	2a	1,354,334	1,946,638
Donations		102,828	-
Other income	2b	319,280	327,559
Total income		1,776,442	2,274,197
EXPENDITURE on:			
Cost of raising funds	3	108,529	150,823
Charitable activities	4	3,296,064	3,239,192
Total expenditure		3,404,593	3,390,015
NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS			
		(1,628,151)	(1,115,818)
Net gains/(losses) on investments	7	13,665,451	(7,107,053)
Net gains/(losses) other		(505)	824
NET MOVEMENT IN FUNDS		12,036,795	(8,222,047)
TOTAL FUNDS BROUGHT FORWARD		83,835,725	92,057,772
TOTAL FUNDS CARRIED FORWARD		95,872,520	83,835,725

The Baily Thomas Charitable Fund - A Registered Charity

BALANCE SHEET

as at 30 September 2021

		Unrestricted Fund	
		2021	2020
	Note	£	£
FIXED ASSETS			
Investment assets	7	96,878,745	82,757,686
CURRENT ASSETS			
Debtors	8	286,709	290,178
Cash and cash equivalents	8	1,241,420	2,939,753
		1,528,129	3,229,931
LIABILITIES: amounts falling due within one year	9	(2,197,438)	(1,783,749)
NET CURRENT ASSETS		(669,309)	1,446,182
TOTAL ASSETS LESS CURRENT LIABILITIES		96,209,436	84,203,868
LIABILITIES: amounts falling due after one year	10	(336,916)	(368,143)
NET ASSETS		95,872,520	83,835,725
Representing:			
RESERVES AND FUNDS			
Unrestricted fund		95,872,520	83,835,725

Approved by the Trustees on:

11 November 2021

Date

and signed on their behalf by:

Suzanne 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 2021

	2021	2020
Note	£	£
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	13 (2,597,059)	(2,486,380)
Cash flows from investing activities:		
Investment income	1,354,334	1,946,638
Proceeds from sale of investments	-	55,432,550
Purchase of investments	-	(53,400,000)
Reinvestment of income	(455,608)	(794,032)
Net cash provided by (used in) investing activities	898,726	3,185,156
Change in cash and cash equivalents in the year	(1,698,333)	698,776
Cash and cash equivalents at the beginning of the year	2,939,753	2,240,977
Cash and cash equivalents at the end of the year	1,241,420	2,939,753
Represented by:		
Current asset investment	509,246	2,006,086
Cash at bank	732,174	933,667
	1,241,420	2,939,753

The Baily Thomas Charitable Fund - A Registered Charity

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2021

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 Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (issued in October 2019) - (Charities SORP (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, 2021-22, 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).

In view of the Coronavirus (COVID 19) pandemic and its impact on the charity, the trustees have considered the financial health of the charity. With this in mind the Trustees believe that the Charity at the date of signing, will continue as a going concern for the foreseeable future.

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 2021 is based on the draft accounts of the Provident Fund for the year ended 5 April 2021.

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 2021

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 and one of the investment manager's charges whose holding is a zero fee paying share class and the fee is paid outside the fund.

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 2021

2. INCOME AND ENDOWMENTS

a) Investment income	2021	2020
	£	£
Dividends from investments	1,354,290	1,944,882
Interest on cash deposits	44	1,756
	<u>1,354,334</u>	<u>1,946,638</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 £195,981 (2020 £225,774) with tax reclaimable thereon of £123,299 (2020 £101,785).

The Charity also holds a reversionary interest in the capital of the Fund. At 5 April 2021 the draft accounts show the net asset value of the Fund was £35,363,645 (2020 £33,405,021).

3. COST OF RAISING FUNDS

	2021	2020
	£	£
Investment managers charges	77,603	108,638
Investment consultancy charges	30,926	42,185
	<u>108,529</u>	<u>150,823</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 £467,393 (2020 £358,631).

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.

	2021	2020
	£	£
Grant funded activity	3,026,567	2,952,558
Support and governance costs		
- Charitable activities	174,318	168,854
- Governance	95,179	117,780
	<u>3,296,064</u>	<u>3,239,192</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 totaling £15,887 (2020, 6 grants £17,919) have been refunded and 13 grants totaling £128,574 (2020, 5 grants £32,000) have been withdrawn.

The Baily Thomas Charitable Fund - A Registered Charity

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2021

4. ANALYSIS OF CHARITABLE ACTIVITIES - continued

Grants of £20,000 and over	Commitments B/F	Grants Awarded in the Period	Grants Paid in the Period	Commitments C/F
Charity Name	£	£	£	£
Aston University	150,032	63,637	53,628	160,041
Barnet Mencap	-	28,798	-	28,798
Birmingham and Solihull Women's Aid	-	20,000	-	20,000
Bury Gateway Limited	-	20,000	10,000	10,000
Colchester Gateway Clubs	-	23,000	23,000	-
Croft Community School	-	20,000	-	20,000
Elsie Normington Foundation	-	100,000	20,000	80,000
Equal People Mencap	-	20,000	20,000	-
Extratime	-	20,000	20,000	-
Fair Deal	-	20,000	20,000	-
Friends of Castledon School	-	20,000	20,000	-
Glasgow Caledonian University	84,731	77,989	4,998	157,722
Grapevine Coventry and Warwickshire	-	20,000	20,000	-
Horsley and Bookham Riding for the Disabled	-	25,000	-	25,000
King's College London	44,342	83,082	78,887	48,537
Liverpool John Moores University	-	99,968	49,141	50,827
Malvern Special Families	-	20,000	20,000	-
Mencap Liverpool & Sefton	-	40,000	20,000	20,000
Northumbria Calvert Trust	-	20,000	20,000	-
One to One	-	20,000	20,000	-
Pathfield Parent/Teacher/Friends Association	-	20,000	20,000	-
People in Partnership	-	20,000	-	20,000
Pioneering Care Partnership	-	20,000	20,000	-
Portesbery Partnerships	-	22,694	22,694	-
Prior's Court Foundation	-	20,000	20,000	-
Purple Patch Arts	-	20,000	20,000	-
Rix-Thompson-Rothenberg Foundation	50,000	70,000	85,000	35,000
RSPCA Llys Nini	-	20,000	-	20,000
Sheffield Mencap and Gateway	-	20,000	20,000	-
St. Rose's School	-	25,000	20,000	5,000
Stanley Grange Community Association	-	20,000	-	20,000
Step by Step School	-	20,000	20,000	-
The Forest School	-	25,000	-	25,000
Two Rivers High School	-	25,000	20,000	5,000
Ulster University	25,987	122,643	26,252	122,378
University of Birmingham	171,829	97,220	97,419	171,630
University of Cambridge	21,720	31,797	-	53,517
University of Glasgow	276,076	220,751	160,561	336,266
University of Hertfordshire	-	26,515	-	26,515
University of Oxford	-	88,334	-	88,334
University of South Wales	-	34,615	34,615	-
Warren Association Trust	-	20,000	-	20,000
Waverley Association for Special People	-	20,000	20,000	-
WECIL Ltd	-	22,186	22,186	-
GRANTS of £20,000 and over	824,717	1,793,229	1,048,381	1,569,565
ALL OTHERS	1,282,436	1,377,799	1,605,674	1,054,561
TOTAL GRANTS	2,107,153	3,171,028	2,654,055	2,624,126
Grants refunded	-	(15,887)	(15,887)	-
Grants withdrawn	-	(128,574)	-	(128,574)
	2,107,153	3,026,567	2,638,168	2,495,552
Falling due in one year				2,158,636
Falling due after more than one year				336,916
				2,495,552

The Baily Thomas Charitable Fund - A Registered Charity

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2021

4. ANALYSIS OF CHARITABLE ACTIVITIES - continued

GRANTS BY CATEGORY	2021	2020
	£	£
Rix-Thompson-Rothenberg Foundation - grant making	70,000	100,000
Research projects	959,547	1,190,634
<u>Main grants programme</u>		
Major capital building/refurbishment costs	602,694	389,000
Other capital building/refurbishment costs	82,094	61,951
Major running costs/revenue costs	682,761	580,240
Other running costs/revenue costs	383,088	249,023
Equipment costs	34,990	78,853
<u>Small grants programme</u>		
Capital building/refurbishment costs	53,691	57,700
Running costs/revenue costs	258,523	274,076
Equipment costs	43,640	21,000
	<u>3,171,028</u>	<u>3,002,477</u>

GRANTS BY VALUE

Value	2021		2020	
	Total value £	No. of grants	Total value £	No. of grants
£100 - £5,000	436,682	138	418,864	146
£5,001 - £10,000	376,000	39	380,667	41
£10,001 - £15,000	464,437	33	407,570	28
£15,001 - £25,000	714,392	35	364,374	18
£25,001 - £80,000	433,353	10	623,602	13
£80,001 - £100,000	746,164	8	807,400	9
	<u>3,171,028</u>	<u>263</u>	<u>3,002,477</u>	<u>255</u>

All grants were made to institutions.

GRANT COMMITMENTS

The Trustees have also made further non-binding grant commitments to 15 future projects, the timing of which is unknown, totaling £85,992 (2020 £322,135).

The Baily Thomas Charitable Fund - A Registered Charity

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2021

5. ALLOCATION OF GOVERNANCE AND OTHER SUPPORT COSTS

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

Unrestricted Fund	2021		2020	
	Charitable	Governance	Charitable	Governance
	Activities		Activities	
	£	£	£	£
Audit fees	-	5,160	-	5,160
Legal and professional costs (inc. expenses)		71,909	-	93,089
Accountancy and administration (inc. expenses)	159,533	17,010	155,056	18,324
Employers' liability insurance	-	184	-	184
Trustees' indemnity insurance	-	760	-	760
Grant assessors' expenses	8,011	-	5,861	-
Trustees' expenses	-	-	542	-
Doctoral interviews	-	-	775	-
Bank charges	-	121	-	223
Website development and hosting	6,774	-	6,620	-
Information Commissioner	-	35	-	40
	<u>174,318</u>	<u>95,179</u>	<u>168,854</u>	<u>117,780</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.

No expenses were charged in the year ended 30 September 2021 (2020 £542 by two Trustees).

	2021	2020
	£	£
Travel	-	542
	<u>-</u>	<u>542</u>

7. FIXED ASSET INVESTMENTS

	2021	2020
	£	£
Movement in fixed asset listed investments		
Market value at 30 September 2020	82,757,686	91,103,257
Less: sale proceeds	-	(55,432,550)
Add: acquisitions at cost	455,608	54,194,032
Net gains/(losses) on revaluation and disposal	13,665,451	(7,107,053)
	<u>96,878,745</u>	<u>82,757,686</u>
Market value at 30 September 2021		
	<u>96,878,745</u>	<u>82,757,686</u>
Historical cost of quoted investments at 30 September 2021	<u>78,091,695</u>	<u>77,636,087</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 2021

7. FIXED ASSET INVESTMENTS - continued

As at 30 September 2021, the market value of investments listed in the UK amounted to £96,878,745 with no investments listed overseas.

All holdings as at 30 September 2021 represented more than 5% of the total fund and comprised of the following:

		Market value 30/9/21	Historical value
		£	£
28,471,389.342	Artemis Institutional Equity Income Fund	25,348,078	16,386,943
3,873,344.914	Baillie Gifford Global Alpha Growth Fund	18,514,589	15,000,000
12,967,637.424	Baillie Gifford Multi Asset Growth Fund	17,415,537	15,972,475
13,944,519.4906	Pictet Multi Asset Portfolio	17,907,552	15,732,277
1,244,145.231	RBC GuardCap Global Equity Fund	17,692,989	15,000,000

8. CURRENT ASSETS

		2021 £	2020 £
Accruals	- Taxation reclaim	123,299	101,785
	- Due from Provident Fund	150,699	175,774
	- Prepayments	12,711	12,619
Royal London Cash Plus Fund		509,246	2,006,086
CAF Charity Money Management		732,174	933,667
		<u>1,528,129</u>	<u>3,229,931</u>

9. LIABILITIES: amounts falling due within one year

		2021 £	2020 £
Accruals	- Charles Russell Speechlys LLP	5,772	10,008
	- AZETS	648	3,960
	- Auditor's fees	5,160	5,160
	- Accounting and taxation services	61	707
	- Investment managers	20,414	18,832
	- Assessors' expenses	714	-
	- Information Commissioner	-	40
Grants		2,158,636	1,739,010
Sundry creditor		6,033	6,032
		<u>2,197,438</u>	<u>1,783,749</u>

10. LIABILITIES: amounts falling due after one year

		2021 £	2020 £
Grants		336,916	368,143
		<u>336,916</u>	<u>368,143</u>

The Baily Thomas Charitable Fund - A Registered Charity

NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2021

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 2021 legal costs of £56,357 (including reimbursed expenses of £Nil) were charged to the Charity by Charles Russell Speechlys LLP (2020 £71,057 including expenses of £458). Accrued fees of £5,772 (including expenses of £Nil) 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 (2020 £100,000).

Mr Kenneth Young, a Trustee of the Fund, is a partner of AZETS (formerly Wilkins Kennedy). In the year ended 30 September 2021 fees of £15,552 were charged to the Charity by AZETS (2020 £22,032). Accrued fees of £648 were outstanding at the year end.

Professor Sally-Ann Cooper, a Trustee of the Fund, retired as Professor of Learning Disabilities & Honorary Consultant Psychiatrist at the Institute of Health and Wellbeing, University of Glasgow in February 2019. In the year ended 30 September 2021 the University received grants totaling £220,751 in support of 3 studies (2020 £185,245 for 3 studies).

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

	2021	2020
	£	£
Net movement in funds (as per the Statement of Financial Activities)	12,036,795	(8,222,047)
(Gains)/losses on investments	(13,665,451)	7,107,053
Deduct investment income shown in investing activities	(1,354,334)	(1,946,638)
(Increase)/decrease in debtors	3,469	86,506
Increase/(decrease) in creditors	382,462	488,746
Net cash provided by (used in) operating activities	(2,597,059)	(2,486,380)

14. SUMMARY OF FUND MOVEMENTS

Fund Name	Fund balances brought forward	Income	Expenditure	Gains and losses	Fund balances carried forward
	£	£	£	£	£
Unrestricted Funds	83,835,725	1,776,442	(3,404,593)	13,664,946	95,872,520
Total Funds	83,835,725	1,776,442	(3,404,593)	13,664,946	95,872,520