

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

Report and Financial Statements

30 September 2022

# 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 2022

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The Trustees present their annual report and financial statements for the year ended 30 September 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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 (effective 1 January 2019) 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 2022

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

#### Investment Managers

Artemis Asset Management Limited  
42 Melville Street  
Edinburgh  
EH3 7HA

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 2022

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### **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.

# The Baily Thomas Charitable Fund - A Registered Charity

## TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2022

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**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](http://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](http://www.bailythomas.org.uk).

# The Baily Thomas Charitable Fund - A Registered Charity

## TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2022

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### **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 235 grants totaling £2,465,854 (excluding returned grants) were made from the Baily Thomas Charitable Fund (2021 - £3,171,028). This was within the budget set for the year. In response to the COVID 19 pandemic the Trustees launched an emergency grants funding scheme in 2020/21, to those who have previously received support from the Fund, with appeals heard outside of the usual meeting cycle. A grant was awarded in the year to support bridge funding for an ongoing research study where research has been impacted by the pandemic. This grant was met from within the budget set for the year.

All grants of £20,000 or over are listed in note 4 to the financial statements. 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, from £500 to Islington Boat Club towards All On Board Afterschool Club: sessional instructor/coach fees, to a grant for £36,750 to Foreland Fields Charity towards Field of Dreams - A Community Disability Hub: external walls, frames, windows and doors for the pavilion building. A total of 18 grants were awarded during the year for research in the area of learning disabilities. The largest research grant of £90,716 was awarded to Aston University, towards a study over 24 months 'The Safety, Acceptability, Feasibility and Efficacy of Bed Enclosure Designs in children with intellectual disability (The SAFE BED study)'.

During the year the Trustees awarded the following fellowships:

**King's College London** **£89,874**

Towards the study entitled: 'Machine learning using mixed imaging, clinical and biofluid markers to reveal the early stages of progression of Alzheimer's Disease in Down Syndrome'.

**University of Glasgow** **£83,874**

Towards the study 'Investigating the use of pain medication in adults with learning disabilities: relationship with polypharmacy and impact on health-related outcomes'.

# The Baily Thomas Charitable Fund - A Registered Charity

## TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2022

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

Major donations made during the year included:

#### General Grants

**Foreland Fields Charity** **£36,750**

Towards Field of Dreams - A Community Disability Hub: external walls, frames, windows and doors for the pavilion building.

**Jolly Josh** **£28,000**

Towards the salary costs of a Play Worker to lead specialist 'Stay and Play' sessions.

**Cornwall People First** **£27,000**

Towards Better Together volunteer programme: running costs for Year 1.

**Derwen College Charity** **£25,000**

Towards The Agnes Hunt Village project: renovation costs of a bungalow.

**Down's Syndrome Scotland** **£25,000**

Towards the salary costs of a Family Support Service Officer.

**Pennyhooks Farm Trust** **£25,000**

Towards salary support for a Farm Manager and/or an Autism Centre Manager.

**The Chamwell Centre Charity** **£25,000**

Towards core operational costs.

**Bentilee Volunteers CIO** **£22,302**

Towards Rainbows Club: shortfall for Year 1 running costs.

#### Research Grants

**Aston University** **£90,716**

For 24 months 'The Safety, Acceptability, Feasibility and Efficacy of Bed Enclosure Designs in children with intellectual disability (The SAFE BED study)'.

**University of Birmingham** **£88,247**

For 24 months 'Objective Actigraphy Study in Sleep of Children with Intellectual Disability and their Siblings (OASSIS-IDS): Direct assessment of sleep in children with intellectual disability, complex health needs and their siblings'.

**University College London** **£87,245**

For 18 months 'Children and adolescents with learning disabilities: A cross-syndrome comparison of motor skill learning, physical activity and mental health in autism spectrum disorder, Down syndrome, and Williams syndrome'.

**University of Oxford** **£86,208**

For 12 months 'Co-morbidities in people with intellectual disabilities and femoral fracture'.

**University of Plymouth** **£85,978**

For 18 months 'Older people with intellectual disabilities and epilepsy - recognising and correcting anticholinergic inducing polypharmacy'.

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 2022

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

Total income generated from the Charity's own investments increased by £181,029 to £1,535,363. Income received from the Provident Fund fell by £190,943 (60%) to £128,337 (2021 £319,280). During the year there was an overall increase of income to £1,787,554 (2021 £1,776,442).

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 drawdown cash from investments.

### **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 2022 the investments comprise 6 funds, the Artemis Income (Exclusions) 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 Short Term Fixed Income 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 2022 stands at £84,121,665, which represents Fixed Assets investments with a total value of £83,612,772 and Current Asset cash equivalent investments of £508,893.

# The Baily Thomas Charitable Fund - A Registered Charity

## TRUSTEES' ANNUAL REPORT

for the year ended 30 September 2022

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### **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 long-term objective/benchmark for the combined portfolio is to achieve CPI +3.5% p.a. The benchmark for the Artemis Income (Exclusions) Fund is the FTSE All Share Index. The benchmark for the Baillie Gifford Multi Asset Growth Fund is to achieve base rate +3.5% p.a. net of fees over rolling three year periods. The benchmark for the Pictet Multi Asset Portfolio is to achieve SONIA +4% p.a. 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 Short Term Fixed Income Fund is SONIA.

Over the past 12 months, all of the funds have lagged their respective benchmarks. It has been a particularly difficult environment for funds with an absolute return target as both equities and bonds have fallen sharply over 2022 so Baillie Gifford (Multi Asset Growth Fund) and Pictet Asset Management have underperformed their objectives by 21.4% and 14.1% respectively. Active equity managers have also struggled to outperform over the last year with the average UK equity fund lagging by 11.4% and the average global fund by 6.2% over the period. Over the year, Artemis Asset Management, Baillie Gifford (Global Alpha Growth Fund) and GuardCap have all underperformed their benchmark producing negative relative returns of 3.6%, 12.3% and 3.9% respectively. Royal London also underperformed but more modestly by 0.8% due to the fall in bond markets over the year. The combined portfolio (excluding cash) generated a negative absolute return of 11.0% over the year to 30 September 2022, 21.5% behind the CPI +3.5% benchmark. As well as the heavy falls seen in markets over the year, the sharp rise in inflation has made the target particularly challenging. Consequently, the combined portfolio has also lagged the CPI+3.5% target over three and five years. The current asset allocation is projected to achieve a long-term nominal return slightly below the long-term target but this does not make any allowance for potential outperformance from the underlying managers. 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 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 2022

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- 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.

Under the Charities Act 2011, as the charity's Trustees, we certify that:

- so far as we are aware, there is no relevant audit information of which the charity's auditors are unaware; and
- as the Trustees of the charity we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the Trustees on:

9 January 2023

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Date

and signed on their behalf by:

Suzanne Marriott

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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 2022 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 2022 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 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.

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](http://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: 10 January 2023

# The Baily Thomas Charitable Fund - A Registered Charity

## STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 September 2022

	Note	Unrestricted Fund	
		2022	2021
		£	£
<b>INCOME AND ENDOWMENTS from:</b>			
Investment income	2a	1,535,363	1,354,334
Donations		120,234	102,828
Other	2b	131,957	319,280
<b>Total income and endowments</b>		<b>1,787,554</b>	<b>1,776,442</b>
<b>EXPENDITURE on:</b>			
Cost of raising funds	3	111,332	108,529
Charitable activities	4	2,574,376	3,296,064
<b>Total expenditure</b>		<b>2,685,708</b>	<b>3,404,593</b>
<b>NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS</b>			
		(898,154)	(1,628,151)
Net gains/(losses) on investments	7	(12,147,016)	13,665,451
Net gains/(losses) other		(3,119)	(505)
<b>NET MOVEMENT IN FUNDS</b>		<b>(13,048,289)</b>	<b>12,036,795</b>
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>95,872,520</b>	<b>83,835,725</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>82,824,231</b>	<b>95,872,520</b>

# The Baily Thomas Charitable Fund - A Registered Charity

## BALANCE SHEET

as at 30 September 2022

		Unrestricted Fund	
		2022	2021
	Note	£	£
<b>FIXED ASSETS</b>			
Investment assets	7	83,612,772	96,878,745
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Debtors	8	13,015	286,709
Cash and cash equivalents	8	1,140,277	1,241,420
		<hr/>	<hr/>
		1,153,292	1,528,129
<b>LIABILITIES: amounts falling due within one year</b>	9	(1,611,812)	(2,197,438)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		(458,520)	(669,309)
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		83,154,252	96,209,436
<b>LIABILITIES: amounts falling due after one year</b>	10	(330,021)	(336,916)
		<hr/>	<hr/>
<b>NET ASSETS</b>		82,824,231	95,872,520
		<hr/>	<hr/>
Representing:			
<b>RESERVES AND FUNDS</b>			
Unrestricted fund		82,824,231	95,872,520
		<hr/>	<hr/>

Approved by the Trustees

9 January 2023

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Date

and signed on their behalf by:

Suzanne Marriott

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Chair of Trustees

Mrs S J Marriott

# The Baily Thomas Charitable Fund - A Registered Charity

## STATEMENT OF CASHFLOWS

for the year ended 30 September 2022

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		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>	13	(2,755,463)	(2,597,059)
<b>Cash flows from investing activities:</b>			
Investment income		1,535,363	1,354,334
Proceeds from sale of investments		1,600,000	-
Reinvestment of income and issue of additional accumulation shares		(481,043)	(455,608)
<b>Net cash provided by (used in) investing activities</b>		2,654,320	898,726
<b>Change in cash and cash equivalents in the year</b>		(101,143)	(1,698,333)
Cash and cash equivalents at the beginning of the year		1,241,420	2,939,753
<b>Cash and cash equivalents at the end of the year</b>		1,140,277	1,241,420
Represented by:			
Current asset investment		508,893	509,246
Cash at bank		631,384	732,174
		1,140,277	1,241,420

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# The Baily Thomas Charitable Fund - A Registered Charity

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2022

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### 1. ACCOUNTING POLICIES

The principal accounting policies adopted are as follows:

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

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note to these financial statements. The financial statements have been prepared in accordance with the Charities: Statement of Recommended Practice (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)) (effective 1 January 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.

#### 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 2022

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### 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 2022

### 2. INCOME AND ENDOWMENTS

a) Investment income	2022	2021
	£	£
Dividends from investments	1,533,937	1,354,290
Interest on cash deposits	1,426	44
	<u>1,535,363</u>	<u>1,354,334</u>

#### b) Other

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 £128,337 with no eligible tax reclaim due thereon (2021 £195,981; tax reclaimable £123,299). The Charity also holds a reversionary interest in the capital of the Fund. At 5 April 2022 the draft accounts show the net asset value of the Fund was £35,659,548 (2021 £35,363,645).

A fee aggregation agreement is in place with one of the investment managers. Accordingly, any difference between the annual management charge and the applicable fee is rebated following each quarter end by issuing additional accumulation shares. The fees are reflected through the performance of the units, with the value of the fee rebate a receipt of endowment funds (2022 £3,620).

### 3. COST OF RAISING FUNDS

	2022	2021
	£	£
Investment managers charges	79,403	77,603
Investment consultancy charges	31,929	30,926
	<u>111,332</u>	<u>108,529</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 £480,644 (2021 £467,393).

### 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.

	2022	2021
	£	£
Grant funded activity	2,292,969	3,026,567
Support and governance costs		
- Charitable activities	185,818	174,318
- Governance	95,589	95,179
	<u>2,574,376</u>	<u>3,296,064</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 7 grants totaling £12,551 (2021, 4 grants £15,887) have been refunded and 8 grants totaling £160,334 (2021, 13 grants £128,574) have been withdrawn.

# The Baily Thomas Charitable Fund - A Registered Charity

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2022

### 4. ANALYSIS OF CHARITABLE ACTIVITIES - continued

<b>Grants of £20,000 and over</b>	<b>Commitments</b>	<b>Grants Awarded</b>	<b>Grants Paid</b>	<b>Commitments</b>
<b>Charity Name</b>	<b>B/F</b>	<b>in the Period</b>	<b>in the Period</b>	<b>C/F</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Aston University	160,041	91,682	118,764	132,959
Bentilee Volunteers CIO	-	22,302	22,302	-
Cornwall People First	-	27,000	27,000	-
Derwen College Charity	-	25,000	25,000	-
Down's Syndrome Scotland	-	25,000	25,000	-
Dravet Syndrome UK (DSUK)	-	20,000	20,000	-
Foreland Fields Charity	-	36,750	-	36,750
Jigsaw Trust	-	20,000	20,000	-
Jolly Josh	-	28,000	20,000	8,000
King's College London	48,538	89,874	74,300	64,112
Pennyhooks Farm Trust	-	25,000	20,000	5,000
Rix-Thompson-Rothenberg Foundation	35,000	70,000	70,000	35,000
The Chamwell Centre Charity	-	25,000	25,000	-
The Hextol Foundation	-	20,000	20,000	-
University College London	28,992	88,211	-	117,203
University of Birmingham	171,630	89,213	75,192	185,651
University of Bristol	-	63,599	-	63,599
University of Glasgow	336,265	197,804	246,225	287,844
University of Oxford	88,334	(2,126)	-	86,208
University of Plymouth	-	85,978	-	85,978
University of Sheffield	15,354	59,936	57,978	17,312
University of Surrey	-	70,272	-	70,272
Upward Mobility Ltd	-	20,000	20,000	-
Where Next Association	-	20,000	20,000	-
Your Voice Counts	-	20,000	20,000	-
<b>GRANTS of £20,000 and over</b>	<b>884,154</b>	<b>1,238,495</b>	<b>926,761</b>	<b>1,195,888</b>
<b>ALL OTHERS</b>	<b>1,611,398</b>	<b>1,227,359</b>	<b>1,964,924</b>	<b>873,833</b>
<b>TOTAL GRANTS</b>	<b>2,495,552</b>	<b>2,465,854</b>	<b>2,891,685</b>	<b>2,069,721</b>
<b>Grants refunded</b>	<b>-</b>	<b>(12,551)</b>	<b>(12,551)</b>	<b>-</b>
<b>Grants withdrawn</b>	<b>-</b>	<b>(160,334)</b>	<b>-</b>	<b>(160,334)</b>
	<b>2,495,552</b>	<b>2,292,969</b>	<b>2,879,134</b>	<b>1,909,387</b>
<b>Falling due in one year</b>				<b>1,579,366</b>
<b>Falling due after more than one year</b>				<b>330,021</b>
				<b>1,909,387</b>

# The Baily Thomas Charitable Fund - A Registered Charity

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2022

### 4. ANALYSIS OF CHARITABLE ACTIVITIES - continued

<b>GRANTS BY CATEGORY</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Rix-Thompson-Rothenberg Foundation - grant making	70,000	70,000
Research projects	935,468	959,547
<u>Main grants programme</u>		
Major capital building/refurbishment costs	153,750	602,694
Other capital building/refurbishment costs	44,300	82,094
Major running costs/revenue costs	600,302	682,761
Other running costs/revenue costs	211,469	383,088
Equipment costs	12,000	34,990
<u>Small grants programme</u>		
Capital building/refurbishment costs	66,500	53,691
Running costs/revenue costs	337,972	258,523
Equipment costs	34,093	43,640
	<u>2,465,854</u>	<u>3,171,028</u>

### GRANTS BY VALUE

Value	2022		2021	
	Total value £	No. of grants	Total value £	No. of grants
£100 - £5,000	464,154	152	436,682	138
£5,001 - £10,000	213,535	23	376,000	39
£10,001 - £15,000	429,234	31	464,437	33
£15,001 - £25,000	277,302	13	714,392	35
£25,001 - £80,000	469,487	9	433,353	10
£80,001 - £100,000	612,142	7	746,164	8
	<u>2,465,854</u>	<u>235</u>	<u>3,171,028</u>	<u>263</u>

All grants were made to institutions.

### GRANT COMMITMENTS

The Trustees have also made further non-binding grant commitments to 12 future projects, the timing of which is unknown, totaling £130,640 (2021 £85,992).

# The Baily Thomas Charitable Fund - A Registered Charity

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2022

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

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

Unrestricted Fund	2022		2021	
	Charitable	Governance	Charitable	Governance
	Activities		Activities	
	£	£	£	£
Audit fees	-	5,160	-	5,160
Legal and professional costs (inc. expenses)		73,974	-	71,909
Accountancy and administration (inc. expenses)	171,028	14,761	159,533	17,010
Employers' liability insurance	-	774	-	184
Trustees' indemnity insurance	-	761	-	760
Grant assessors' expenses	7,014	-	8,011	-
Trustees' expenses	650	-	-	-
Doctoral interviews	352	-	-	-
Bank charges	-	124	-	121
Website development and hosting	6,774	-	6,774	-
Information Commissioner	-	35	-	35
	<u>185,818</u>	<u>95,589</u>	<u>174,318</u>	<u>95,179</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 £650 (2021 £nil) were charged by two Trustees (2021 none) in the year ended 30 September 2022.

	2022	2021
	£	£
Travel	650	-
	<u>650</u>	<u>-</u>

### 7. FIXED ASSET INVESTMENTS

	2022	2021
	£	£
<b>Movement in fixed asset listed investments</b>		
Market value at 30 September 2021	96,878,745	82,757,686
Less: sale proceeds	(1,600,000)	-
Add: acquisitions at cost	481,043	455,608
Net gains/(losses) on revaluation and disposal	(12,147,016)	13,665,451
	<u>83,612,772</u>	<u>96,878,745</u>
Market value at 30 September 2022	83,612,772	96,878,745
	<u>77,476,209</u>	<u>78,091,695</u>
Historical cost of quoted investments at 30 September 2022	77,476,209	78,091,695

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 2022

### 7. FIXED ASSET INVESTMENTS - continued

As at 30 September 2022, the market value of investments listed in the UK amounted to £83,612,772 with no investments listed overseas.

All holdings as at 30 September 2022 represented more than 5% of the total fund and comprised of the following:

		Market value 30/9/22	Historical value
		£	£
26,963,742.106	Artemis Income (Exclusions) Fund	21,233,947	15,519,205
3,873,344.914	Baillie Gifford Global Alpha Growth Fund B acc	14,478,563	15,056,938
12,969,282.445	Baillie Gifford Multi Asset Growth Fund B1 acc	14,784,982	16,248,420
13,743,619.4585	Pictet Multi Asset Portfolio Z acc	16,412,630	15,651,646
1,244,145.231	RBC GuardCap Global Equity Fund	16,702,650	15,000,000

### 8. CURRENT ASSETS

	2022	2021
	£	£
Accruals - Taxation reclaim	-	123,299
- Due from Provident Fund	-	150,699
- Prepayments	13,015	12,711
Royal London Short Term Fixed Income Fund Y Inc	508,893	509,246
CAF Charity Money Management	631,384	732,174
	<u>1,153,292</u>	<u>1,528,129</u>

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

	2022	2021
	£	£
Accruals - Charles Russell Speechlys LLP	6,245	5,772
- AZETS	900	648
- Auditor's fees	5,160	5,160
- Accounting and taxation services	1,009	61
- Investment managers	19,132	20,414
- Assessors' expenses	-	714
Grants	1,579,366	2,158,636
Sundry creditor	-	6,033
	<u>1,611,812</u>	<u>2,197,438</u>

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

	2022	2021
	£	£
Grants	<u>330,021</u>	<u>336,916</u>

# The Baily Thomas Charitable Fund - A Registered Charity

## NOTES TO THE FINANCIAL STATEMENTS

at 30 September 2022

### 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 2022 legal costs of £56,514 (including reimbursed expenses of £375) were charged to the Charity by Charles Russell Speechlys LLP (2021 £56,357). Accrued fees of £6,245 (including expenses of £240) were outstanding at the year end.

Mrs Marriott is also a Trustee/Governor of The Rix-Thompson-Rothenberg Foundation charity which received a grant of £70,000 from the Fund during the year (2021 £70,000).

Mr Kenneth Young, a Trustee of the Fund, is a partner of AZETS. In the year ended 30 September 2022 fees of £17,460 were charged to the Charity by AZETS (2021 £15,552). Accrued fees of £900 were outstanding at the year end.

### 12. VOLUNTEERS

The Charity does not receive any contributions from volunteers.

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

	2022 £	2021 £
Net movement in funds (as per the Statement of Financial Activities)	(13,048,289)	12,036,795
(Gains)/losses on investments	12,147,016	(13,665,451)
Deduct investment income shown in investing activities	(1,535,363)	(1,354,334)
(Increase)/decrease in debtors	273,694	3,469
Increase/(decrease) in creditors	(592,521)	382,462
	<u>(2,755,463)</u>	<u>(2,597,059)</u>

### 14. SUMMARY OF FUND MOVEMENTS

Fund Name	Fund balances brought forward £	Income £	Expenditure £	Gains and losses £	Fund balances carried forward £
Unrestricted Funds	95,872,520	1,787,554	(2,685,708)	(12,150,135)	82,824,231
	<u>95,872,520</u>	<u>1,787,554</u>	<u>(2,685,708)</u>	<u>(12,150,135)</u>	<u>82,824,231</u>