

**BRAINS  
MATTER  
CHARITY**

**34<sup>th</sup>**

**ANNUAL REPORT & ACCOUNTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2021**

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A Company Limited by Guarantee  
Registered in England No **3380601**

Registered Charity No **1062884**

**BRAINS MATTER CHARITY  
REPORT OF THE TRUSTEES  
YEAR ENDED 31 DECEMBER 2021**

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**BRAINS MATTER CHARITY  
REFERENCE AND ADMINISTRATIVE DETAILS  
YEAR ENDED 31 DECEMBER 2021**

**PATRON**

Chloë Teacher

**VICE PATRONS**

Tony Adams MBE  
Greg Clark MP  
John Davies  
Pam Munro MBE  
Professor Michael Oddy

**PRESIDENT**

Judy Horwood

**BOARD OF TRUSTEE**

Joanna Clark-Wilson  
Jacqueline Barker  
Edward Fardell  
Erika Johnson  
John Kennedy  
Susan Pearce

Chairman  
Treasurer

**COMPANY SECRETARY**

Edward Fardell

**KEY MANAGEMENT PERSONNEL**

Tracey Parry  
Kevin Bottrell

Service Manager (resigned)  
Business Manager (appointed)

**PROFESSIONAL ADVISERS**

Bankers:

CAF Bank  
25 Kings Hill Avenue  
West Malling  
Kent ME19 4TA

Independence Examiner:

Foot Davson Ltd  
Chartered Accountants  
27 Church Road  
Tunbridge Wells  
Kent TN1 1LG

Investment Advisors:

Evelyn Partners  
25 Moorgate  
London EC2R 6AY

**CENTRE & REGISTERED OFFICE**

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Tunbridge Wells  
Kent TN4 9QT  
01892 619001  
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[www.brainsmatter.org.uk](http://www.brainsmatter.org.uk)

**BRAINS MATTER CHARITY  
REPORT OF THE TRUSTEES  
YEAR ENDED 31 DECEMBER 2021**

The trustees, who are also the directors of the Charity for the purpose of the Companies Act, present their report and the independently examined accounts for the year ended 31 December 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting Reporting by Charities: Statements of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

**OBJECTIVES AND ACTIVITIES**

***Objectives***

The Charity's objectives are set out in the Memorandum of Association are to:

- Advance, promote and assist in the rehabilitation of persons who have suffered head injuries resulting in brain damage and who reside in the area at which the Charity's activities are targeted (as determined by the Charity from time to time), by the provision of such services and facilities as may from time to time be determined by it;
- Support, inform and guide carers and families of people who have suffered head injuries; and
- Maintain, develop and manage a Centre to assist with the rehabilitation of head-injured persons and to co-operate with any other bodies in the maintenance and management of such a Centre for the carrying on of all such activities as may be promoted by the Charity in furtherance of its object.

The Charity also has the general aim to support preventative measures to reduce the incidence and severity of brain injury.

***Activities***

To achieve these objectives the Charity carries out the following activities:

- Communicates the range of the Charity's services to local authorities, healthcare providers and the general public;
- Provides Centre based services for those living with brain injury, their families and carers;
- Provides Drop-In services for those living with brain injury, their families and carers;
- Provides a Buddy service within the community;
- Identifies a range of appropriate activities that meet the needs of its service users, their families and carers;
- Undertakes fundraising activities to generate income to meet the Charity's objectives; and
- Ensures that all staff and volunteers receive the training and support necessary in their work.

The Centre based service is provided in Tunbridge Wells, three days a week. The Charity receives payments from KCC, who pay a portion of the daily costs for individual users. Fees are also received from private users.

The Charity has provided Drop-In centres based in Sevenoaks, Maidstone and Tunbridge Wells.

The Charity has a Community Wellbeing Service, which has provided valuable support to those requiring the additional help of a Buddy.

***Public Benefit***

The specialist requirements for assisting children preclude the Charity from providing services to children with brain injury under the age of eighteen. Otherwise, the Charity's services are available to all people with a brain injury, subject to an assessment of need, regardless of race, gender, religion, ethnicity or social grouping.

The trustees confirm that they have considered the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims, objectives and operations. They are satisfied that the provision of services ensures that the public benefit requirements are fully met.

**BRAINS MATTER CHARITY  
REPORT OF THE TRUSTEES  
YEAR ENDED 31 DECEMBER 2021**

**ACHIEVEMENTS AND PERFORMANCES**

***Charitable activities***

Covid-19 continued to severely impact the services for clients who had been supported at the Centre, face-to-face support from Buddies and in the drop-in centres. Fundraising and income generating activities were also severely restricted.

Brains Matter Centre Staff and Buddies continued to provide support to all clients throughout the year, as in the previous year, through zoom groups for activities three times a week, telephone support, emails and letters, and face to face video calls. The zoom calls integrated all clients from over the whole area. Lisa-Rae Brough (Activities Coordinator), listened to their views and developed the activities, so they were varied and of interest to all. Many clients reported how important this activity and support was in their lives, and how it helped them cope with the isolation caused by the Covid restrictions. Clients were given individual support, as required for their specific circumstances.

Tracey Parry, Service Manager, followed the Government guidelines. Buddies were first to return to face-to-face work outside with clients. As soon as it was possible to safely reopen the centre, this was done. Risk assessments were undertaken for each client to ensure any issues were identified and anxieties carefully managed. The Maidstone drop-in centre reopened, and clients returned, as and when they felt able to. Sevenoaks and Tunbridge Wells drop-ins have not reopened yet.

Quarterly newsletters have been written. These have included clients' activities and accomplishments and the opportunities to share their thoughts and experiences, and information of relevance for clients and their families about brain injury and services.

***Staff***

Tracey Parry updated all aspects of the Charities policies and procedures, human resources, and management of risk, especially in respect of Covid-19. She has been focused on improving the standards of practice in the Charity and reducing potential risks, for instance, management of boundaries, conflicts of interest etc. Tracey liaised with all relevant parties, including stakeholders, and she sourced information and sought guidance as required, in the interests of Brains Matter. Tracey developed monitoring systems, which has integrated evidence, opinions, and feedback to guide the way forwards. Tracey resigned in February 2022 to take on a job in London.

Kevin Bottrell was appointed as Business Manager in June 2022 and has hit the ground running. He is focused on fundraising for existing and proposed services, reviewing our risk registers and continuity planning and the development of a strategic five-year plan for the charity as well as managing our I.T and HR provision, contracts with external providers and day to day management of the charity. In addition to this, Kevin is also writing a fundraising and marketing strategy to raise the profile and reach of Brains Matter that will sit alongside the strategic plan.

Lisa-Rae Brough has provided positivity and dynamism to supporting the clients in activities on zoom throughout Covid-19, on return to the day centre and at the drop-in with the team of Callum Moriarty and Abigail Morton. Abigail has now moved on from her role at Brains Matter. Callum Moriarty has been an asset to the charity, in his work with clients at the centre and Maidstone and ensuring smooth running of the charity. Callum has now begun his planned travels around the world and we wish him well and look forward to receiving updates on where he is. Jennifer Wilson has been appointed to replace Callum and her enthusiasm will be a welcome addition to the team.

Jane Stanley's knowledge of the charity over so many years has been supportive of the transitions that have had to occur over the past 4 years.

The Wellbeing Team have continued to provide valuable support to clients and relatives in the community.

**BRAINS MATTER CHARITY  
REPORT OF THE TRUSTEES  
YEAR ENDED 31 DECEMBER 2021**

**ACHIEVEMENTS AND PERFORMANCES (continued)**

***Trustees***

There have been changes of Trustees, over the past year, some who left for different reasons, and John Kennedy who joined the team.

The trustees met on zoom regularly to review the ongoing issues, relating to Brains Matter. Zoom calls made communication challenging and everything proved more positive once the trustees could meet in person later in the year.

The trustee group are cohesive in defining the way forwards, having identified issues that needed to be addressed to support the charity in going forwards, and ensure it is fulfilling its aims and objectives and is financially viable.

**BRAINS MATTER CHARITY  
REPORT OF THE TRUSTEES  
YEAR ENDED 31 DECEMBER 2021**

**FINANCIAL REVIEW**

***Balance Sheet***

At 31 December 2021 the Charity had total reserves of 649,943 as detailed in note 19 to the accounts. This includes the investment fund of £66,340. This has decreased from the previous year as funds have been withdrawn in order to help the charity cover its deficit. The premises at 3 Culverden Park have a net book value of £524,985 and are owned outright.

***S.O.F.A.***

For the year ended 31 December 2021 the Charity had a net deficit of £114,294 before gains on investment and £103,907 after gains on investments.

The Charity's existing core activities providing the day services (including the Drop-In services and an information/support service) generated £46,298 in fee income and incurred £155,503 in associated unrestricted expenditure. This resulted in a deficit of £109,205 which was primarily funded from reserves.

The Wellbeing Support Buddy activity generated £ 21,195 income during the year and incurred £25,245 in association unrestricted expenditure. This resulted in a deficit of £4,050.

Donations and legacies of £16,777 were received.

***Investment policy***

The Charity seeks to invest its resources prudently to generate both income and capital growth whilst retaining an element of liquidity. It continues to be advised by Evelyn Partners and annual reviews take place. In view of the economic circumstances the trustees have had to make the decision to withdraw funds from the investments which has impacted on the yield and market value but given this consider the overall performance remains satisfactory.

***Reserves policy***

Note 21 to the accounts show the assets and liabilities attributable to the various funds. Unrestricted funds not designated for the new property fund amounted to £53,205 of which £51,547 is freely available with the balance invested in fixed assets. This equates to approximately four months running costs.

The trustees' reserves policy is reviewed on an annual basis and aims to maintain unrestricted funds as a level to allow sufficient liquidity for normal operations, to support the development of services and activities provided by the Charity and provide for a reasonable sum for contingencies. The reserve position is considered alongside the Charity's annual budget and forecast cash flow requirements.

As agreed at the beginning of the year, the Charity's reserves have been utilised to continue supporting the services throughout what has been another difficult year. Whilst reserves currently remain in line with the reserves policy and the trustees are satisfied that these are adequate to continue supporting the Charity in the short term, this position will not be sustainable. The trustees have therefore taken significant steps to ensure that the Charity remains viable, and the overall financial position is improved with the appointment of the new Business Manager being a major step forward.

The trustees, alongside the business manager, will continue to review the reserves position regularly and are positive that the overall financial position can be improved.

**BRAINS MATTER CHARITY  
REPORT OF THE TRUSTEES  
YEAR ENDED 31 DECEMBER 2021**

**PLANS FOR FUTURE PERIODS**

Within the short period he has been with the Charity, Kevin Bottrell has been a huge asset. Amongst other things, he has already identified and started to put in place new opportunities for fundraising, raising the Charity's profile, creating strategic partnerships, reviewing and identifying service improvements, recruiting new volunteers, to name but a few.

There is genuine excitement and positivity within the Charity at all levels for how we may be able to move forward following such a difficult period. Whilst there are no illusions that it will be easy, with the support from the service users, families, staff and Trustees, and the continued careful monitoring of the ongoing financial position, it is hoped that this will see a new chapter for the Charity.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

***Governing Document***

Brains Matter Charity is a company limited by guarantee governed by its Memorandum and Articles of Association dated 3 June 1997 as amended by special resolutions dated 2 July 2012 and 15 May 2017. It is registered as a charity with the Charity Commission, number 1062884.

***Appointment of Trustees***

The President, Chairman, Treasurer, Company Secretary and other trustees are elected by members at the Annual General Meeting and serve until the conclusion of the following Annual General Meeting. As part of the selection process, due consideration is given to the individual's personal knowledge and the experience they would bring to the governing body.

The Charity complies with the requirements of the Charity Commission for governance. This includes the induction and training of trustees, staff and volunteers.

***Trustees***

The trustees who served during the period up to the date of approval of this report were as follows:

Joanna Clark-Wilson		Chairman
Jaqueline Barker		Treasurer
Astrid Clifford	(resigned 15.12.21)	
Edward Fardell		Secretary
Erika Johnson		
Gillian Leandro	(resigned 15.11.21)	
Diana Morton	(resigned 11.01.21)	
Susan Pearce		
Lynne Powrie	(resigned 28.05.21)	
Deborah Smith	(appointed 11.01.21, resigned 28.05.21)	
Jennifer Waight	(resigned 15.02.21)	
Janet Williamson	(resigned 16.08.21)	
John Kennedy	(appointed 15.11.21)	

***Organisation***

The board of trustees, which can have up to 12 members, administers the Charity. The trustees meet regularly to manage its affairs. The day-to-day administration of the Charity is delegated to the Business Manager.

***Risk management***

The trustees have examined the major risks to which the charity is exposed and have developed systems to mitigate any impact they may have on the charity's future. It is recognized that no system can give an absolute assurance against major risks.



**BRAINS MATTER CHARITY  
REPORT OF THE TRUSTEES  
YEAR ENDED 31 DECEMBER 2021**

**TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The Charity Trustees (who are also directors of Brains Matter Charity for the purposes of Company Law) are responsible for preparing a trustees' annual report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing the financial statements, the trustees are required to:

- 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

In so far as the trustees are aware at the time of approving the trustees' annual report;

- There is no relevant information of which the charitable company's independent examiner is unaware, and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiner is aware of that information.

On behalf of the Board.



Joanna Clark-Wilson  
Chairman

Date: 18<sup>th</sup> October 2022

**BRAINS MATTER CHARITY  
INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BRAINS MATTER CHARITY  
YEAR ENDED 31 DECEMBER 2021**

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2021 which are set out on pages 9 to 20.

**Responsibilities and basis of report**

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').


Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination. I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent examiner's statement**

I have completed by examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. Accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. The accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable proper understanding of the accounts to be reached.

  
Tina Clay BA FCA  
For and on behalf of  
Foot Davson Ltd  
Chartered Accountants

Date: 31/10/2022

17 Church Road  
Tunbridge Wells  
Kent  
TN1 1LG

**BRAINS MATTER CHARITY**  
**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
<b>Income:</b>							
<b>Donations and legacies</b>	3	16,251	526	<b>16,777</b>	25,494	27	25,521
<b>Charitable activities:</b>							
Day services	4	46,298	-	<b>46,298</b>	53,573	-	53,573
Wellbeing support	4	21,195	-	<b>21,195</b>	26,379	-	26,379
<b>Other trading activities</b>	5	1,702	-	<b>1,702</b>	523	-	523
<b>Investment income</b>	6	3,930	-	<b>3,930</b>	3,966	-	3,966
<b>Total income</b>		<b>89,376</b>	<b>526</b>	<b>89,902</b>	<b>109,935</b>	<b>27</b>	<b>109,962</b>
<b>Expenditure:</b>							
<b>Raising funds:</b>							
Fundraising and publicity	7	14,190	-	<b>14,190</b>	15,483	-	15,483
<b>Charitable activities:</b>							
Day services	8	155,503	9,258	<b>164,761</b>	123,394	8,712	132,106
Wellbeing support	8	25,245	-	<b>25,245</b>	22,731	-	22,731
<b>Total expenditure</b>		<b>194,938</b>	<b>9,258</b>	<b>204,196</b>	<b>161,608</b>	<b>8,712</b>	<b>170,320</b>
<b>Net income/(expenditure) before gains and losses on investments</b>		<b>(105,562)</b>	<b>(8,732)</b>	<b>(114,294)</b>	<b>(51,673)</b>	<b>(8,685)</b>	<b>(60,358)</b>
<b>Net gains on investments</b>		<b>10,387</b>	<b>-</b>	<b>10,387</b>	<b>1,264</b>	<b>-</b>	<b>1,264</b>
<b>Net income/(expenditure) for the year</b>	10	<b>(95,175)</b>	<b>(8,732)</b>	<b>(103,907)</b>	<b>(50,409)</b>	<b>(8,685)</b>	<b>(59,094)</b>
<b>Transfers between funds</b>	20	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(95,175)</b>	<b>(8,732)</b>	<b>(103,907)</b>	<b>(50,409)</b>	<b>(8,685)</b>	<b>(59,094)</b>
<b>Reconciliation of funds:</b>							
<b>Total funds at 1 January 2021</b>		<b>461,008</b>	<b>292,842</b>	<b>753,850</b>	<b>511,417</b>	<b>301,527</b>	<b>812,944</b>
<b>Total funds at 31 December 2021</b>		<b>365,833</b>	<b>284,110</b>	<b>649,943</b>	<b>461,008</b>	<b>292,842</b>	<b>753,850</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

The notes on pages 11 to 20 form part of these accounts.

**BRAINS MATTER CHARITY  
BALANCE SHEET  
AS AT 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	15	527,208	542,259
Investments	16	<u>66,340</u>	<u>126,614</u>
		<b>593,548</b>	<b>668,873</b>
<b>Current assets</b>			
Debtors	17	7,306	7,737
Cash at bank and in hand		<u>56,513</u>	<u>83,789</u>
		<b>63,819</b>	<b>91,526</b>
<b>Creditors</b>			
Amounts falling due within one year	18	(7,424)	(6,549)
<b>Net current assets</b>		<u>56,395</u>	<u>84,977</u>
<b>Net assets</b>		<u><b>649,943</b></u>	<u><b>753,850</b></u>
<b>Funds</b>			
Unrestricted funds:			
General fund	19	53,205	81,674
Designated funds	19	<u>312,628</u>	<u>379,334</u>
	19	<b>365,833</b>	<b>461,008</b>
Restricted funds	19	284,110	292,842
<b>Total funds</b>		<u><b>649,943</b></u>	<u><b>753,850</b></u>

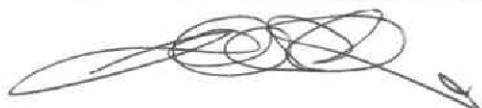
The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006, relating to small companies, for the year ended 31 December 2021.

The members have not required the charitable company to obtain an audit of its accounts for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006, with respect to accounting records and the preparation of accounts.

These accounts are prepared in accordance with the provisions of the Companies Act 2006 applicable to Companies subject to the small companies regime.

Approved by the Board of Trustees on 18 October 2022 and signed on its behalf.



**Joanna Clark-Wilson**  
Chairman



**Jacqueline Barker**  
Treasurer

The notes on pages 11 to 20 form part of these accounts.

Company No: 3380601

**BRAINS MATTER CHARITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2021**

**1 Accounting Policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**a) Basis of preparation of accounts**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Brains Matter Charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note (s).

The charity has taken advantage of the exemption available under Charities SORP (FRS102) Second Edition released October 2019 and does not include a Statement of Cash Flows, on the grounds it is not deemed a large charity.

**b) Preparation of the accounts on a going concern basis**

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

**c) Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds include a designated investment fund representing the market value of investments and a designated new property fund representing the value of the charity's principal operating premises which was funded by the general fund.

Freehold depreciation is charged directly to the designated fund and an annual transfer is made between unrestricted funds and designated funds to account for investment purchases and sales.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

**d) Income**

Income is recognised when the charity has entitlement to the funds; any performance conditions attached to the item(s) of income have been met; it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earliest of the date on which either: the charity is aware that probate has been granted; the estate has been finalised and notification has been made by the executors to the charity that a distribution will be made; or when a distribution is received from the state. Receipt of a legacy, in whole or part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executors intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

**BRAINS MATTER CHARITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2021**

**d) Income (continued)**

Grant or fee income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Donated assets are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to acquire the asset on the open market.

**e) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party; it is probable that a settlement will be required; and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Raising funds comprises the costs of organising fundraising events, investment management fees, salary costs and expenditure on marketing and publicity.

Charitable activities comprises the costs of the day centre and the buddying & drop in centres undertaken to further the purposes of the charity, including their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**f) Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include accountancy fees and governance costs. The basis on which support costs are allocated is set out in Note 8.

**g) Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

**h) Tangible fixed assets**

Individual fixed assets costing £500 or more are capitalised at cost and are depreciated over their estimated useful economic lives as follows:

Freehold land	Nil	
Freehold buildings	2%	straight line basis
Studio, grounds and gardens	25%	of written down value
Equipment	25%	of written down value

**i) Quoted investments**

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on the revaluations and disposals during the year.

**j) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**BRAINS MATTER CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2021**

**k) Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less.

**l) Creditors**

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

**m) Pensions**

The charity contributes to a defined contribution scheme for certain of its employees.

**2 Legal status**

Brains Matter Charity is a private company limited by guarantee, registered in England & Wales. It is registered as a charity with the Charity Commission, number 1062884. The company registration number, registered office and principal place of business are set out on Page 1 of this report & accounts and the governing document details are set out on Page 5 of the trustees' report.

**3 Income from donations and legacies**

	2021 £	2020 £
Friends subscriptions	55	505
Covid-19 Government support grant	2,667	10,000
Covid-19 job retention scheme	983	2,143
Donations for general purposes	12,546	12,846
Donations for specific purposes	526	27
Legacies	-	-
	<u>16,777</u>	<u>25,521</u>

In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

**4 Income from charitable activities**

	2021 £	2020 £
<b>Day services</b>		
Fees and other generated income	<u>46,298</u>	<u>53,573</u>
	<u>46,298</u>	<u>53,573</u>
<b>Wellbeing support</b>		
Fee and other generated income	<u>21,195</u>	<u>26,379</u>
	<u>21,195</u>	<u>26,379</u>
<b>Total income from charitable activities</b>	<u>67,493</u>	<u>79,952</u>

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**5 Income from other trading activities**

	2021 £	2020 £
Fundraising events	787	243
Room and car park hire	703	230
Other trading income	212	50
	<u>1,702</u>	<u>523</u>

**6 Investment income**

	2021 £	2020 £
Income from quoted investments	3,263	3,351
Bank interest	667	615
	<u>3,930</u>	<u>3,966</u>

A detailed breakdown of income from quoted investments is shown in Note 20.

**7 Fundraising and publicity expenditure**

	2021 £	2020 £
Direct costs of fundraising events	-	245
Investment management fees	661	605
Salaries	12,755	13,769
Website maintenance	774	864
	<u>14,190</u>	<u>15,483</u>

**8 Charitable activity expenditure**

	Day services £	Wellbeing support £	2021 Total £	2020 Total £
Salaries	108,492	23,686	132,178	100,622
Other personnel costs	6,476	1,269	7,745	4,130
Premises	7,062	-	7,062	6,459
Insurance	4,137	-	4,137	3,973
Office	16,008	290	16,298	16,278
Legal & professional	645	-	645	500
Depreciation	15,051	-	15,051	15,861
Direct expenditure on beneficiaries	2,200	-	2,200	2,444
Support costs	1,810	-	1,810	1,810
Governance costs	2,880	-	2,880	2,760
	<u>164,761</u>	<u>25,245</u>	<u>190,006</u>	<u>154,837</u>



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**9 Analysis of support costs**

	<b>Basis of apportionment</b>	<b>General support £</b>	<b>Governance function £</b>	<b>2021 Total £</b>
Independent examination fee	Governance	-	1,980	1,980
Accountancy services	Allocated by invoice	1,810	900	2,710
		<u>1,810</u>	<u>2,880</u>	<u>4,690</u>

**10 Net income/(expenditure) for the year**

	<b>2021 £</b>	<b>2020 £</b>
This is stated after charging:		
Depreciation	15,051	15,861
Operating leases - equipment	4,281	4,281
Independent examination fee	<u>1,980</u>	<u>1,860</u>

**11 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

	<b>2021 £</b>	<b>2020 £</b>
Wages and salaries	132,789	104,430
Social security costs	5,564	2,969
Pension costs	6,580	5,228
Agency staff	-	1,764
	<u>144,933</u>	<u>114,391</u>

Pension costs are allocated between activities and between restricted and unrestricted funds in proportion to the related staff costs incurred. Retirement benefits are accruing under money purchase schemes for five members of staff. (2020: five).

None of the trustees have been paid any remuneration or received any other benefits during the year (2020 £Nil). No trustee received any expenses during the year. (2020 £Nil).

No employee had employee benefits in excess of £60,000 during the year (2020 Nil). The key management personnel of the charity comprise the trustees and Service Manager. The total employee benefits of the key management personnel were £40,014 (2020: £32,947).

**12 Staff numbers**

The average monthly head count was seven staff, comprising one full time and six part time employees. (2020: nil full time and seven part time employees). The number of full time equivalent employees was as follows:

	<b>2021 No.</b>	<b>2020 No.</b>
Day services	2	2
Wellbeing support	1	1
Management, administration and fundraising	1	1
	<u>4</u>	<u>4</u>

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**13 Related parties**

There were no related party transactions during the year. (2020 £Nil).

**14 Taxation**

The charitable company is exempt from corporation tax on its charitable activities.

**15 Tangible fixed assets**

	Freehold Land & Buildings £	Equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2021	768,813	37,290	806,103
Additions	-	-	-
Disposals	-	-	-
<b>At 31 December 2021</b>	<b>768,813</b>	<b>37,290</b>	<b>806,103</b>
<b>Depreciation</b>			
At 1 January 2021	229,519	34,325	263,844
Charge for year	14,309	742	15,051
Released on disposal	-	-	-
<b>At 31 December 2021</b>	<b>243,828</b>	<b>35,067</b>	<b>278,895</b>
<b>Net Book Value</b>			
<b>At 31 December 2021</b>	<b>524,985</b>	<b>2,223</b>	<b>527,208</b>
At 31 December 2020	539,294	2,965	542,259

The Trustee's have estimated the original cost of the freehold land in 2008 as £42,000 which represented 10% of the purchase price.

**16 Investments**

	2021 £	2020 £
<b>Listed investments at valuation</b>		
At 1 January 2021	125,216	123,952
Additions	-	-
Disposals at opening book value	(69,683)	-
Net unrealised investment gains	5,938	1,264
	<b>61,471</b>	<b>125,216</b>
<b>Other investments</b>		
Balance held on deposit	4,869	1,398
<b>At 31 December 2021</b>	<b>66,340</b>	<b>126,614</b>

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**17 Debtors**

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	6,011	6,511
Other debtors	45	41
Prepayments	1,250	1,185
	<u>7,306</u>	<u>7,737</u>

**18 Creditors: Amounts falling due within one year**

	2021	2020
	£	£
Trade creditors	439	559
Social security and other taxes	2,284	2,061
Other creditors	1,561	979
Accruals	3,140	2,950
	<u>7,424</u>	<u>6,549</u>

Other creditors include pension contributions of £1,561 (2020 £979).

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**19 Movements in funds**

	As at 01.01.21 £	Incoming Resources £	Resources Expended £	Investment Gains/ Losses & Transfers £	As at 31.12.21 £
<b>Unrestricted Funds</b>					
General fund	81,674	89,376	(188,506)	70,661	53,205
Designated investment fund	126,614	-	-	(60,274)	66,340
Designated new property fund	252,720	-	(6,432)	-	246,288
	<u>461,008</u>	<u>89,376</u>	<u>(194,938)</u>	<u>10,387</u>	<u>365,833</u>
<b>Restricted Funds</b>					
New premises fund	286,574	-	(7,877)	-	278,697
Equipment funds	752	-	(187)	-	565
Cash funds	5,516	526	(1,194)	-	4,848
	<u>292,842</u>	<u>526</u>	<u>(9,258)</u>	<u>-</u>	<u>284,110</u>
<b>Total Funds</b>	<u><b>753,850</b></u>	<u><b>89,902</b></u>	<u><b>(204,196)</b></u>	<u><b>10,387</b></u>	<u><b>649,943</b></u>

**Analysis of Gains, Losses & Transfers**

	Unrestricted Funds £	Designated Investment Fund £	Designated Property Fund £	Restricted Property Fund £	Total £
Investment capital	70,661	(70,661)	-	-	-
	<u>70,661</u>	<u>(70,661)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gain on investment assets	-	10,387	-	-	10,387
	<u><b>70,661</b></u>	<u><b>(60,274)</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>10,387</b></u>

The Designated Investment Fund represents the valuation of investments.

The New Premises Fund was created in 2004 to finance the new premises at 3 Culverden Park.

The Equipment Fund comprises items of equipment donated for various purposes.

The Cash Fund consists of many gifts or grants which have been donated for various specific purposes.

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**20 Designated investment Fund**

		Original Cost £	Market Value £	Income for Year £
<b>UK fixed interest stocks</b>				
Henderson Global Investors	Strategic Bond	-	-	174
Artemis Fund Managers	Corporate Bond	-	-	257
Jupiter Unit Trust Managers	Strategic Bond	4,963	4,856	189
<b>Overseas index- linked</b>				
CG Portfolio Real Return	Class A Shares	2,917	5,272	189
<b>Alternative investments</b>				
3i Infrastructure	Ord NPV (Post Cons)	4,008	5,736	159
Link Fund Solutions	Capita Trojan X Dis	3,963	5,130	6
Artemis Fund Managers	Global Income Units	-	-	92
Fil Inv Svcs	Global Dividend W	-	-	398
Fil Inv Svcs	Global Dividend R Monthly	3,222	5,000	21
<b>UK investment &amp; unit trusts</b>				
Henderson High Inc. Trust	Ordinary 5p	2,130	3,497	398
Link Fund Solutions	Milton UK Multi Cap Inc	-	-	389
Majedie Asset Management	UK Income X	-	-	215
T Bailey Fund Services	TB Evenlode Income C	5,809	7,728	226
Investec Fund Manager Series	Series I UK Alpha J	4,923	5,794	118
<b>Overseas equities</b>				
Aviva Investors UK Svcs Ltd	US Equity Income	4,918	6,311	145
Blackrock Fund Managers	Contl Europe Inc D Units	2,988	3,942	116
Pacific Assets Trust	Ordinary 12.5p	2,729	4,575	54
Scroder Unit Trusts	Asian Income Z Inc	2,998	3,630	117
<b>Total quoted investments</b>		<b>45,568</b>	<b>61,471</b>	<b>3,263</b>
Balance held on deposit		4,869	4,869	-
<b>Total value of investment fund</b>		<b>50,437</b>	<b>66,340</b>	<b>3,263</b>

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**21 Analysis of net assets between funds**

	<b>Tangible Fixed Assets £</b>	<b>Investments £</b>	<b>Net Current Assets £</b>	<b>Total £</b>
<b>Unrestricted Funds</b>				
General fund	1,658	-	51,547	<b>53,205</b>
Designated investment fund	-	66,340	-	<b>66,340</b>
Designated new property fund	246,288	-	-	<b>246,288</b>
	<u>247,946</u>	<u>66,340</u>	<u>51,547</u>	<u><b>365,833</b></u>
<b>Restricted Funds</b>				
New premises fund	278,697	-	-	<b>278,697</b>
Equipment funds	565	-	-	<b>565</b>
Cash funds	-	-	4,848	<b>4,848</b>
	<u>279,262</u>	<u>-</u>	<u>4,848</u>	<u><b>284,110</b></u>
	<u><b>527,208</b></u>	<u><b>66,340</b></u>	<u><b>56,395</b></u>	<u><b>649,943</b></u>

**22 Operating lease commitments**

At the balance sheet date the charity had the following annual commitments under non-cancellable operating leases:

	<b>2021 £</b>	<b>2020 £</b>
Equipment lease expiring:		
Between two and five years	<u><b>4,281</b></u>	<u><b>4,281</b></u>

**23 Capital commitments**

At the balance sheet date the charity had capital commitments contracted for but not provided for of £Nil (2020: £Nil).

**24 Post balance sheet events**

An independent report was commissioned by the board in 2019 to review the governance of the charity in response to the safeguarding issues that arose in 2017. The publication of this review remains ongoing. Verbal feedback relating to governance issues of the charity has been acted on. If the full independent report is finalised and released to the board, trustees will determine whether any other action needs to be taken. There are no financial implications to the charity relating from this.

A claim was made against Headway West Kent in 2021 relating to the same historic incident in 2017, which the insurance company is dealing with. There are no financial implications on Brains Matter Charity.