

**THE JEAN SHANKS FOUNDATION
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 5 APRIL 2010**

THE JEAN SHANKS FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Eric Rothbarth Professor Sir Dillwyn Williams Professor Dame Lesley Rees Professor Sir Nicholas Wright Professor Andrew Carr Dr Julian Axe Professor Sir James Underwood Mr Alistair Jones
Charity number	293108
Principal address	Peppard Cottage Peppard Common Henley on Thames Oxon RG9 5LB United Kingdom
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Bankers	Schroder & Co Ltd 100 Wood Street London EC2V 7ER United Kingdom Coutts & Co 440 Strand London WC2R 0QS United Kingdom
Solicitors	Maurice Turnor Gardner LLP 1 Threadneedle Street London EC2R 8AY United Kingdom
Investment advisors	Schroder & Co Ltd 100 Wood Street London EC2V 7ER United Kingdom

THE JEAN SHANKS FOUNDATION

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THE JEAN SHANKS FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 5 APRIL 2010

The Trustees present their report and accounts for the year ended 5 April 2010.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's governing document, applicable law and requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

The Jean Shanks Foundation is registered with the Charity Commissioners (No. 293108) and constituted by a charitable trust deed dated 11 November 1985.

The Trustees who served during the year were:

Mr Eric Rothbarth
Professor Sir Dillwyn Williams
Professor Dame Lesley Rees
Professor Sir Nicholas Wright
Professor Andrew Carr
Dr Julian Axe
Professor Sir James Underwood
Mr Alistair Jones

The power of appointing new or additional Trustees is vested in the Board of Trustees. The Trustees meet six monthly to assess grant applications, review current and ongoing projects and to review the Foundation's investment portfolio.

The Trustees are responsible for deciding the overall strategy of the Foundation and monitoring progress. One Trustee (Mr Eric Rothbarth) is delegated by the Board of Trustees to manage the day-to-day operation of the charity as the Managing Trustee.

Objectives and activities

The Foundation's objects are to ensure the advancement and promotion of medical research and education and the dissemination of the results of such research, the establishment and maintenance of scholarships grants and prizes to be awarded to scientists and other persons involved in branches of medical and related sciences.

The Foundation funds intercalated year awards to allow medical students the benefit of an extra year's research during their training. It also provides research awards in the general medical field and funds research and other projects where appropriate and in keeping with its aims.

All of the Foundation's objects are recognised by English law to be exclusively charitable.

The Trustees meet regularly with the Foundation's investment advisors to evaluate the performance of its portfolio.

THE JEAN SHANKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2010

Achievements and performance

During the year the Foundation's investments performed in line with many other charity portfolios. The Foundation had investment income of £309,742 (2009: £170,859) and gains on investment of £2,656,456 (2009: £2,827,752 deficit). The Foundation had a surplus on income, before gains on investments, of £1,158,748 (2009: £121,033 deficit).

The Trustees have appointed Schroder & Co Limited, an investment bank, to manage the funds and to invest these funds with the aim of generating, on average, a 7% annual return and losses of no more than 15% in any one year.

The Foundation made 24 institutional grants totalling £306,640 (2009: 40 totalling £288,609). The reduction in the number of institutions was a result of ceasing to give the hardship grants as these were not being used in the manner that the Trustees had hoped. The Trustees aim to make grants to more institutions in the future.

The Trustees require a written report annually from each person who receives a grant. This report is then reviewed by the Medical Trustees. The university also reviews the work done and may apply to the Foundation for the recipient to be awarded a prize from the Foundation for the best work. The medical school will forfeit the following year's grant if no report is submitted.

The Foundation has made a good start to the current financial year and has weathered the markets well in these volatile times. The Foundation remains conservatively invested.

The Finance Committee has met quarterly amongst themselves and have met with the investment advisors on a regular basis. The investment advisors have also attended the Trustee meetings.

Financial review

For the year ended 5 April 2010, the results show a net surplus of incoming resources over resources expended of £1,158,748 (2009: deficit of £121,033) and net assets of £17,135,122 (2009: 13,319,918).

The incoming funds were received from the portfolio managed by Messrs Schroders as investment income of £272,979 (2009: £69,365), bank interest of £36,763 (2009: £101,494) and an additional legacy from the Dr Jean Shanks Will Trust of £1,193,499 (2009: £46,037). The charity also incurred gains on its portfolio amounting to £2,656,456 (2009: £2,827,752 losses).

The expenditure incurred was for the corporate governance of the Charity amounting to £6,146 (2009: £6,279), investment management costs of £956 (2009: £12,827) and administration and legal and professional fees of £30,751 (2009: £30,214). These costs combined represent 0.0022% (2009: 0.0037%) of the fund. The charitable grants made to medical institutions were made as follows:

	2010	2009
	£	£
Intercalated grants to medical students contributing to an extra year's study	135,000	135,000
Hardship grants for medical students suffering undue financial hardship	3,000	18,000
Fellowships allowing up to 3 years' medical research	85,640	61,609
MBPhD awards allowing extra funding for medical research	63,000	63,000
Direct funding	20,000	11,000
	<u>306,640</u>	<u>288,609</u>

Reserves policy

The Trustees have carefully considered the minimum amount of reserves that they should hold, having taken into account that they wish the Foundation to continue for the long term, the annual commitments that the Foundation has made and wishes to make in the future. The minimum amount of reserves that the Trustees will allow is £4.5 million.

Unrestricted funds at 5 April 2010 were £17,135,122 which is £3,815,204 higher than at 5 April 2009.

THE JEAN SHANKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2010

Grant making policy

The Foundation continues to support intercalated grants to UK Medical Schools. The Foundation changed its policy during the year to allow one intercalated grant per Medical School which now includes England, Scotland, Wales and Northern Ireland. In addition the Foundation has agreed to support a number of pilot research schemes, MBPhDs and fellowship awards. Additionally, the Foundation will fund medical graduates to complete an MBPhD. There is now one grant per medical school and will be either an intercalated or MBPhD award.

The Foundation will also, in conjunction with the Royal College of Pathologists, fund fellowships (a three year programme) and up to two annual awards for research (pilot awards).

The Trustees have considered the major risks to which the Foundation may be exposed, and are satisfied that systems are in place to mitigate exposure to these risks.

Investment policy

The Trustees regularly review their investment strategy and have agreed the following guidelines for their investment managers. The objective is to receive an average investment return of 7% per annum in money terms over the longer term. The constraints are that:

1. There is no great need for liquidity.
2. The portfolio should be managed on a total (capital and income) return basis but with a minimum annual distribution of 4%.
3. The Trustees are looking at a medium term time horizon being 3-7 years.
4. The Trustees employ Messrs Schroders' Investment Management Services, a firm of investment managers, to manage the portfolio.

At 5 April 2010, £2,445,559 (2009: £3,090,328) of the charity's Bank & Cash balance was held by Messrs Schroders' Investment Management Services as part of the investment portfolio. The increase in cash was a decision by the Trustees to derisk the portfolio early in the period.

Public Benefit

The sections of this report above entitled "Objectives and Activities of the Charity" and "Review of Activities" sets out The Jean Shanks Foundation objectives and reports on the activity and successes in the year to 5 April 2010 as well as explaining the plans for the current financial year. The Jean Shanks Foundation's work benefits medical practitioners, medical students and medical specialists in carrying further research to further medicine and cures for present and new diseases.

The Trustees have considered this matter and concluded:

1. That the aims of the organisation continue to be charitable;
2. That the aims and the work done give identifiable benefits to the charitable sector and both indirectly and directly to individuals in need;
3. That the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay; and
4. That there is no detriment or harm arising from the aims or activities.

Plans for the future

The Trustees reviewed and accepted grant applications during the year under review. It is the Trustees' intention to continue to review grant applications in future and make grants where they see fit in line with the grant making policy above, including Scottish Medical Schools for 2010-2011 onwards.

On behalf of the Board of Trustees

Mr Eric Rothbarth

Trustee

Dated:

THE JEAN SHANKS FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Foundation for that year.

In preparing these accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity 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 Foundation and enable them to ensure that the accounts comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE JEAN SHANKS FOUNDATION

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE JEAN SHANKS FOUNDATION

We have audited the accounts of The Jean Shanks Foundation for the year ended 5 April 2010 set out on pages 6 to 12. These accounts have been prepared in accordance with the accounting policies set out on page 8.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under Section 44 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described on page 4, the trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustees' Report is not consistent with those accounts, if the charity has not kept sufficient accounting records, if the charity's accounts are not in agreement with these accounting records or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Foundation as at 5 April 2010, and of its incoming resources and application of resources, for the year then ended; and
- the accounts have been prepared in accordance with the Charities Act 1993.

H W Fisher & Company

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Dated:

THE JEAN SHANKS FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2010

	Notes	2010 £	2009 £
<u>Incoming resources from generated funds</u>			
Voluntary income	2	1,193,499	46,037
Investment income	3	309,742	170,859
Total incoming resources		1,503,241	216,896
<u>Resources expended</u>			
Costs of generating funds			
Investment management costs	4	956	12,827
Net incoming resources available		1,502,285	204,069
Charitable activities			
Medical research and education		337,391	318,823
Governance costs		6,146	6,279
Total resources expended		344,493	337,929
Net incoming/(outgoing) resources		1,158,748	(121,033)
Other recognised gains and losses			
Gains/(losses) on investment assets		2,656,456	(2,827,752)
Net movement in funds		3,815,204	(2,948,785)
Fund balances at 6 April 2009		13,319,918	16,268,703
Fund balances at 5 April 2010		17,135,122	13,319,918

THE JEAN SHANKS FOUNDATION

BALANCE SHEET

AS AT 5 APRIL 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Investments	10		14,604,338		10,182,668
Current assets					
Debtors	11	57,234		58,075	
Cash at bank and in hand		2,508,345		3,106,875	
		<u>2,565,579</u>		<u>3,164,950</u>	
Creditors: amounts falling due within one year	12	<u>(34,795)</u>		<u>(27,700)</u>	
Net current assets			<u>2,530,784</u>		<u>3,137,250</u>
Total assets less current liabilities			<u><u>17,135,122</u></u>		<u><u>13,319,918</u></u>
Income funds					
Unrestricted funds					
Unrestricted income funds		16,693,472		13,319,918	
Revaluation reserve		441,650		-	
		<u>17,135,122</u>		<u>13,319,918</u>	
			<u><u>17,135,122</u></u>		<u><u>13,319,918</u></u>

The accounts were approved by the Trustees on

.....
Mr Eric Rothbarth
Trustee

.....
Professor Andrew Carr
Trustee

THE JEAN SHANKS FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 5 APRIL 2010

1 Accounting policies

1.1 Basis of preparation

The accounts are prepared under the historical cost convention modified to include the revaluation of fixed asset investments.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Charities Act 1993.

1.2 Incoming resources

Income has been recognised gross on the basis of entitlement, certainty and measurement.

Bequests are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

1.3 Resources expended

Resources expended are recognised in the period to which they relate. Resources expended include attributable VAT which cannot be recovered, where incurred, by the charity.

Costs of generating funds are those costs incurred in attracting voluntary income, in particular grant funding and the costs of maintaining the charity's profile within the sector.

Expenditure relating to Medical Research and Education are those elements of expenditure directly incurred in performing these activities.

1.4 Investments

Fixed asset investments are stated at the year end market value.

2 Voluntary income

	2010	2009
	£	£
Bequests received from the estate of Dr. Jean Shanks	1,193,499	46,037
	<u>1,193,499</u>	<u>46,037</u>

3 Investment income

	2010	2009
	£	£
Income from listed investments	272,979	69,365
Interest receivable	36,763	101,494
	<u>309,742</u>	<u>170,859</u>

THE JEAN SHANKS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2010

4 Total resources expended

	Other costs £	Grant funding £	Total 2010 £	Total 2009 £
Costs of generating funds				
Investment management costs	956	-	956	12,827
Charitable activities				
<u>Medical research and education</u>				
Activities undertaken directly	30,751	-	30,751	30,214
Grant funding of activities	-	306,640	306,640	288,609
Total	30,751	306,640	337,391	318,823
Governance costs	6,146	-	6,146	6,279
	37,853	306,640	344,493	337,929

Auditors' remuneration

Fees payable to the auditor for the audit of the Foundation's annual accounts	6,146	6,279
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5 Activities undertaken directly

	2010 £	2009 £
Other costs relating to medical research and education comprise:		
Prizes and awards	-	920
Secretarial expenses	7,657	6,637
Office expenses	4,636	3,857
Legal and professional	18,458	18,800
	30,751	30,214

6 Grants payable

	2010 £	2009 £
Medical research and education	306,640	288,609

During the year twenty-four grants were made to institutions (2008: forty).

THE JEAN SHANKS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2010

	2010	2009
	£	£
Grants to institutions relating to medical research and education comprise:		
University College London	-	21,000
University of Birmingham	7,500	7,500
University of Bristol	7,500	7,500
University of Leeds	7,500	7,500
University of Southampton	7,500	7,500
University of Leicester	7,500	10,500
University of Manchester	7,500	7,500
King's College, London	7,500	7,500
Queen Mary, University of London	7,500	7,500
University of Oxford	24,000	10,000
University of Cambridge	21,000	27,000
University of Sheffield	7,500	7,500
University of Hull	7,500	7,500
Royal College of Pathologists	52,858	61,609
St George's, University of London	7,500	7,500
University of Cardiff	7,500	7,500
University of East Anglia	7,500	10,500
University of Liverpool	7,500	7,500
Keele University	7,500	10,500
Brighton and Sussex Medical School	7,500	10,500
University of Newcastle	7,500	7,500
Queen's University Belfast	7,500	7,500
Worshipful Company of Barbers	-	1,000
Imperial College	21,000	21,000
Royal London Hospital	32,782	-
Academy of Medical Sciences	20,000	-
	306,640	288,609

7 Governance costs

	2010	2009
	£	£
Other governance costs comprise:		
Accountancy and audit costs	6,146	6,279
	6,146	6,279

Governance costs include payments to the auditors for audit fees and preparation of the statutory accounts of £6,000 (2009: £6,000), and under/overprovisions in respect of previous years.

THE JEAN SHANKS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2010

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year save for Mr Eric Rothbarth who was paid a fee of £16,000, excluding VAT (2009: £16,000) for his services managing the Foundation on a day to day basis. Five trustees (2009: five) were reimbursed a total of £2,427 (2009: £3,270) travel and office expenses.

9 Employees

There were no employees during the year.

10 Fixed asset investments

	£
Market value at 6 April 2009	10,182,668
Disposals at opening book value	(2,918,874)
Acquisitions at cost	4,771,853
Change in value in the year	2,568,691
Market value at 5 April 2010	14,604,338
Historical cost:	
At 5 April 2010	14,162,688
At 5 April 2009	13,268,586

11 Debtors

	2010	2009
	£	£
Income tax recoverable	23,499	9,662
Prepayments and accrued income	33,735	48,413
	<u>57,234</u>	<u>58,075</u>

12 Creditors: amounts falling due within one year

	2010	2009
	£	£
Accruals	34,795	27,700
	<u>34,795</u>	<u>27,700</u>

THE JEAN SHANKS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2010

13 Related parties

Mr Eric Rothbarth's wife, Mrs Lynda Rothbarth, was commissioned by the Foundation to develop and maintain its website in the period to 31 March 2010. During the year she was paid £1,175 (including VAT) for this service. This transaction is wholly at arms-length.