

THE JEAN SHANKS FOUNDATION
TRUSTEES' REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2012

THE JEAN SHANKS FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Eric Rothbarth Professor Sir Nicholas Wright Professor Andrew Carr Dr Julian Axe Professor Sir James Underwood Mr Alistair Jones Professor Adrienne Flanagan
Charity number	293108
Principal address	Peppard Cottage Peppard Common Henley on Thames Oxon RG9 5LB
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
Bankers	Schroder & Co Ltd 100 Wood Street London EC2V 7ER Coutts & Co 440 Strand London WC2R 0QS Lloyds TSB Bank Plc 25 Gresham Street London EC2V 7HN
Solicitors	Maurice Turnor Gardner LLP 1 Threadneedle Street London EC2R 8AY
Investment advisors	Schroder & Co Ltd 100 Wood Street London EC2V 7ER

THE JEAN SHANKS FOUNDATION

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THE JEAN SHANKS FOUNDATION

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 MARCH 2012

The Trustees present their report and accounts for the period ended 31 March 2012.

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 period were:

Mr Eric Rothbarth	
Professor Dame Lesley Rees	(Retired 18 November 2011)
Professor Sir Nicholas Wright	
Professor Andrew Carr	
Dr Julian Axe	
Professor Sir James Underwood	
Mr Alistair Jones	
Professor Sir Dillwyn Williams	(Retired 17 June 2011)

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 and agree future funding.

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 PERIOD ENDED 31 MARCH 2012

Achievements and performance

During the year the Foundation's investments performed in line with many other charity portfolios. The Foundation had investment income of £286,177 (2011: £313,811) and losses on investment of £182,797 (2011: gains of £899,710). In 2011, the Foundation received the final amount from Dr Jean Shanks Will Trust of £39,505, therefore had nil income from this in 2012. The Foundation had a deficit on income, before losses on investments but including voluntary contributions, of £60,778 (2011: £23,887).

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 27 institutional grants totalling £315,040 (2011: 28 totalling £340,001). The decrease was due to Imperial College of Science, Technology and Medicine being unable to find a suitable candidate for the MBPhD award. The Trustees aim to make grants to more institutions in the future. The Foundation increased the level of funding for intercalated grants in the year 2011-12 following the Government's decision to increase university fees.

The Trustees require a written report annually from each person who receives a grant. The medical school or university reviews the work done. The medical school or recipient 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 as well as having regular communication amongst themselves and the investment advisors. The investment advisors have also attended the Trustee meetings.

The Foundation is very grateful to Professor Sir Dillwyn Williams and Professor Dame Lesley Rees for their services as Trustees and for their sage counsel and advice. We wish them well for the future.

The Foundation is delighted to welcome Professor Adrienne Flanagan who joined in June 2012 as a Trustee.

Financial review

The Foundation has changed its financial year end date to 31 March annually to simplify the accounting and reporting. This had no material effect to the results.

For the period ended 31 March 2012, the results show a net deficit of incoming resources under resources expended of £60,778 (2011: £23,887) and net assets of £17,767,370 (2011: £18,010,945).

The incoming funds were received from the portfolio managed by Messrs Schroders as investment income of £263,346 (2011: £276,550) and bank interest of £22,831 (2011: £37,261). The charity incurred losses on its portfolio amounting to £182,797 (2011: gains of £899,710).

The expenditure incurred was for the corporate governance of the Charity amounting to £6,710 (2011: £6,955), investment management rebate of £5,719 (2011: £2,549) and administration and legal and professional fees of £30,924 (2011: £32,796). These costs combined represent 0.17% (2011: 0.18%) of the fund. The charitable grants made to medical institutions were made as follows:

	2012	2011
	£	£
Intercalated grants to medical students contributing to an extra year's study	179,040	161,000
Fellowships allowing up to 3 years' medical research	70,000	90,001
MBPhD awards allowing extra funding for medical research	41,000	69,000
Direct funding	25,000	20,000
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	315,040	340,001
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THE JEAN SHANKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2012

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 31 March 2012 were £17,767,370 which is £243,575 lower than at 5 April 2011.

Grant making policy

The Foundation continues to support intercalated grants to UK Medical Schools. The Foundation allows one intercalated grant per Medical School which now includes all medical schools in England, Scotland, Wales and Northern Ireland. In addition the Foundation has agreed to support a number of pilot research schemes, MBPhDs and fellowship awards. There is now one grant per medical school and this can be either an intercalated or MBPhD award dependent on the conditions attached to the intercalated grant.

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). It had also just entered into an agreement with the Pathological Society of Great Britain & Ireland to fund half a grant for a Research Training Fellowship which is a three year project and will start in the year ending 31 March 2012.

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 but the Foundation will maintain liquid reserves to cover at least one year's grant payments and any commitments for any longer term grants.
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 31 March 2012, £1,355,322 (2011: £1,510,036) of the charity's Bank & Cash balance was held by Messrs Schroders' Investment Management Services as part of the investment portfolio. A further £252,596 (2011: £250,386) was held at Coutts in a 90 day notice account.

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 period to 31 March 2012 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.

THE JEAN SHANKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2012

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. The applications for the medical schools have been received and look very promising. The Foundation will also fund further grants with the Pathological Society of Great Britain & Ireland whereby the two entities will share equally the cost of up to three research related grants at any one time.

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 period.

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 2011, the Charity (Accounts and Reports) Regulations 2008 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 period ended 31 March 2012 set out on pages 7 to 13. 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 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 explained more fully in the Trustees' Responsibilities Statement on page 5, the trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 March 2012, and of its incoming resources and application of resources, for the period 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.

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 Trustees' Report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the accounts 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.

Andrew Rich (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

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

Dated:

H W Fisher & Company is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE JEAN SHANKS FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE PERIOD ENDED 31 MARCH 2012

		Period ended 31 March 2012 £	Year ended 5 April 2011 £
<u>Incoming resources from generated funds</u>			
Voluntary income	2	-	39,505
Investment income	3	286,177	313,811
Total incoming resources		286,177	353,316
<u>Resources expended</u>	4		
Costs of generating funds			
Investment management (fees rebate)/costs		(5,719)	(2,549)
Charitable activities			
Medical research and education		345,964	372,797
Governance costs		6,710	6,955
Total resources expended		346,955	377,203
Net outgoing resources		(60,778)	(23,887)
Other recognised gains and losses			
(Losses)/gains on investment assets		(182,797)	899,710
Net movement in funds		(243,575)	875,823
Fund balances at 6 April 2011		18,010,945	17,135,122
Fund balances at 31 March 2012		17,767,370	18,010,945

THE JEAN SHANKS FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Investments	10		16,096,047		16,197,271
Current assets					
Debtors	11	35,147		42,451	
Cash at bank and in hand		1,673,524		1,801,847	
		<u>1,708,671</u>		<u>1,844,298</u>	
Creditors: amounts falling due within one year	12	<u>(37,348)</u>		<u>(30,624)</u>	
Net current assets			<u>1,671,323</u>		<u>1,813,674</u>
Total assets less current liabilities			<u><u>17,767,370</u></u>		<u><u>18,010,945</u></u>
Income funds					
Unrestricted funds					
Unrestricted income funds		16,144,460		16,234,507	
Revaluation reserve		1,622,910		1,776,438	
		<u>17,767,370</u>		<u>18,010,945</u>	
			<u><u>17,767,370</u></u>		<u><u>18,010,945</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 PERIOD ENDED 31 MARCH 2012

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 2011.

The accounts cover the period from 6 April 2011 to 31 March 2012. The comparative figures represent the year ended 5 April 2011.

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

	Total 2012 £	Total 2011 £
Bequests received from the estate of Dr. Jean Shanks	-	39,505

3 Investment income

	2012 £	2011 £
Income from listed investments	263,346	276,550
Interest receivable	22,831	37,261
	<u>286,177</u>	<u>313,811</u>

THE JEAN SHANKS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2012

4 Total resources expended

	Other costs £	Grant funding £	Total 2012 £	Total 2011 £
Costs of generating funds				
Investment management costs	(5,719)	-	(5,719)	(2,549)
Charitable activities				
<u>Medical research and education</u>				
Activities undertaken directly	30,924	-	30,924	32,796
Grant funding of activities	-	315,040	315,040	340,001
Total	30,924	315,040	345,964	372,797
Governance costs	6,710	-	6,710	6,955
	31,915	315,040	346,955	377,203

Auditors' remuneration

Fees payable to the auditor for the audit of the Foundation's annual accounts	6,710	6,955
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5 Activities undertaken directly

	2012 £	2011 £
Other costs relating to medical research and education comprise:		
Secretarial expenses	6,630	5,000
Office expenses	1,955	6,196
Legal and professional	22,339	21,600
	30,924	32,796

6 Grants payable

	2012 £	2011 £
Medical research and education	315,040	340,001

During the year twenty-seven grants were made to institutions (2011: twenty-eight).

THE JEAN SHANKS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2012

	2012 £	2011 £
Grants to institutions relating to medical research and education comprise:		
University of Birmingham	9,000	7,500
University of Bristol	9,000	7,500
University of Leeds	9,000	7,500
University of Southampton	9,000	7,500
University of Leicester	2,220	7,500
University of Manchester	9,000	7,500
King's College, London	9,000	7,500
Queen Mary, University of London	9,000	7,500
University of Cambridge	21,000	-
University of Dundee	5,500	6,500
University of Oxford	21,000	21,000
University of Sheffield	9,000	7,500
University of Hull	9,000	7,500
Royal College of Pathologists	70,000	90,001
St George's, University of London	9,000	7,500
University of Cardiff	9,000	7,500
University of East Anglia	9,000	7,500
University of Liverpool	9,000	7,500
University of Nottingham	20,000	20,000
Keele University	9,000	7,500
Brighton and Sussex Medical School	9,000	7,500
University of Newcastle	9,000	7,500
Queen's University Belfast	9,000	7,500
Imperial College	(21,000)	21,000
Academy of Medical Sciences	20,000	20,000
University of Glasgow	5,500	8,500
London School of Hygiene and Tropical Medicine	-	5,000
University of Edinburgh	7,320	6,500
University of Aberdeen	5,500	6,500
Chernobyl related research	5,000	-
	315,040	340,001

7 Governance costs

	2012 £	2011 £
Other governance costs comprise:		
Accountancy and audit costs	6,710	6,955
	6,710	6,955

Governance costs include payments to the auditors for audit fees and preparation of the statutory accounts of £6,710 (2011: £6,500), and under provisions in respect of previous years.

THE JEAN SHANKS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2012

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the period save for Mr Eric Rothbarth who was paid a fee of £18,000, excluding VAT (2011: £18,000) for his services managing the Foundation on a day to day basis. Three trustees (2011: five) were reimbursed a total of £2,518 (2011: £3,170) travel and office expenses.

9 Employees

There were no employees during the period.

10 Fixed asset investments

	£
Market value at 6 April 2011	16,197,271
Disposals at opening book value	(1,629,524)
Acquisitions at cost	1,651,245
Change in value in the period	(122,945)
Market value at 31 March 2012	16,096,047
Historical cost:	
At 31 March 2012	14,473,137
At 5 April 2011	14,420,833

11 Debtors

	2012	2011
	£	£
Other debtors	154	-
Prepayments and accrued income	34,993	42,451
	35,147	42,451

THE JEAN SHANKS FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2012

12 Creditors: amounts falling due within one year	2012	2011
	£	£
Other creditors	3,033	-
Accruals	34,315	30,624
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	37,348	30,624
	<hr/> <hr/>	<hr/> <hr/>

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 2012. During the period she was paid £720 including VAT (2011: £500 including VAT) for this service. This transaction is wholly at arms-length.