

**THE JEAN SHANKS FOUNDATION  
TRUSTEES' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**

# THE JEAN SHANKS FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr Eric Rothbarth Professor Sir Nicholas Wright Professor Andrew Carr Dr Julian Axe Professor Sir James Underwood Mr Alistair Jones Professor Adrienne Flanagan
<b>Charity number</b>	293108
<b>Principal address</b>	Peppard Cottage Peppard Common Henley on Thames Oxon RG9 5LB
<b>Auditors</b>	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
<b>Bankers</b>	Coutts & Co 440 Strand London WC2R 0QS  Lloyds TSB Bank Plc 25 Gresham Street London EC2V 7HN
<b>Solicitors</b>	Maurice Turnor Gardner LLP 1 Threadneedle Street London EC2R 8AY
<b>Investment advisors</b>	Cazenove Capital Management Regency Court Gategny Esplanade St Peter Port Guernsey GY1 3UF

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# THE JEAN SHANKS FOUNDATION

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# THE JEAN SHANKS FOUNDATION

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 MARCH 2015*

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The Trustees present their report and accounts for the year ended 31 March 2015.

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 Nicholas Wright  
Professor Andrew Carr  
Dr Julian Axe  
Professor Sir James Underwood  
Mr Alistair Jones  
Professor Adrienne Flanagan

The power of appointing new or additional Trustees is vested in the Board of Trustees. The Trustees meet at least twice yearly to assess grant applications, review current and ongoing projects and to review the Foundation's investment portfolio and agree future funding and strategy.

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 people 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 31 MARCH 2015*

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### Achievements and performance

During the year the Foundation's investments performed in line with many other charity portfolios. The Foundation had investment income of £395,028 (2014: £401,287) and gains on investments of £1,326,686 (2014: £829,588). The Foundation had a deficit on income, before gains on investments of £2,771 (2014: £21,180).

The Trustees have appointed Cazenove Capital Management, 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 21 institutional grants totalling £256,667 (2014: 26 totalling £282,065). The Trustees aim to make grants to more institutions in the future. The total of all grants paid amounted to £290,387 (2014: £321,624). It was disappointing that not all the grants that were awarded were taken up by the applicant.

The Trustees require a written report annually from each person who receives a grant. The medical school or university reviews and appraises the work done by the recipient. The medical school or recipient will forfeit the following year's grant if no report is submitted or the rules are not adhered to.

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 met and communicated regularly and also met with the investment advisors on four occasions. The investment advisors have attended both Trustee meetings during the year to 31 March 2015.

The Foundation held a symposium for its Alumni in 2013. There were about 40 attendees and the event was considered to be a success by both the attendees and the Trustees. The event was held at the Academy of Medical Sciences in London and a further event will be held on 6 November 2015 where past recipients will be invited, alongside other relevant supporters of the Foundation as well as medical school staff who help the Foundation with the selection of candidates and administration of the grant.

### Financial review

For the year ended 31 March 2015, the results show a net deficit of incoming resources against resources expended of £2,771 (2014: £21,180) and net assets of £21,375,350 (2014: £20,051,435).

The incoming funds were received from the portfolio managed by Messrs Cazenove Capital Management as investment income of £383,287 (2014: £343,499) and bank interest of £11,741 (2014: £57,788). The charity achieved gains on its portfolio amounting to £1,326,686 (2014: gains of £829,588).

Corporate governance expenditure amounted to £7,693 (2014: £7,233), investment management charges amounted to £99,719 (2014: £93,610) and administration and legal and professional fees amounted to £33,720 (2014: £39,559). These costs combined represent 0.66% (2014: 0.7%) of the fund. The increase in the investment management fee is due to the new legislation regarding commissions payable to advisers which now means that the Foundation will pay 0.5% commission on its portfolio valuation annually in addition to the fees charged by the fund managers which is deducted from the fund annually before being reported to the Foundation. The overall cost is approximately 1%. The charitable grants made to medical institutions were made as follows:

	2015	2014
	£	£
Intercalated grants to medical students contributing to an extra year's study	124,385	171,610
Fellowships allowing up to 3 years' medical research	54,599	28,455
MBPhD awards allowing extra funding for medical research	57,683	62,000
Direct funding	20,000	20,000
	<hr/> <b>256,667</b> <hr/>	<hr/> <b>282,065</b> <hr/>

# THE JEAN SHANKS FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2015*

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### Related parties

We refer you to note 12 of the accounts for all related party transactions. These transactions are all on terms which were wholly at arms-length.

### 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 2015 were £21,375,350 which is £1,323,915 higher than at 31 March 2014.

### Grant making policy

The Foundation continues to support intercalated grants to UK Medical Schools. The Foundation now asks all medical schools to nominate one candidate intercalated grant per Medical School which now includes all medical schools in England, Scotland, Wales and Northern Ireland, except those which have a mandatory intercalated year. 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 and/or the Pathological Society of Great Britain and Ireland, 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 requirement 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 to match the income generated (excluding capital gains).
3. The Trustees are looking at a medium term time horizon being 3-7 years.
4. The Trustees employ Messrs Cazenove Capital Management, a firm of investment managers, to manage the portfolio. This firm is a subsidiary of Schroder & Co and there has been no change in investment managers other than the name.

At 31 March 2015, £845,785 (2014: £684,896) of the charity's Bank & Cash balance was held by Messrs Cazenove Capital Management as part of the investment portfolio. A further £314 (2014: £256,533) was held in a 90 day notice account, and £283,350 (2014: £35,808) in a reserve account at Coutts.

# THE JEAN SHANKS FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2015*

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### **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 2015 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.

The Intercalated Grants are now awarded on a competitive basis and the top 15 research projects will receive the prestigious grant. The applications from the medical schools have been received and reviewed by the Trustees and the successful applicants have been informed that they have received their award.

The MBPhD awards will also continue and two universities have been awarded their grants. The University of Oxford has deferred their application by one year.

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. There are now two grants running together and this will continue for the foreseeable future.

On behalf of the Board of Trustees

**Mr Eric Rothbarth**

Trustee

Dated: .....

# THE JEAN SHANKS FOUNDATION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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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 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

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We have audited the accounts of The Jean Shanks Foundation for the year ended 31 March 2015 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015, 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.

#### **Matters on which we are required**

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.

#### **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

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# THE JEAN SHANKS FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES

*FOR THE YEAR ENDED 31 MARCH 2015*

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	Notes	2015 £	2014 £
<b><u>Incoming resources from generated funds</u></b>			
Investment income	2	395,028	401,287
		<hr/>	<hr/>
<b><u>Resources expended</u></b>	3		
<b>Costs of generating funds</b>			
Investment management fees/costs		99,719	93,610
<b>Charitable activities</b>			
Medical research and education		290,387	321,624
Governance costs		7,693	7,233
		<hr/>	<hr/>
<b>Total resources expended</b>		<b>397,799</b>	<b>422,467</b>
		<hr/>	<hr/>
<b>Net outgoing resources</b>		<b>(2,771)</b>	<b>(21,180)</b>
<b>Other recognised gains and losses</b>			
Gains on investment assets		1,326,686	829,588
		<hr/>	<hr/>
<b>Net movement in funds</b>		<b>1,323,915</b>	<b>808,408</b>
Fund balances at 1 April 2014		20,051,435	19,243,027
		<hr/>	<hr/>
<b>Fund balances at 31 March 2015</b>		<b>21,375,350</b>	<b>20,051,435</b>
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# THE JEAN SHANKS FOUNDATION

## BALANCE SHEET

AS AT 31 MARCH 2015

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	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Investments	9		20,179,416		19,013,029
<b>Current assets</b>					
Debtors	10	36,027		16,084	
Cash at bank and in hand		1,236,814		1,084,190	
		<u>1,272,841</u>		<u>1,100,274</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(76,907)</u>		<u>(61,868)</u>	
<b>Net current assets</b>			<u>1,195,934</u>		<u>1,038,406</u>
<b>Total assets less current liabilities</b>			<u>21,375,350</u>		<u>20,051,435</u>
<b>Income funds</b>					
Unrestricted funds			<u>21,375,350</u>		<u>20,051,435</u>
			<u>21,375,350</u>		<u>20,051,435</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 31 MARCH 2015

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#### 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.

##### 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 Investment income

	2015	2014
	£	£
Income from listed investments	383,287	343,499
Interest receivable	11,741	57,788
	<u>395,028</u>	<u>401,287</u>

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

#### 3 Total resources expended

	Other costs £	Grant funding £	Total 2015 £	Total 2014 £
<b>Costs of generating funds</b>				
Investment management costs	99,719	-	99,719	93,610
<b>Charitable activities</b>				
<u>Medical research and education</u>				
Activities undertaken directly	33,720	-	33,720	39,559
Grant funding of activities	-	256,667	256,667	282,065
Total	<u>33,720</u>	<u>256,667</u>	<u>290,387</u>	321,624
<b>Governance costs</b>	7,693	-	7,693	7,233
	<u>141,132</u>	<u>256,667</u>	<u>397,799</u>	<u>422,467</u>

#### Auditors' remuneration

Fees payable to the auditor for the audit of the Foundation's annual accounts	<u>7,693</u>	<u>7,233</u>
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#### 4 Activities undertaken directly

	2015 £	2014 £
Other costs relating to medical research and education comprise:		
Secretarial expenses	9,140	12,914
Office expenses	2,229	3,983
Legal and professional	22,351	22,662
	<u>33,720</u>	<u>39,559</u>

#### 5 Grants payable

	2015 £	2014 £
Medical research and education	<u>256,667</u>	<u>282,065</u>

During the year twenty-one grants were made to institutions (2014: twenty-six).

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

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	2015	2014
	£	£
Grants to institutions relating to medical research and education comprise:		
University of Birmingham	-	9,000
University of Bristol	15,000	9,000
University of Leeds	9,465	9,000
University of Southampton	9,465	9,000
University of Leicester	6,000	9,000
University of Manchester	9,465	9,000
King's College, London	-	9,000
Queen Mary, University of London	9,465	18,000
University of Cambridge	21,000	21,000
University of Dundee	6,000	5,500
University of Oxford	16,683	21,000
University of Hull	(6,035)	9,000
St George's, University of London	15,000	9,000
University of Cardiff	9,465	9,000
University of East Anglia	-	9,000
University of Liverpool	-	9,000
University of Nottingham	20,000	20,000
Keele University	6,532	-
Brighton and Sussex Medical School	-	9,000
University of Newcastle	7,035	5,610
Queen's University Belfast	9,685	9,000
Academy of Medical Sciences	20,000	20,000
University of Glasgow	6,000	5,500
University of Edinburgh	6,000	5,500
University of Aberdeen	5,843	5,500
Pathological Society of Great Britain & Ireland	54,599	28,455
	<u>256,667</u>	<u>282,065</u>

#### 6 Governance costs

	2015	2014
	£	£
Other governance costs comprise:		
Accountancy and audit costs	7,693	7,233
	<u>7,693</u>	<u>7,233</u>

Governance costs include payments to the auditors for audit fees and preparation of the statutory accounts of £7,693 (2014: £7,233), and under provisions in respect of previous years.

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

#### 7 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 £18,000, excluding VAT (2014: £18,000) for his services managing the Foundation on a day to day basis. Three trustees (2014: three) were reimbursed a total of £3,446 (2014: £2,803) travel and office expenses, with £nil (2014: £1,187) travel and office expenses owed to the trustees at year end.

#### 8 Employees

There were no employees during the year.

#### 9 Fixed asset investments

	<b>Listed Investments</b>
	<b>£</b>
Market value at 1 April 2014	19,013,029
Disposals at opening book value	(1,409,668)
Acquisitions at cost	1,263,410
Change in value in the year	1,312,645
<b>Market value at 31 March 2015</b>	<b>20,179,416</b>
Historical cost:	
At 31 March 2015	16,929,889
At 31 March 2014	16,472,929

#### 10 Debtors

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Prepayments and accrued income	<b>36,027</b>	16,084

#### 11 Creditors: amounts falling due within one year

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Accruals	<b>76,907</b>	61,868

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

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#### 12 Related parties

At 31 March 2015, Mr Eric Rothbarth was owed £21,600 (2014: £21,600) by the Foundation.

Mr Eric Rothbarth's wife, Mrs Lynda Rothbarth, was commissioned by the Foundation to develop and maintain its website in the year to 31 March 2015. During the year she was paid £720 including VAT (2014: £720 including VAT) for this service.

During the year the Foundation paid a grant of £54,599 (2014: £28,455) to The Pathological Society of Great Britain & Ireland. Professor Adrienne Flanagan, a trustee of the Foundation, is a committee member of The Pathological Society of Great Britain & Ireland.

The above transactions were all wholly at arms-length.