

Charity Registration No. 293108

THE JEAN SHANKS FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

THE JEAN SHANKS FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Eric Rothbarth Professor Andrew Carr Dr Julian Axe Professor Sir James Underwood Professor Sir Nicholas Wright Mr Alistair Jones Professor Adrienne Flanagan
Charity number	293108
Principal address	Peppard Cottage Peppard Common Henley on Thames Oxon United Kingdom RG9 5LB
Auditor	H W Fisher & Company Acre House 11-15 William Road London United Kingdom NW1 3ER
Bankers	Coutts & Co 440 Strand London United Kingdom WC2R 0QS Lloyds Banking Group PLC 25 Gresham Street London EC2V 7HN
Solicitors	Maurice Turnor Gardner LLP Milton House 1 Milton Street London EC2Y 9BH
Investment advisors	Cazenove Capital Management Regency Court Glatigny Esplanade St Peter Port Guernsey GY1 3UF

THE JEAN SHANKS FOUNDATION

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THE JEAN SHANKS FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The Trustees present their report and accounts for the year ended 31 March 2018.

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, the Charities Act 2011 and "Accounting and Reporting by Charities" Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and activities

The 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 trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

The Foundation does not employ any personnel. However, if this were to change the policy will be to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information of matters of concern to employees would be given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance. Any applicants for employment would be considered including disabled people.

Achievements and performance

During the year the Foundation's investments performed in line with many other charity portfolios. The Foundation had investment income of £439,393 (2017: £409,623) and gains on investments of £85,880 (2017: £3,426,006). The Foundation has income, before gains on investments of £6,037 (2017: deficit of £38,012).

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 17 institutional grants totalling £270,006 (2017: 20 totalling £297,025). The Trustees aim to make grants to more institutions in the future. It was disappointing that not all the grants that were awarded were taken up by the applicants.

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 2018.

THE JEAN SHANKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Financial review

For the year ended 31 March 2018, the results show net incoming resources against resources expended of £6,037 (2017: deficit of £38,012) and net assets of £24,251,004 (2017: £24,159,087).

The incoming funds were received from the portfolio managed by Messrs Cazenove Capital Management as investment income of £437,556 (2017: £404,941) and bank interest of £1,837 (2017: £4,682). The charity had gains on its portfolio amounting to £85,880 (2017: £3,426,006).

Corporate governance expenditure amounted to £8,082 (2017: £7,855), investment management charges amounted to £120,223 (2017: £109,898) and administration and legal and professional fees amounted to £35,045 (2017: £32,857). These costs combined represent 0.70% (2017: 0.65%) of the fund. The investment management fee is due to the legislation regarding commissions payable to advisers which means that the Foundation will pay 0.5% commission on its portfolio valuation annually in addition to the fees charged by the fund managers. Both are deducted from the fund annually before being reported to the Foundation. The overall cost is approximately 1%. The charitable grants made to medical institutions are shown in Note 6 to the accounts amounting to £270,006 (2017: £297,025).

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 2018 were £24,251,004 which is £91,917 higher than at 31 March 2017.

Grant Making Policy

The Foundation continued to support intercalated grants to UK medical schools. The Foundation asked medical schools to nominate one candidate for an intercalated grant per Medical School. This includes all medical schools in England, Scotland, Wales and Northern Ireland, except those which have a mandatory intercalated year. These intercalated grants are now awarded on a competitive basis and the top 15 research projects will receive a grant. The applications from the medical schools are reviewed by the Trustees and the successful applicants have been informed that they have received their award. In the year the medical trustees made 12 awards as the rest were not considered to be of the standard required or were not appropriate. This type of grant is no longer awarded.

The MBPhD awards will also continue and three universities have been awarded their grants in 2016-17 and the current grants will continue until 2019.

The Fellowship grants (jointly funded with the Pathological Society of Great Britain and Ireland) will continue and are progressing well.

Future Grants

The Foundation will fund further grants with the Pathological Society of Great Britain and Ireland whereby the two parties 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.

The Foundation has decided that in future (from 2018 onwards) the grants should be more focused on promoting clinical academic careers, specialising in pathology with an emphasis on histopathology. The Foundation has an agreement with the Pathological Society of Great Britain and Ireland to jointly fund £2,500,000 over the next five years to develop bursaries which will include pre-doctoral academic clinical fellowships, clinical PhD fellowships, clinical lecturer support and clinician scientists. Both parties think that this will be a very effective use of their funds and will make a significant difference to the prosperity of academic pathology.

The Foundation will also continue to make grants for other purposes at its discretion provided they are within its remit.

THE JEAN SHANKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Risk

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 2018, £911,329 (2017: £826,526) of the charity's cash was held by Messrs Cazenove Capital Management as part of the investment portfolio. A further £317 (2017: £316) was held in a 90 day notice account, and £248,167 (2017: £254,344) in a reserve account at Coutts.

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 Andrew Carr
Dr Julian Axe
Professor Sir James Underwood
Professor Sir Nicholas Wright
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.

THE JEAN SHANKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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 2018 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.

On behalf of the Board of Trustees

Mr Eric Rothbarth

Trustee

Dated: 23 August 2018

THE JEAN SHANKS FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2018

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 sufficient 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 Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE JEAN SHANKS FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE JEAN SHANKS FOUNDATION

Opinion

We have audited the accounts of The Jean Shanks Foundation (the 'Foundation') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Foundation's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the accounts is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE JEAN SHANKS FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE JEAN SHANKS FOUNDATION

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

Your attention is drawn to the fact that the charity has prepared accounts in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

United Kingdom

NW1 3ER

4 September 2018

H W Fisher & Company is eligible for appointment as auditor of the Foundation by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

THE JEAN SHANKS FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
<u>Income from:</u>			
Investments	3	439,393	409,623
		<hr/>	<hr/>
<u>Expenditure on:</u>			
<u>Raising funds</u>			
Investment management	4	120,223	109,898
		<hr/>	<hr/>
Charitable activities	5	313,133	337,737
		<hr/>	<hr/>
Total resources expended		433,356	447,635
		<hr/>	<hr/>
Net gains on investments	10	85,880	3,426,006
		<hr/>	<hr/>
Net movement in funds		91,917	3,387,994
		<hr/>	<hr/>
Fund balances at 1 April 2017		24,159,087	20,771,093
		<hr/>	<hr/>
Fund balances at 31 March 2018		24,251,004	24,159,087
		<hr/> <hr/>	<hr/> <hr/>

THE JEAN SHANKS FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2018

		2018		2017	
	Notes	£	£	Restated	£
				£	
Fixed assets					
Investments	11		23,998,921		23,932,842
Current assets					
Debtors	13	14,867		15,339	
Cash at bank and in hand		318,732		307,236	
		<u>333,599</u>		<u>322,575</u>	
Creditors: amounts falling due within one year	14	(81,516)		(96,330)	
Net current assets			252,083		226,245
Total assets less current liabilities			<u>24,251,004</u>		<u>24,159,087</u>
Income funds					
Unrestricted funds			24,251,004		24,159,087
			<u>24,251,004</u>		<u>24,159,087</u>

The accounts were approved by the Trustees on 23 August 2018

Mr Eric Rothbarth
Trustee

Professor Sir James Underwood
Trustee

THE JEAN SHANKS FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash absorbed by operations	16		(447,698)		(454,126)
Investing activities					
Purchase of investments		(1,237,332)		(1,291,199)	
Proceeds on disposal of fixed asset investments		1,257,133		1,284,806	
Interest received		1,837		4,682	
Dividends received		437,556		404,941	
Net cash generated from investing activities			459,194		403,230
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			11,496		(50,896)
Cash and cash equivalents at beginning of year			307,236		358,132
Cash and cash equivalents at end of year			318,732		307,236

THE JEAN SHANKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Charity information

The Jean Shanks Foundation is a registered charity. The charity meets the definition of a public benefit entity under FRS102.

1.1 Accounting convention

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Foundation. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Cash held with the investment manager has been restated from Bank to Fixed Asset Investments.

1.2 Going concern

At the time of approving the accounts, the trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Incoming resources

Income is recognised when the Foundation is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Interest on funds held on deposit is included upon notification of the interest paid or payable by the Bank. Dividends are recognised once the dividend has been declared and notification has been received by our investment advisor of the investment portfolio.

1.5 Resources expended

Liabilities are recognised as expenditure once there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated to the charitable activity in the statement of financial activities.

Costs of raising funds are those costs incurred in managing the Foundation's investment portfolio.

THE JEAN SHANKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant are outside of the control of the charity.

Provisions for grants are made when the intention to make the grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

A provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the charity that would permit the charity to avoid making the future payments, settlement is probable, and the effect of discounting is material. The discount rate used is the rate offered on government bonds (Gilts) for a commensurate or similar time period offered in the year in which the grant award is made.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

1.6 Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Foundation's balance sheet when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

THE JEAN SHANKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2 Critical accounting estimates and judgements

In the application of the Foundation's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees do not believe there to be any judgements or estimates that would be considered critical to the financial statements.

3 Investments

	2018	2017
	£	£
Income from listed investments	437,556	404,941
Interest receivable	1,837	4,682
	<u>439,393</u>	<u>409,623</u>

THE JEAN SHANKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

4 Raising funds

	2018	2017
	£	£
Investment management fees	120,223	109,898
	<u>120,223</u>	<u>109,898</u>
	<u><u>120,223</u></u>	<u><u>109,898</u></u>

5 Charitable activities

	2018	2017
	£	£
Medical Research and Education		
Secretarial expenses	12,544	10,509
Office expenses	865	713
Legal and professional	21,636	21,635
	<u>35,045</u>	<u>32,857</u>
Grant funding of activities (see note 6)	270,006	297,025
Share of governance costs (see note 7)	8,082	7,855
	<u>313,133</u>	<u>337,737</u>
	<u><u>313,133</u></u>	<u><u>337,737</u></u>

THE JEAN SHANKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

6 Grants payable

	2018 £	2017 £
Grants to institutions:		
University of Birmingham	-	15,000
University of Bristol	15,000	15,000
University of Cardiff	15,000	15,000
University of Edinburgh	15,000	6,000
University of Exeter	-	(3,465)
University of Glasgow	7,820	-
King's College, London	15,250	-
University of Leicester	-	15,000
University of Manchester	15,000	15,000
University of Southampton	9,900	15,000
St George's, University of London	15,250	-
University of Cambridge	-	21,000
Academy of Medical Sciences	20,000	-
Pathological Society of Great Britain and Ireland	23,811	33,494
University of Aberdeen	-	6,000
Queens University, Belfast	-	9,925
University of Dundee	13,475	7,820
University of Newcastle	11,500	10,532
University of Oxford	21,000	21,219
University of Hull	-	15,000
Queen Mary, University of London	15,000	15,000
University of Liverpool	-	7,500
University of Sheffield	15,000	15,000
University College London	21,000	21,000
Imperial College London	21,000	21,000
	<u>270,006</u>	<u>297,025</u>

During the year, seventeen grants were made to institutions (2017: twenty).

7 Support costs

	Governance costs £	2018 £	2017 £
Audit fees	8,082	8,082	7,855
	<u>8,082</u>	<u>8,082</u>	<u>7,855</u>
Medical Research and Education	8,082	8,082	7,855
	<u>8,082</u>	<u>8,082</u>	<u>7,855</u>

THE JEAN SHANKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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 £18,000, excluding VAT (2017: £18,000) for his services managing the Foundation on a day to day basis. Four trustees (2017: three) were reimbursed a total of £3,813 (2017: £743) for travel and office expenses.

9 Employees

There were no employees during the year.

10 Net gains on investments

	2018	2017
	£	£
Revaluation of investments	81,544	3,396,496
Gain on sale of investments	4,336	29,510
	<u>85,880</u>	<u>3,426,006</u>

11 Fixed asset investments

	2018	2017
	£	£
Listed investments	<u>23,998,921</u>	<u>23,932,842</u>

THE JEAN SHANKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

11 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares £
Cost or valuation	
At 1 April 2017	23,932,842
Additions	1,237,332
Valuation changes	81,544
Disposals	(1,337,600)
At 31 March 2018	<u>23,914,118</u>
Carrying amount	
At 31 March 2018	<u>23,914,118</u>
At 31 March 2017	<u>23,932,842</u>

12 Financial instruments	2018 £	2017 £
Carrying amount of financial assets		
Equity instruments measured at fair value	<u>23,998,921</u>	<u>23,932,842</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>81,516</u>	<u>96,330</u>

13 Debtors	2018 £	2017 £
Amounts falling due within one year:		
Prepayments and accrued income	<u>14,867</u>	<u>15,339</u>

14 Creditors: amounts falling due within one year	2018 £	2017 £
Accruals and deferred income	<u>81,516</u>	<u>96,330</u>

15 Related party transactions

At 31 March 2018, Mr Eric Rothbarth was owed £21,600 (2017: £21,600) by the Foundation.

During the year, the Foundation paid a grant of £23,811 (2017: £33,494) 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.

THE JEAN SHANKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

16 Cash generated from operations	2018	2017
	£	£
Surplus for the year	91,917	3,387,994
Adjustments for:		
Investment income recognised in statement of financial activities	(439,393)	(409,623)
Gain on disposal of investments	(4,336)	(29,510)
Fair value gains and losses on investments	(81,544)	(3,396,496)
Movements in working capital:		
Decrease in debtors	472	2,395
(Decrease) in creditors	(14,814)	(8,886)
Cash absorbed by operations	<u>(447,698)</u>	<u>(454,126)</u>