

**THE JEAN SHANKS FOUNDATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

# THE JEAN SHANKS FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

---

|                            |   |                         |
|----------------------------|---|-------------------------|
| <b>Trustees</b>            | Mr Eric Rothbarth<br>Dr Julian Axe<br>Professor Sir James Underwood<br>Professor Sir Nicholas Wright<br>Mr Alistair Jones<br>Professor Adrienne Flanagan<br>Professor Mark Arends | (Appointed 8 June 2018) |
| <b>Charity number</b>      | 293108  |                         |
| <b>Principal address</b>   | Peppard Cottage<br>Peppard Common<br>Henley on Thames<br>Oxon<br>United Kingdom<br>RG9 5LB  |                         |
| <b>Auditor</b>             | HW Fisher<br>Acre House<br>11-15 William Road<br>London<br>United Kingdom<br>NW1 3ER  |                         |
| <b>Bankers</b>             | Coutts & Co<br>440 Strand<br>London<br>United Kingdom<br>WC2R 0QS<br><br>Lloyds Banking Group PLC<br>25 Gresham Street<br>London<br>EC2V 7HN                                      |                         |
| <b>Solicitors</b>          | Maurice Turnor Gardner LLP<br>Milton House<br>1 Milton Street<br>London<br>EC2Y 9BH   |                         |
| <b>Investment advisors</b> | Cazenove Capital Management<br>Regency Court<br>Gategny Esplanade<br>St Peter Port<br>Guernsey<br>GY1 3UF   |                         |

---

# THE JEAN SHANKS FOUNDATION

## CONTENTS

---

|   | <b>Page</b> |
|---|-------------|
| Trustees' report                        | 1 - 4       |
| Statement of trustees' responsibilities | 5           |
| Independent auditor's report            | 6 - 7       |
| Statement of financial activities       | 8           |
| Balance sheet                           | 9           |
| Statement of cash flows                 | 10          |
| Notes to the financial statements       | 11 - 17     |

---

# THE JEAN SHANKS FOUNDATION

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2019

---

The Trustees present their report and financial statements for the year ended 31 March 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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)" (as amended for accounting periods commencing from 1 January 2016)

#### **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 to be awarded to scientists and other people and establishments involved in branches of medical and related sciences.

The Foundation provides research awards in the general medical field but primarily in histopathology 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 on public benefit 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 £484,801 (2018: £439,393) and gains on investments of £323,863 (2018: £85,880).

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 5 grants totalling £327,792 (2018: 17 totalling £270,006). The Trustees aim to make grants to more individuals who are doing research at leading medical institutions in the future. It was disappointing that not all the grants that were awarded were taken up by the applicants. This is a new policy as the Foundation no longer gives intercalated awards.

The Trustees require a written report annually from each person who receives a grant. These are reviewed by the medical committee and the Pathological Society of Great Britain and Ireland where the award is joint funded.

The Foundation has made a good start to the current financial year and has continued to weather 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 2019.

# THE JEAN SHANKS FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

---

#### Financial review

For the year ended 31 March 2019, the results show total net movement in funds of £328,948 (2018: £91,917) and net assets of £24,579,952 (2018: £24,251,004).

The incoming funds were received from the portfolio managed by Messrs Cazenove Capital Management as investment income of £481,288 (2018: £437,556) and bank interest of £3,513 (2018: £1,837). The charity had valuation gains on its portfolio amounting to £323,863 (2018: £85,880).

Corporate governance expenditure amounted to £8,202 (2018: £8,082), investment management charges amounted to £109,819 (2018: £120,223) and direct administration and legal and professional fees amounted to £33,903 (2018: £35,045). These costs combined represent 0.62% (2018: 0.67%) 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 financial statements amounting to £327,792 (2018: £270,006).

#### 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 foundation's policy is to distribute substantially all its income. The invested assets are in effect, a financial reserve. The grants made in recent financial years have been broadly equivalent to the foundations income. It is planned that this level of expenditure can be maintained in the future with a minimum amount of reserves at £15m. This level of reserves was maintained throughout the year.

#### Grant Making Policy

Three MBPhD. awards were given in 2016-17 and these will continue until late 2019 when the MBPhD. candidates will have completed their studies.

The Fellowship grants (jointly funded with the Pathological Society of Great Britain and Ireland) continue and are progressing well. The take up has been slower than anticipated but is now on track.

#### Future Grants

The Foundation has changed its grant making policy as previously reported. The Foundation will continue the 3 year Research grants (maximum of three at any one time) until these are completed. The cost of these grants are shared equally with the Pathological Society of Great Britain and Ireland.

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 in the five years to 2023 to develop bursaries which will include pre-doctoral academic clinical fellowships, clinical PhD fellowships, clinical lecturer support and clinician scientists. Both parties believe that this will grow during the course of this financial year as more suitably qualified candidates are found and accept our offer to fund research.

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 2019

---

#### 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 2019, £517,055 (2018: £911,329) of the charity's cash was held by Messrs Cazenove Capital Management as part of the investment portfolio. A further £319 (2018: £317) was held in a 90 day notice account, and £223,529 (2018: £248,167) in a reserve account at Coutts.

#### Structure, governance and management

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

The Trustees who served during the year were:

Mr Eric Rothbarth  
Professor Andrew Carr (Resigned 8 June 2018)  
Dr Julian Axe  
Professor Sir James Underwood  
Professor Sir Nicholas Wright  
Mr Alistair Jones  
Professor Adrienne Flanagan  
Professor Mark Arends (Appointed 8 June 2018)

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 2019**

---

### Public benefit

The sections of this report above entitled "Objectives and Activities of the Charity" and "Review of Activities" set out The Jean Shanks Foundation's objectives, and report on the activity and successes in the period to 31 March 2019, 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 the extent to which these activities are of benefit to the public 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: .....

# THE JEAN SHANKS FOUNDATION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### *FOR THE YEAR ENDED 31 MARCH 2019*

---

The trustees are responsible for preparing the Trustees' Report and the financial statements 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 financial statements 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 financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 financial statements 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 financial statements of The Jean Shanks Foundation (the 'Foundation') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 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 financial statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements 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 financial statements are authorised for issue.

#### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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 financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements 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 financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 auditor 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 financial statements 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 financial statements.

A further description of our responsibilities for the audit of the financial statements 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 matter which are required to address**

Your attention is drawn to the fact that the charity has prepared financial statements 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)" (as amended) 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 financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2016.

#### **Use of our report**

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.

**HW Fisher**

#### **Chartered Accountants**

#### **Statutory Auditor**

#### **Acre House**

11-15 William Road  
London  
United Kingdom  
NW1 3ER

HW Fisher 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 2019**

---

|                                       | Notes | 2019<br>£   | 2018<br>£   |
|---------------------------------------|-------|-------------|-------------|
| <b>Income from:</b>                   |       |             |             |
| Investments                           | 3     | 484,801     | 439,393     |
|                                       |       | <hr/>       | <hr/>       |
| <b>Expenditure on:</b>                |       |             |             |
| <u>Raising funds</u>                  |       |             |             |
| Investment management                 | 4     | 109,819     | 120,223     |
|                                       |       | <hr/>       | <hr/>       |
| Charitable activities                 | 5     | 369,897     | 313,133     |
|                                       |       | <hr/>       | <hr/>       |
| <b>Total resources expended</b>       |       | 479,716     | 433,356     |
|                                       |       | <hr/>       | <hr/>       |
| Net gains on investments              | 10    | 323,863     | 85,880      |
|                                       |       | <hr/>       | <hr/>       |
| <b>Net movement in funds</b>          |       | 328,948     | 91,917      |
|                                       |       | <hr/>       | <hr/>       |
| Fund balances at 1 April 2018         |       | 24,251,004  | 24,159,087  |
|                                       |       | <hr/>       | <hr/>       |
| <b>Fund balances at 31 March 2019</b> |       | 24,579,952  | 24,251,004  |
|                                       |       | <hr/> <hr/> | <hr/> <hr/> |

# THE JEAN SHANKS FOUNDATION

## BALANCE SHEET

AS AT 31 MARCH 2019

---

|   |       | 2019             |                   | 2018            |                   |
|---|-------|------------------|-------------------|-----------------|-------------------|
|   | Notes | £                | £                 | £               | £                 |
| <b>Fixed assets</b>                                   |       |                  |                   |                 |                   |
| Investments   | 11    |                  | 24,422,245        |                 | 23,998,921        |
| <b>Current assets</b>                                 |       |                  |                   |                 |                   |
| Debtors   | 13    | 11,513           |                   | 14,867          |                   |
| Cash at bank and in hand                              |       | 347,104          |                   | 318,732         |                   |
|   |       | <u>358,617</u>   |                   | <u>333,599</u>  |                   |
| <b>Creditors: amounts falling due within one year</b> | 14    | <u>(200,910)</u> |                   | <u>(81,516)</u> |                   |
| Net current assets                                    |       |                  | 157,707           |                 | 252,083           |
| <b>Total assets less current liabilities</b>          |       |                  | <u>24,579,952</u> |                 | <u>24,251,004</u> |
| <b>Income funds</b>                                   |       |                  |                   |                 |                   |
| Unrestricted funds                                    |       |                  | 24,579,952        |                 | 24,251,004        |
|   |       |                  | <u>24,579,952</u> |                 | <u>24,251,004</u> |

The financial statements were approved by the Trustees on .....

.....  
Mr Eric Rothbarth  
Trustee

.....  
Professor Sir James Underwood  
Trustee

# THE JEAN SHANKS FOUNDATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

---

|   | Notes | 2019<br>£         | £                 | 2018<br>£         | £                 |
|---|-------|-------------------|-------------------|-------------------|-------------------|
| <b>Cash flows from operating activities</b>         |       |                   |                   |                   |                   |
| Cash absorbed by operations                         | 16    |                   | (247,149)         |                   | (327,475)         |
| <b>Investing activities</b>                         |       |                   |                   |                   |                   |
| Cash withdrawn from investment portfolio            |       | 275,000           |                   | 338,000           |                   |
| Interest received                                   |       | 521               |                   | 971               |                   |
|   |       | <u>          </u> |                   | <u>          </u> |                   |
| <b>Net cash generated from investing activities</b> |       |                   | 275,521           |                   | 338,971           |
| <b>Net cash used in financing activities</b>        |       |                   | -                 |                   | -                 |
|   |       |                   | <u>          </u> |                   | <u>          </u> |
| <b>Net increase in cash and cash equivalents</b>    |       |                   | 28,372            |                   | 11,496            |
| Cash and cash equivalents at beginning of year      |       |                   | 318,732           |                   | 307,236           |
|   |       |                   | <u>          </u> |                   | <u>          </u> |
| <b>Cash and cash equivalents at end of year</b>     |       |                   | <u>347,104</u>    |                   | <u>318,732</u>    |

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2019

---

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

The financial statements 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.

##### 1.2 Going concern

At the time of approving the financial statements, 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 financial statements.

##### 1.3 Charitable funds

All of the Foundation's funds are unrestricted funds, which are available for use at the discretion of the trustees in furtherance of their charitable objectives.

##### 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 2019

---

#### 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.

##### **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.

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

---

#### 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

|                                | 2019                  | 2018                  |
|--------------------------------|-----------------------|-----------------------|
|                                | £                     | £                     |
| Income from listed investments | 481,288               | 437,556               |
| Interest receivable            | 3,513                 | 1,837                 |
|                                | <u>484,801</u>        | <u>439,393</u>        |
|                                | <u><u>484,801</u></u> | <u><u>439,393</u></u> |

#### 4 Raising funds

|                            | 2019                  | 2018                  |
|----------------------------|-----------------------|-----------------------|
|                            | £                     | £                     |
| Investment management fees | 109,819               | 120,223               |
|                            | <u>109,819</u>        | <u>120,223</u>        |
|                            | <u><u>109,819</u></u> | <u><u>120,223</u></u> |



# THE JEAN SHANKS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 5 Charitable activities

|  | 2019           | 2018           |
|--|----------------|----------------|
|  | £              | £              |
| <b>Medical Research and Education</b>    |                |                |
| Secretarial expenses                     | 11,904         | 12,544         |
| Office expenses                          | 334            | 865            |
| Legal and professional                   | 21,665         | 21,636         |
|  | <u>33,903</u>  | <u>35,045</u>  |
| Grant funding of activities (see note 6) | 327,792        | 270,006        |
| Share of governance costs (see note 7)   | 8,202          | 8,082          |
|  | <u>369,897</u> | <u>313,133</u> |

#### 6 Grants payable

|   | 2019           | 2018           |
|---|----------------|----------------|
|   | £              | £              |
| Grants to institutions:                           |                |                |
| University of Bristol                             | -              | 15,000         |
| University of Cardiff                             | -              | 15,000         |
| University of Edinburgh                           | -              | 15,000         |
| University of Glasgow                             | -              | 7,820          |
| King's College, London                            | -              | 15,250         |
| University of Manchester                          | -              | 15,000         |
| University of Southampton                         | -              | 9,900          |
| St George's, University of London                 | -              | 15,250         |
| Academy of Medical Sciences                       | -              | 20,000         |
| Pathological Society of Great Britain and Ireland | 122,266        | 23,811         |
| University of Dundee                              | -              | 13,475         |
| University of Newcastle                           | -              | 11,500         |
| University of Oxford                              | 21,000         | 21,000         |
| Queen Mary, University of London                  | 142,526        | 15,000         |
| University of Sheffield                           | -              | 15,000         |
| University College London                         | 21,000         | 21,000         |
| Imperial College London                           | 21,000         | 21,000         |
|   | <u>327,792</u> | <u>270,006</u> |

During the year, 5 grants were made to institutions (2018: 17).

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

---

#### 7 Support costs

|                                   | Governance<br>costs<br>£ | 2019<br>£    | 2018<br>£    |
|-----------------------------------|--------------------------|--------------|--------------|
| Audit fees                        | 8,202                    | 8,202        | 8,082        |
|                                   | <u>8,202</u>             | <u>8,202</u> | <u>8,082</u> |
| Medical Research and<br>Education | 8,202                    | 8,202        | 8,082        |
|                                   | <u>8,202</u>             | <u>8,202</u> | <u>8,082</u> |

#### 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 (2018: £18,000) for his services managing the Foundation on a day to day basis. Three trustees (2018: four) were reimbursed a total of £6,959 (2018: £3,813) for travel and office expenses.

#### 9 Employees

There were no employees during the year.

#### 10 Net gains on investments

|                                    | 2019<br>£      | 2018<br>£     |
|------------------------------------|----------------|---------------|
| Revaluation of investments         | 385,903        | 81,544        |
| (Loss)/gain on sale of investments | (62,040)       | 4,336         |
|                                    | <u>323,863</u> | <u>85,880</u> |

---

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 11 Fixed asset investments

|                                 | Investments<br>£  | Cash in portfolio<br>£ | Total<br>£        |
|---------------------------------|-------------------|------------------------|-------------------|
| <b>Cost or valuation</b>        |                   |                        |                   |
| At 1 April 2018                 | 23,087,592        | 911,329                | 23,998,921        |
| Additions                       | 2,776,019         | (2,776,019)            | -                 |
| Valuation changes               | 385,903           | -                      | 385,903           |
| Cash withdrawn                  | -                 | (275,000)              | (275,000)         |
| Dividends and interest received | -                 | 484,280                | 484,280           |
| Investment management           | -                 | (109,819)              | (109,819)         |
| Disposals                       | (2,344,324)       | 2,282,284              | (62,040)          |
|                                 | <u>23,905,190</u> | <u>517,055</u>         | <u>24,422,245</u> |
| <b>Carrying amount</b>          |                   |                        |                   |
| At 31 March 2019                | <u>23,905,190</u> | <u>517,055</u>         | <u>24,422,245</u> |
| At 31 March 2018                | <u>23,087,592</u> | <u>911,329</u>         | <u>23,998,921</u> |

#### 12 Financial instruments

|   | 2019<br>£         | 2018<br>£         |
|---|-------------------|-------------------|
| <b>Carrying amount of financial assets</b>      |                   |                   |
| Equity instruments measured at fair value       | 24,422,245        | 23,998,921        |
|   | <u>24,422,245</u> | <u>23,998,921</u> |
| <b>Carrying amount of financial liabilities</b> |                   |                   |
| Measured at amortised cost                      | 200,910           | 81,516            |
|   | <u>200,910</u>    | <u>81,516</u>     |

#### 13 Debtors

|   | 2019<br>£     | 2018<br>£     |
|---|---------------|---------------|
| <b>Amounts falling due within one year:</b> |               |               |
| Prepayments and accrued income              | 11,513        | 14,867        |
|   | <u>11,513</u> | <u>14,867</u> |

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

|                              | 2019<br>£      | 2018<br>£     |
|------------------------------|----------------|---------------|
| Grants payable               | 142,526        | 20,000        |
| Accruals and deferred income | 58,384         | 61,516        |
|                              | <u>200,910</u> | <u>81,516</u> |

Grants payable at 31 March 2018 were all settled during the year ended 31 March 2019. The balance at 31 March 2019 relates to a single grant to be paid in three equal installments over the next three years.

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

---

#### 15 Related party transactions

At 31 March 2019, Mr Eric Rothbarth was owed £21,600 (2018: £21,600) by the Foundation.

During the year, the Foundation paid a grant of £122,266 (2018: £23,811) 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. In addition, Professor Mark Arends, a trustee of the Foundation, is a Trustee and General Secretary of the Pathological Society of Great Britain & Ireland.

| 16 Cash generated from operations                                 | 2019             | 2018             |
|---|------------------|------------------|
|   | £                | £                |
| Surplus for the year  | 328,948          | 91,917           |
| Adjustments for:  |                  |                  |
| Investment income recognised in statement of financial activities | (484,801)        | (439,393)        |
| Loss/(gain) on disposal of investments                            | 62,040           | (4,336)          |
| Fair value gains and losses on investments                        | (385,903)        | (81,544)         |
| Investment management fees from portfolio                         | 109,819          | 120,223          |
| Movements in working capital:                                     |                  |                  |
| Decrease in debtors   | 3,354            | 472              |
| Increase/(decrease) in creditors                                  | 119,394          | (14,814)         |
| <b>Cash absorbed by operations</b>                                | <b>(247,149)</b> | <b>(327,475)</b> |