

**THE JEAN SHANKS FOUNDATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# THE JEAN SHANKS FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

---

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

---

# THE JEAN SHANKS FOUNDATION

## CONTENTS

---

	<b>Page</b>
Trustees' report	1 - 4
Statement of trustees' responsibilities	5
Independent auditor's report	6 - 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 19

---

# THE JEAN SHANKS FOUNDATION

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2021

---

The Trustees present their report and financial statements for the year ended 31 March 2021.

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 documents, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

#### **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 pathology 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 £357,084 (2020: £604,128) and a net gain on investments of £5,326,769 (2020: loss of £2,534,691).

The Trustees have appointed Cazenove Capital Management, an investment manager, to advise and manage the funds and to invest these funds with the aim of generating, on average, the sum of 4% plus consumer purchase index annual return and losses of no more than 15% in any one year.

The Foundation made 15 grants totaling £773,864 (2020: 9 totaling £583,599). 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. The Foundation no longer gives intercalated awards but is making larger awards in a joint scheme with the Pathological Society of Great Britain and Ireland.

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 2021, albeit by means of a conference video call.

The effect of the Covid pandemic was not significant in that the grants continued and the recipients were able to continue their research other than two recipients who have extended their research time by 6 months. The investments have recovered their 2020 losses and made significant gains in line with the stock markets.

# THE JEAN SHANKS FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### Financial review

For the year ended 31 March 2021, the results show total net increase in funds of £4,758,407 (2020: £2,667,879 decrease) and net assets of £26,670,480 (2020: £21,912,073). This decrease was largely due to a fall in the equity markets as a result of Covid 19.

The incoming funds were received from the portfolio managed by Messrs Cazenove Capital Management as investment income of £356,679 (2020: £602,723) and bank interest of £405 (2020: £1,405). The charity had valuation gain on its portfolio amounting to £4,012,343 (2020: loss of £2,705,682).

Corporate governance expenditure amounted to £11,022 (2020: £8,482), investment management charges amounted to £113,870 (2020: £109,025) and direct administration and legal and professional fees amounted to £26,690 (2020: £36,210). These costs combined represent 0.69% (2020: 0.69%) 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 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 1.25%. The charitable grants made to medical institutions are shown in Note 6 to the financial statements amounting to £773,864 (2020: £583,599).

#### 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

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 moving towards the level that was initially predicted.

The Grant is recognised in the financial statements when the recipient is informed in writing that they have been selected to receive the grant and the recipient confirms their willingness to accept the award. The expenditure is recognised as incurred and offset against the total liability of that grant.

#### Future Grants

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 clinical intermediate fellowships. 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.

#### Trustees induction, training and remuneration

The Trustees are selected because of their skills in either medicine or their speciality in administration, finance or law.

The Trustees are or have been trustees of other charities. The medical trustees receive training from the conferences etc. that they attend. The non-medical Trustees also attend courses offered Cazenove Asset Management and other relevant courses.

The Trustees are not remunerated other than Eric Rothbarth who deals with the day to day matters of the Foundation and manages the Foundation with respect to all its activities (fund managers, banking relationships, legal and audit as well as the website, IT needs, applications for grants) and the Foundation's relations with its stakeholders.

#### 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

# THE JEAN SHANKS FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### **Covid-19**

The Trustees have carefully considered the effect of the Covid-19 outbreak and whilst it has had an effect on the Charity, this has not had a material effect on the Charity's ability to continue its activities in the future. The investment portfolio saw a significant recovery in the valuation in the year which has continued into the current financial year. In regards to our activities, as an effect of Covid-19, some of the grantees have either been deferred by 3 months or are working from home.

#### **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 6% 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 2021, £548,369 (2020: £476,001) of the charity's cash was held by Messrs Cazenove Capital Management as part of the investment portfolio. A further £320 (2020: £320) was held in a 90 day notice account, £500 (2020: £500) in a current account at Coutts and £222,033 (2020: £222,976) 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  
Dr Julian Axe  
Professor Sir James Underwood  
Professor Sir Nicholas Wright  
Mr Alistair Jones  
Professor Adrienne Flanagan  
Professor Mark Arends

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 2021**

---

### **Public benefit**

The sections of this report above entitled "Objectives and Activities of the Charity" and "Achievements and Performance" set out The Jean Shanks Foundation's objectives, and report on the activity and successes in the period to 31 March 2021, as well as explaining the plans for the current financial year. The Jean Shanks Foundation's work benefits medical practitioners 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: 5 August 2021

# THE JEAN SHANKS FOUNDATION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### *FOR THE YEAR ENDED 31 MARCH 2021*

---

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 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP, FRS 102 and Charities Act 2011.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates. There were no accounting estimates that would be considered critical to the financial statements.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the validity of the classification of income, expenditure, assets and liabilities between unrestricted and restricted funds.
- Obtaining third-party confirmation of material bank balances.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the charity board minutes for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

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

# THE JEAN SHANKS FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE JEAN SHANKS FOUNDATION

---

#### **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 financial statements 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 2019.

#### **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 LLP**

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

6 August 2021

HW Fisher LLP 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 2021

---

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<b>Income from:</b>			
Investments	3	357,084	604,128
		<hr/>	<hr/>
<b>Expenditure on:</b>			
Raising funds	4	113,870	109,025
		<hr/>	<hr/>
Charitable activities	5	811,576	628,291
		<hr/>	<hr/>
<b>Total resources expended</b>		925,446	737,316
		<hr/>	<hr/>
Net gains/(losses) on investments	10	5,326,769	(2,534,691)
		<hr/>	<hr/>
<b>Net movement in funds</b>		4,758,407	(2,667,879)
		<hr/>	<hr/>
Fund balances at 1 April 2020		21,912,073	24,579,952
		<hr/>	<hr/>
<b>Fund balances at 31 March 2021</b>		26,670,480	21,912,073
		<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# THE JEAN SHANKS FOUNDATION

## BALANCE SHEET

AS AT 31 MARCH 2021

---

		2021		2020	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	11		27,455,925		22,180,882
<b>Current assets</b>					
Debtors	13	11,767		14,414	
Cash at bank and in hand		351,711		337,263	
		<u>363,478</u>		<u>351,677</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(507,055)</u>		<u>(297,932)</u>	
Net current (liabilities)/assets			(143,577)		53,745
<b>Total assets less current liabilities</b>			<u>27,312,348</u>		<u>22,234,627</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(641,868)		(322,554)
<b>Net assets</b>			<u>26,670,480</u>		<u>21,912,073</u>
<b>Income funds</b>					
Unrestricted funds			26,670,480		21,912,073
			<u>26,670,480</u>		<u>21,912,073</u>

The financial statements were approved by the Trustees on 5 August 2021

Mr Eric Rothbarth  
Trustee

Mr Alistair Jones  
Trustee

# THE JEAN SHANKS FOUNDATION

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2021**

---

		2021		2020	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	17		(285,610)		(210,290)
<b>Investing activities</b>					
Cash withdrawn from investment portfolios		300,000		200,000	
Interest received		58		449	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from investing activities</b>			300,058		200,449
<b>Net cash used in financing activities</b>			-		-
			<u>          </u>		<u>          </u>
<b>Net increase/(decrease) in cash and cash equivalents</b>			14,448		(9,841)
Cash and cash equivalents at beginning of year			337,263		347,104
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<u>351,711</u>		<u>337,263</u>

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### 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

The Trustees have considered the effect of the Covid-19 outbreak, that has been spreading throughout the world, on the charity's activities. The Trustees saw the effect of the outbreak during the period of the financial statements, with a fall in the market value of its investments. However, the Trustees believe that this outbreak is unlikely to cause a significant disruption to the charities income and continuing activities. The main effect the charity has seen is a fall in the value of investments, however since the end of the year, investments have started to grow again. Grantee's have also had to delay their work, or work from home, but this is not considered a long-term issue.

The trustees therefore consider that the outbreak is unlikely to cause a significant disruption to the charity's activities and are confident that the charity can continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. The trustees believe that there are adequate resources and also have significant investments to be able to continue its activities.

##### 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 2021

---

#### 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. Where no conditions exist, the full grant payable is recognised in the year the grant offer has been communicated.

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 2021

---

#### 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

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Income from listed investments	356,679	602,723
Interest receivable	405	1,405
	<u>357,084</u>	<u>604,128</u>

#### 4 Raising funds

	2021	2020
	£	£
Investment management fees	113,870	109,025
	<u>113,870</u>	<u>109,025</u>

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### 5 Charitable activities

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Medical Research and Education</b>		
Secretarial expenses	1,308	7,148
Office expenses	3,777	1,389
Legal and professional	21,605	21,665
Grant administration costs	-	6,008
	<hr/>	<hr/>
	26,690	36,210
Grant funding of activities (see note 6)	773,864	583,599
Share of governance costs (see note 7)	11,022	8,482
	<hr/>	<hr/>
	<u>811,576</u>	<u>628,291</u>

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 6 Grants payable

	<b>Total 2021 £</b>	Total 2020 £
Grants to institutions:		
Queen Mary, University of London	47,509	-
University of Sheffield	71,689	118,446
University College London	206,310	123,643
University of Oxford	-	14,721
Acedemy of Medical Science	25,000	25,000
University of Cambridge	104,352	146,679
University of Southampton	43,824	105,194
University of Leeds	74,903	49,916
Western General Hospital	39,996	-
University of Edinburgh	68,750	-
Univeristy of Portsmouth	33,195	-
Coventry Warwick	39,991	-
Other	18,345	-
	<u>773,864</u>	<u>583,599</u>

During the year, 15 grants were made to institutions (2020: 8).

<b>Reconciliation of grants payable</b>	<b>2021 £</b>	2020 £
Commitments made in the year	773,864	583,599
Grants paid during the year	(249,238)	(163,941)
Commitments as at 1 April 2020	562,184	142,526
Commitments as at 31 March 2021	<u>1,086,810</u>	<u>562,184</u>

#### 7 Support costs

	<b>Support costs £</b>	<b>Governance costs £</b>	<b>2021 £</b>	Support costs £	Governance costs £	2020 £
Audit fees	-	11,022	11,022	-	8,482	8,482
	<u>-</u>	<u>11,022</u>	<u>11,022</u>	<u>-</u>	<u>8,482</u>	<u>8,482</u>
Analysed between						
Charitable activities	-	11,022	11,022	-	8,482	8,482
	<u>-</u>	<u>11,022</u>	<u>11,022</u>	<u>-</u>	<u>8,482</u>	<u>8,482</u>

Governance costs includes payments to the auditors of £11,022 (2020: £8,482) for audit fees.

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 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 (2020: £18,000) for his services managing the Foundation on a day to day basis. One trustee (2020: four) was reimbursed a total of £1,748 (2020: £4,466) for travel and office expenses.

#### 9 Employees

There were no employees during the year.

#### 10 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Revaluation of investments	4,012,343	(2,705,682)
Gain/(loss) on sale of investments	1,314,426	170,991
	<u>5,326,769</u>	<u>(2,534,691)</u>

#### 11 Fixed asset investments

	Investments £	Cash in portfolio £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	21,704,881	476,001	22,180,882
Additions	13,166,462	(13,166,462)	-
Valuation changes	4,012,343	-	4,012,343
Cash withdrawn	-	(300,000)	(300,000)
Investment management fees	-	(110,179)	(110,179)
Dividends and interest received	-	358,453	358,453
Disposals	(11,976,130)	13,290,556	1,314,426
	<u>26,907,556</u>	<u>548,369</u>	<u>27,455,925</u>
At 31 March 2021	26,907,556	548,369	27,455,925
	<u>26,907,556</u>	<u>548,369</u>	<u>27,455,925</u>
<b>Carrying amount</b>			
At 31 March 2021	26,907,556	548,369	27,455,925
	<u>26,907,556</u>	<u>548,369</u>	<u>27,455,925</u>
At 31 March 2020	21,704,881	476,001	22,180,882
	<u>21,704,881</u>	<u>476,001</u>	<u>22,180,882</u>

#### 12 Financial instruments

	2021	2020
	£	£
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	26,907,556	21,704,881
	<u>26,907,556</u>	<u>21,704,881</u>

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

---

<b>13 Debtors</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	11,767	14,414
	<u>          </u>	<u>          </u>
<b>14 Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other creditors	444,942	239,630
Accruals and deferred income	62,113	58,302
	<u>          </u>	<u>          </u>
	<u>507,055</u>	<u>297,932</u>
<b>15 Creditors: amounts falling due after more than one year</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other creditors	641,868	322,554
	<u>          </u>	<u>          </u>

### 16 Related party transactions

At 31 March 2021, Mr Eric Rothbarth was owed £21,600 (2020: £21,600) by the Foundation.

During the year, included within grants payable is £748,862 (2020: £548,160). These amounts represent grants which are payable to The Pathological Society of Great Britain & Ireland, who then grant these amounts to the institutions, under the terms of agreement. Under this agreement, The Foundation and The Pathological Society of Great Britain & Ireland share grants payable 50/50. The balance outstanding at the year end is £1,125,103 (2020: £562,184). 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.

