

**THE JEAN SHANKS FOUNDATION  
TRUSTEES' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 5 APRIL 2011**

# THE JEAN SHANKS FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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

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# THE JEAN SHANKS FOUNDATION

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# THE JEAN SHANKS FOUNDATION

## TRUSTEES' REPORT

*FOR THE YEAR ENDED 5 APRIL 2011*

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The Trustees present their report and accounts for the year ended 5 April 2011.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's governing document, applicable law and requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in March 2005.

### **Structure, governance and management**

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

The Trustees who served during the year were:

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

The power of appointing new or additional Trustees is vested in the Board of Trustees. The Trustees meet six monthly to assess grant applications, review current and ongoing projects and to review the Foundation's investment portfolio.

The Trustees are responsible for deciding the overall strategy of the Foundation and monitoring progress. One Trustee (Mr Eric Rothbarth) is delegated by the Board of Trustees to manage the day-to-day operation of the charity as the Managing Trustee.

### **Objectives and activities**

The Foundation's objects are to ensure the advancement and promotion of medical research and education and the dissemination of the results of such research, the establishment and maintenance of scholarships grants and prizes to be awarded to scientists and other persons involved in branches of medical and related sciences.

The Foundation funds intercalated year awards to allow medical students the benefit of an extra year's research during their training. It also provides research awards in the general medical field and funds research and other projects where appropriate and in keeping with its aims.

All of the Foundation's objects are recognised by English law to be exclusively charitable.

The Trustees meet regularly with the Foundation's investment advisors to evaluate the performance of its portfolio.

# THE JEAN SHANKS FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 5 APRIL 2011*

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### Achievements and performance

During the year the Foundation's investments performed in line with many other charity portfolios. The Foundation had investment income of £313,811 (2010: £309,742) and gains on investment of £899,710 (2010: £2,656,456). The Foundation also received the final amount from Dr Jean Shanks Will Trust of £39,505 (2010: £1,193,499). The Foundation had a deficit on income, before gains on investments but including voluntary contributions, of £23,887 (2010: £1,158,748 surplus).

The Trustees have appointed Schroder & Co Limited, an investment bank, to manage the funds and to invest these funds with the aim of generating, on average, a 7% annual return and losses of no more than 15% in any one year.

The Foundation made 28 institutional grants totalling £340,001 (2010: 24 totalling £306,640). The increase in the number of institutions was a result of now allowing Scottish universities to benefit from the intercalated grants. The Trustees aim to make grants to more institutions in the future and has also increased the level of funding for intercalated grants following the Government's decision to increase university fees.

The Trustees require a written report annually from each person who receives a grant. The university reviews the work done and may apply to the Foundation for the recipient to be awarded a prize from the Foundation for the best work. The medical school will forfeit the following year's grant if no report is submitted.

The Foundation has made a good start to the current financial year and has weathered the markets well in these volatile times. The Foundation remains conservatively invested.

The Finance Committee has met quarterly amongst themselves and have met with the investment advisors on a regular basis. The investment advisors have also attended the Trustee meetings.

The Foundation is very grateful to Professor Sir Dillwyn Williams for his services as a Trustee and for his sage counsel and advice. We wish him well for the future.

### Financial review

For the year ended 5 April 2011, the results show a net deficit of incoming resources under resources expended of £23,887 (2010: surplus of £1,158,748) and net assets of £18,010,945 (2010: £17,135,122).

The incoming funds were received from the portfolio managed by Messrs Schroders as investment income of £276,550 (2010: £272,979), bank interest of £37,261 (2010: £36,763) and an additional legacy from the Dr Jean Shanks Will Trust of £39,505 (2010: £1,193,499). The charity also incurred gains on its portfolio amounting to £899,710 (2010: £2,656,456).

The expenditure incurred was for the corporate governance of the Charity amounting to £6,955 (2010: £6,146), investment management rebate of £2,549 (2010: £956 cost) and administration and legal and professional fees of £32,796 (2010: £30,751). These costs combined represent 0.0018% (2010: 0.0018%) of the fund. The charitable grants made to medical institutions were made as follows:

	2011	2010
	£	£
Intercalated grants to medical students contributing to an extra year's study	161,000	135,000
Hardship grants for medical students suffering undue financial hardship	-	3,000
Fellowships allowing up to 3 years' medical research	90,001	85,640
MBPhD awards allowing extra funding for medical research	69,000	63,000
Direct funding	20,000	20,000
	<hr/> <b>340,001</b> <hr/>	<hr/> <b>306,640</b> <hr/>

# THE JEAN SHANKS FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 5 APRIL 2011*

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### 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 5 April 2011 were £18,010,945 which is £875,823 higher than at 5 April 2010.

### Grant making policy

The Foundation continues to support intercalated grants to UK Medical Schools. The Foundation changed its policy during the year to allow one intercalated grant per Medical School which now includes England, Scotland, Wales and Northern Ireland. In addition the Foundation has agreed to support a number of pilot research schemes, MBPhDs and fellowship awards. There is now one grant per medical school and will be either an intercalated or MBPhD award.

The Foundation will also, in conjunction with the Royal College of Pathologists, fund fellowships (a three year programme) and up to two annual awards for research (pilot awards). It had also just made an agreement with the Pathological Society to fund half a grant for a Research Training Fellowship.

The Trustees have considered the major risks to which the Foundation may be exposed, and are satisfied that systems are in place to mitigate exposure to these risks.

### Investment policy

The Trustees regularly review their investment strategy and have agreed the following guidelines for their investment managers. The objective is to receive an average investment return of 7% per annum in money terms over the longer term. The constraints are that:

1. There is no great need for liquidity.
2. The portfolio should be managed on a total (capital and income) return basis but with a minimum annual distribution of 4%.
3. The Trustees are looking at a medium term time horizon being 3-7 years.
4. The Trustees employ Messrs Schroders' Investment Management Services, a firm of investment managers, to manage the portfolio.

At 5 April 2011, £1,510,536 (2010: £2,445,559) of the charity's Bank & Cash balance was held by Messrs Schroders' Investment Management Services as part of the investment portfolio. A further £250,000 was held at Coutts in a 90 day notice account.

### Public Benefit

The sections of this report above entitled "Objectives and Activities of the Charity" and "Review of Activities" sets out The Jean Shanks Foundation objectives and reports on the activity and successes in the year to 5 April 2010 as well as explaining the plans for the current financial year. The Jean Shanks Foundation's work benefits medical practitioners, medical students and medical specialists in carrying further research to further medicine and cures for present and new diseases.

The Trustees have considered this matter and concluded:

1. That the aims of the organisation continue to be charitable;
2. That the aims and the work done give identifiable benefits to the charitable sector and both indirectly and directly to individuals in need;
3. That the benefits are for the public, are not unreasonably restricted in any way and certainly not by ability to pay; and
4. That there is no detriment or harm arising from the aims or activities.

# THE JEAN SHANKS FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 5 APRIL 2011*

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### **Plans for the future**

The Trustees reviewed and accepted grant applications during the year under review. It is the Trustees' intention to continue to review grant applications in future and make grants where they see fit in line with the grant making policy above.

On behalf of the Board of Trustees

**Mr Eric Rothbarth**

Trustee

Dated: .....

# THE JEAN SHANKS FOUNDATION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources of the Foundation for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the accounts comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# THE JEAN SHANKS FOUNDATION

## INDEPENDENT AUDITORS' REPORT

### TO THE TRUSTEES OF THE JEAN SHANKS FOUNDATION

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We have audited the accounts of The Jean Shanks Foundation for the year ended 5 April 2011 set out on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement on page 5, the trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

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

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 5 April 2011, 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 1993.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

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

#### **H W Fisher & Company**

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

Dated: .....

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

# THE JEAN SHANKS FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 5 APRIL 2011

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	Notes	2011 £	2010 £
<b><u>Incoming resources from generated funds</u></b>			
Voluntary income	2	39,505	1,193,499
Investment income	3	313,811	309,742
<b>Total incoming resources</b>		<b>353,316</b>	<b>1,503,241</b>
<b><u>Resources expended</u></b>			
<b>Costs of generating funds</b>			
Investment management (fees rebate)/costs		(2,549)	956
<b>Charitable activities</b>			
Medical research and education		372,797	337,391
Governance costs		6,955	6,146
<b>Total resources expended</b>		<b>377,203</b>	<b>344,493</b>
<b>Net (outgoing)/incoming resources</b>		<b>(23,887)</b>	<b>1,158,748</b>
<b>Other recognised gains and losses</b>			
Gains on investment assets		899,710	2,656,456
<b>Net movement in funds</b>		<b>875,823</b>	<b>3,815,204</b>
Fund balances at 6 April 2010		17,135,122	13,319,918
<b>Fund balances at 5 April 2011</b>		<b>18,010,945</b>	<b>17,135,122</b>

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# THE JEAN SHANKS FOUNDATION

## BALANCE SHEET

AS AT 5 APRIL 2011

	Notes	2011 £	£	2010 £	£
<b>Fixed assets</b>					
Investments	10		16,197,271		14,604,338
<b>Current assets</b>					
Debtors	11	42,451		57,234	
Cash at bank and in hand		1,801,847		2,508,345	
		<u>1,844,298</u>		<u>2,565,579</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(30,624)</u>		<u>(34,795)</u>	
<b>Net current assets</b>			<u>1,813,674</u>		<u>2,530,784</u>
<b>Total assets less current liabilities</b>			<u><u>18,010,945</u></u>		<u><u>17,135,122</u></u>
<b>Income funds</b>					
Unrestricted funds					
Unrestricted income funds		16,234,507		16,307,950	
Revaluation reserve		1,776,438		827,172	
		<u>18,010,945</u>		<u>17,135,122</u>	
			<u><u>18,010,945</u></u>		<u><u>17,135,122</u></u>

The accounts were approved by the Trustees on .....

.....  
Mr Eric Rothbarth  
Trustee

.....  
Professor Andrew Carr  
Trustee

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 5 APRIL 2011

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#### 1 Accounting policies

##### 1.1 Basis of preparation

The accounts are prepared under the historical cost convention modified to include the revaluation of fixed asset investments.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Charities Act 1993.

##### 1.2 Incoming resources

Income has been recognised gross on the basis of entitlement, certainty and measurement.

Bequests are recognised as incoming resources when receivable, except insofar as they are incapable of financial measurement.

##### 1.3 Resources expended

Resources expended are recognised in the period to which they relate. Resources expended include attributable VAT which cannot be recovered, where incurred, by the charity.

Costs of generating funds are those costs incurred in attracting voluntary income, in particular grant funding and the costs of maintaining the charity's profile within the sector.

Expenditure relating to Medical Research and Education are those elements of expenditure directly incurred in performing these activities.

##### 1.4 Investments

Fixed asset investments are stated at the year end market value.

#### 2 Voluntary income

	2011 £	2010 £
Bequests received from the estate of Dr. Jean Shanks	39,505	1,193,499

#### 3 Investment income

	2011 £	2010 £
Income from listed investments	276,550	272,979
Interest receivable	37,261	36,763
	<u>313,811</u>	<u>309,742</u>

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# THE JEAN SHANKS FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2011

#### 4 Total resources expended

	Other costs £	Grant funding £	Total 2011 £	Total 2010 £
<b>Costs of generating funds</b>				
Investment management costs	(2,549)	-	(2,549)	956
<b>Charitable activities</b>				
<u>Medical research and education</u>				
Activities undertaken directly	32,796	-	32,796	30,751
Grant funding of activities	-	340,001	340,001	306,640
Total	<b>32,796</b>	<b>340,001</b>	<b>372,797</b>	337,391
<b>Governance costs</b>	<b>6,955</b>	-	<b>6,955</b>	6,146
	<b>37,202</b>	<b>340,001</b>	<b>377,203</b>	344,493

#### Auditors' remuneration

Fees payable to the auditor for the audit of the Foundation's annual accounts	<b>6,955</b>	6,146
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#### 5 Activities undertaken directly

	2011 £	2010 £
Other costs relating to medical research and education comprise:		
Secretarial expenses	5,000	7,657
Office expenses	6,196	4,636
Legal and professional	21,600	18,458
	<b>32,796</b>	30,751

#### 6 Grants payable

	2011 £	2010 £
Medical research and education	<b>340,001</b>	306,640

During the year twenty-eight grants were made to institutions (2010: twenty-four).

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2011

	2011 £	2010 £
Grants to institutions relating to medical research and education comprise:		
University of Birmingham	7,500	7,500
University of Bristol	7,500	7,500
University of Leeds	7,500	7,500
University of Southampton	7,500	7,500
University of Leicester	7,500	7,500
University of Manchester	7,500	7,500
King's College, London	7,500	7,500
Queen Mary, University of London	7,500	7,500
University of Dundee	6,500	-
University of Oxford	21,000	24,000
University of Cambridge	-	21,000
University of Sheffield	7,500	7,500
University of Hull	7,500	7,500
Royal College of Pathologists	90,001	52,858
St George's, University of London	7,500	7,500
University of Cardiff	7,500	7,500
University of East Anglia	7,500	7,500
University of Liverpool	7,500	7,500
University of Nottingham	20,000	-
Keele University	7,500	7,500
Brighton and Sussex Medical School	7,500	7,500
University of Newcastle	7,500	7,500
Queen's University Belfast	7,500	7,500
Imperial College	21,000	21,000
Royal London Hospital	-	32,782
Academy of Medical Sciences	20,000	20,000
University of Glasgow	8,500	-
London School of Hygiene and Tropical Medicine	5,000	-
University of Edinburgh	6,500	-
University of Aberdeen	6,500	-
	<b>340,001</b>	<b>306,640</b>

#### 7 Governance costs

	2011 £	2010 £
Other governance costs comprise:		
Accountancy and audit costs	6,955	6,146
	<b>6,955</b>	<b>6,146</b>

Governance costs include payments to the auditors for audit fees and preparation of the statutory accounts of £6,500 (2010: £6,000), and under provisions in respect of previous years.

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2011

### 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 (2010: £16,000) for his services managing the Foundation on a day to day basis. Five trustees (2010: five) were reimbursed a total of £3,170 (2010: £2,427) travel and office expenses.

### 9 Employees

There were no employees during the year.

### 10 Fixed asset investments

	£
Market value at 6 April 2010	14,604,338
Disposals at opening book value	(2,132,110)
Acquisitions at cost	2,749,322
Change in value in the year	975,721
<b>Market value at 5 April 2011</b>	<b>16,197,271</b>
Historical cost:	
At 5 April 2011	14,420,833
At 5 April 2010	13,777,166

### 11 Debtors

	2011	2010
	£	£
Income tax recoverable	-	23,499
Prepayments and accrued income	42,451	33,735
	<u>42,451</u>	<u>57,234</u>

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

	2011	2010
	£	£
Accruals	30,624	34,795
	<u>30,624</u>	<u>34,795</u>

# THE JEAN SHANKS FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2011

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#### 13 Related parties

Mr Eric Rothbarth's wife, Mrs Lynda Rothbarth, was commissioned by the Foundation to develop and maintain its website in the period to 31 March 2011. During the year she was paid £500 including VAT (2010: £1,175 including VAT) for this service. This transaction is wholly at arms-length.