

THE JEAN SHANKS FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

THE JEAN SHANKS FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr Eric Rothbarth Dr Julian Axe Professor Sir James Underwood Professor Sir Nicholas Wright Mr Alistair Jones Professor Adrienne Flanagan Professor Mark Arends Professor A MacGregor	(Appointed 14 April 2023)
Charity number	293108	
Principal address	Peppard Cottage Peppard Common Henley on Thames Oxon United Kingdom RG9 5LB	
Auditor	HW Fisher LLP Acre House 11-15 William Road London United Kingdom NW1 3ER	
Bankers	Coutts & Co 440 Strand London United Kingdom WC2R 0QS Lloyds Banking Group PLC 25 Gresham Street London EC2V 7HN	
Solicitors	Maurice Turnor Gardner LLP Milton House 1 Milton Street London EC2Y 9BH	
Investment advisors	Cazenove Capital Management Regency Court Gategny Esplanade St Peter Port Guernsey GY1 3UF	

THE JEAN SHANKS FOUNDATION

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THE JEAN SHANKS FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their report and financial statements for the year ended 31 March 2023.

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 accounts 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, 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 charity's performance. Any applicants for employment would be considered including disabled people.

THE JEAN SHANKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

During the year the Foundation's investments performed in line with many other charity portfolios. The Foundation had investment income of £493,526 (2022: £414,397) and a net loss in value of investments of £1,127,929 (2022: £1,497,359).

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 10 grants totaling £536,246 (2022: 11 totaling £480,706). 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 Foundation reviewed the 2018 agreement with the Pathological Society of Great Britain and Ireland and concluded that the grants made were worthwhile and effective and the joint venture funding was being used correctly, for the benefits outlined in the Trust Agreement and within the confines of the joint venture funding agreement. The Trustees have agreed to extend the agreement for a further 5 year term committing to jointly fund a further £5 million for similar projects with the Pathological Society with effect from 1 January 2023.

These reports are available for review by the Foundation and by the Pathological Society, where appropriate, and a decision is made as to whether continue funding the project.

The Foundation has made a fair 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 2023.

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.

Financial review

For the year ended 31 March 2023, the results show total net loss in funds of £1,297,975 (2022: gain of £1,321,154) and net assets of £27,059,079 (2022: £28,357,054).

The incoming funds were received from the portfolio managed by Messrs Cazenove Capital Management as investment income of £452,189 (2022: £411,940) The charity had valuation loss on its portfolio amounting to £1,127,929 (2022: a gain of £1,497,359). Additionally, in the previous year, a legacy was received from the Estate of Dr Jean Shanks amounting to £52,689. This was not repeated in the year.

Corporate governance expenditure amounted to £15,457 (2022: £9,825), investment management charges amounted to £82,277 (2021: £123,474) and direct administration and legal and professional fees amounted to £29,592 (2022: £29,286). These costs combined represent 0.44 % (2022: 0.56%) of the fund. The investment management fee is due to the legislation regarding commissions payable to advisers which means that the Foundation will pay 0.3% 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 £536,246 (2022: £480,706).

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.

THE JEAN SHANKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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. The Foundation acknowledges its share of the award.

Future Grants

The Foundation has decided that in future (continuing 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 each 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. This agreement has been extended for a further 5 years where each party contributes £2,500,000 over that period.

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 by 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.

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 4% plus consumer price index 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 2023, £2,650,010 (2022: £707,222) of the charity's cash was held by Messrs Cazenove Capital Management as part of the investment portfolio. A further £324 (2022: £320) was held in a 90 day notice account, £500 (2022: £500) in a current account at Coutts and £251,668 (2022: £251,662) 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 and up to the date of approval of the financial statements were:

Mr Eric Rothbarth

Dr Julian Axe

Professor Sir James Underwood

Professor Sir Nicholas Wright

THE JEAN SHANKS FOUNDATION

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Mr Alistair Jones
Professor Adrienne Flanagan
Professor Mark Arends
Professor A MacGregor (Appointed 14 April 2023)

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.

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 2023, 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:

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

On behalf of the Board of Trustees



.....
Mr Eric Rothbarth
Trustee 07 Oct 2023
Dated:

THE JEAN SHANKS FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

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 2023 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 2023 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 most 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.
- 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.
- Obtaining third-party confirmation of material bank and investment 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

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.

Andrew Rich

HW Fisher LLP

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

07 Oct 2023

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 2023

	Notes	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from:			
Voluntary income	3	-	52,689
Investments	4	493,526	414,397
Total income		<u>493,526</u>	<u>467,086</u>
Expenditure on:			
Raising funds	5	<u>82,277</u>	<u>123,474</u>
Charitable activities	6	<u>581,295</u>	<u>519,817</u>
Total resources expended		<u>663,572</u>	<u>643,291</u>
Net gains/(losses) on investments	11	<u>(1,127,929)</u>	<u>1,497,359</u>
Net movement in funds		<u>(1,297,975)</u>	<u>1,321,154</u>
Fund balances at 1 April 2022		<u> </u>	<u> </u>
As originally reported		28,357,054	26,305,060
Prior year adjustment		-	365,420
Fund balances at 1 April 2022		<u>28,357,054</u>	<u>26,670,480</u>
Fund balances at 31 March 2023		<u><u>27,059,079</u></u>	<u><u>28,357,054</u></u>

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 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Investments	12		27,644,861		28,779,258
Current assets					
Debtors	13	14,204		7,236	
Cash at bank and in hand		525,692		368,438	
		<u>539,896</u>		<u>375,674</u>	
Creditors: amounts falling due within one year	14	<u>(765,940)</u>		<u>(569,523)</u>	
Net current liabilities			(226,044)		(193,849)
Total assets less current liabilities			<u>27,418,817</u>		<u>28,585,409</u>
Creditors: amounts falling due after more than one year	15		(359,738)		(228,355)
Net assets			<u><u>27,059,079</u></u>		<u><u>28,357,054</u></u>
Income funds					
Unrestricted funds			<u>27,059,079</u>		<u>28,357,054</u>
			<u><u>27,059,079</u></u>		<u><u>28,357,054</u></u>

07 Oct 2023

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 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	18		(242,746)		(453,624)
Investing activities					
Cash withdrawn from investment portfolios		400,000		470,326	
Interest received				25	
		<u> </u>		<u> </u>	
Net cash generated from investing activities			400,000		470,351
Net cash used in financing activities			-		-
			<u> </u>		<u> </u>
Net increase in cash and cash equivalents			157,254		16,727
Cash and cash equivalents at beginning of year			368,438		351,711
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>525,692</u>		<u>368,438</u>

THE JEAN SHANKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

The Jean Shanks Foundation is a registered charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Foundation's Declaration of Trust, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The Foundation is a Public Benefit Entity as defined by FRS 102.

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 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 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 2023

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 Foundation 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 2023

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 Voluntary income

	Total	Unrestricted funds
	2023	2022
	£	£
Legacies receivable	-	52,689
	<u> </u>	<u> </u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Income from listed investments	452,189	411,940
Interest receivable	41,337	2,457
	<u> </u>	<u> </u>
	<u>493,526</u>	<u>414,397</u>

5 Raising funds

	2023	2022
	£	£
Investment management fees	82,277	123,474
	<u> </u>	<u> </u>
	<u>82,277</u>	<u>123,474</u>

THE JEAN SHANKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable activities

	2023	2022
	£	£
Medical Research and Education		
Secretarial expenses	823	1,738
Office expenses	7,134	5,913
Legal and professional	21,635	21,635
	<hr/>	<hr/>
	29,592	29,286
Grant funding of activities (see note 7)	536,246	480,706
Share of governance costs (see note 8)	15,457	9,825
	<hr/>	<hr/>
	<u>581,295</u>	<u>519,817</u>

THE JEAN SHANKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Grants payable

	Total 2023	Total 2022
	£	£
		As restated
Grants to institutions:		
University of Sheffield	-	16,872
University College London	164,688	59,933
Academy of Medical Science	25,000	25,000
Medical Research Council	-	100,000
Cancer Institutes	1,900	-
University of Glasgow	15,154	-
University of Edinburgh	125,211	20,000
University of Nottingham	-	49,754
Queen Mary University of London	49,669	-
University of Surrey	145,691	150,000
Leeds Institute of Medical Research	-	49,729
Student Scholarships	8,933	-
Other	-	9,418
	<u>536,246</u>	<u>480,706</u>

During the year, 11 grants were made to institutions (2022: 11).

Reconciliation of grants payable

	2023	2022
	£	£
Commitments made in the year	536,246	480,706
Grants paid during the year	(202,490)	(247,768)
Commitments as at 1 April 2022	734,293	562,184
Commitments as at 31 March 2023	<u>1,068,049</u>	<u>795,122</u>

8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Audit fees	-	15,457	15,457	-	9,825	9,825
	<u>-</u>	<u>15,457</u>	<u>15,457</u>	<u>-</u>	<u>9,825</u>	<u>9,825</u>
Analysed between						
Charitable activities	-	15,457	15,457	-	9,825	9,825
	<u>-</u>	<u>15,457</u>	<u>15,457</u>	<u>-</u>	<u>9,825</u>	<u>9,825</u>

THE JEAN SHANKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 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 £21,600 (2021: £21,600) for his services managing the Foundation on a day to day basis. One trustee (2021: one) was reimbursed a total of £3,129 (2021: £3,277) for travel and office expenses.

10 Employees

There were no employees during the current or prior year.

11 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Revaluation of investments	(1,070,913)	543,169
Gain/(loss) on sale of investments	(57,016)	954,190
	<u>(1,127,929)</u>	<u>1,497,359</u>

12 Fixed asset investments

	Investments £	Cash in portfolio £	Total £
Cost or valuation			
At 1 April 2022	28,072,036	707,222	28,779,258
Additions	4,485,944	(4,485,944)	-
Valuation changes	(1,127,929)	-	(1,127,929)
Cash withdrawn	-	(400,000)	(400,000)
Investment management fees	-	(92,030)	(92,030)
Dividends and interest received	-	485,562	485,562
Disposals	(6,435,200)	6,435,200	-
	<u>24,994,851</u>	<u>2,650,010</u>	<u>27,644,861</u>
Carrying amount			
At 31 March 2023	<u>24,994,851</u>	<u>2,650,010</u>	<u>27,644,861</u>
At 31 March 2022	<u>28,072,036</u>	<u>707,222</u>	<u>28,779,258</u>

THE JEAN SHANKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Debtors	2023	2022
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	14,204	7,236
	<u> </u>	<u> </u>
14 Creditors: amounts falling due within one year	2023	2022
	£	£
		As restated
Grants payable	708,311	505,938
Accruals and deferred income	57,629	63,585
	<u> </u>	<u> </u>
	<u>765,940</u>	<u>569,523</u>
15 Creditors: amounts falling due after more than one year	2023	2022
	£	£
		As restated
Grants Payable	359,738	228,355
	<u> </u>	<u> </u>

16 Related party transactions

At 31 March 2023, Mr Eric Rothbarth was owed £21,600 (2022: £21,600) by the Foundation.

During the year, included within grants payable is £506,346 (2022: £426,288). 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 £930,008 (2022: £634,604). Professor Mark Arends, a trustee of the Foundation, is a Trustee and General Secretary of the Pathological Society of Great Britain & Ireland.

17 Prior period adjustment

In the financial statements for the year ended 31 March 2021 provision was made for the full amount of grants funded jointly with The Pathological Society. In 2022, A prior year adjustment has been made to reduce the charge made in that year for these grants by £365,420 and to reduce the year end creditors falling due within one year by £9,382 and creditors falling due after more than one year by £356,038.

No prior year adjustments were required for 2023

THE JEAN SHANKS FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

18	Cash generated from operations	2023	2022
		£	£
	(Deficit)/surplus for the year	(1,297,975)	1,321,154
	Adjustments for:		
	Investment income recognised in statement of financial activities	(493,526)	(414,397)
	Loss/(gain) on disposal of investments	57,016	(954,190)
	Fair value gains and losses on investments	1,070,913	(543,169)
	Investment management fees from portfolio	92,030	122,603
	Movements in working capital:		
	(Increase) in debtors	(6,968)	-
	Increase in creditors	335,764	14,375
	Cash absorbed by operations	<u>(242,746)</u>	<u>(453,624)</u>

19 Analysis of changes in net funds

The Foundation had no debt during the year.



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Parties involved with this document

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Sat, 7th Oct 2023 14:25:55 UTC	Sir James Underwood - Signer (762627703bd36285e3e25f18231a652a)
Sat, 7th Oct 2023 14:44:22 UTC	Andy Rich - Signer (b9c0d7ab7bb09d781e77cf1636883344)

Audit history log

Date	Action
Sat, 7th Oct 2023 14:44:22 UTC	Andy Rich viewed the envelope. (89.150.28.98)
Sat, 7th Oct 2023 14:44:22 UTC	This envelope has been signed by all parties (89.150.28.98)
Sat, 7th Oct 2023 14:44:22 UTC	Andy Rich signed the envelope (89.150.28.98)
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Sat, 7th Oct 2023 14:44:04 UTC	Andy Rich viewed the envelope. (89.150.28.98)
Sat, 7th Oct 2023 14:25:56 UTC	Sir James Underwood viewed the envelope. (108.67.6.180)
Sat, 7th Oct 2023 14:25:55 UTC	Document emailed to arich@hwfisher.co.uk (18.130.47.12)
Sat, 7th Oct 2023 14:25:55 UTC	Sent the envelope to Andy Rich (arich@hwfisher.co.uk) for signing (108.67.6.180)
Sat, 7th Oct 2023 14:25:55 UTC	Sir James Underwood signed the envelope (108.67.6.180)
Sat, 7th Oct 2023 14:23:51 UTC	Sir James Underwood viewed the envelope. (108.67.6.180)
Sat, 7th Oct 2023 14:23:07 UTC	Sir James Underwood opened the document email. (172.226.36.10)
Sat, 7th Oct 2023 14:17:03 UTC	Sir James Underwood opened the document email. (104.28.123.101)
Sat, 7th Oct 2023 13:35:44 UTC	Eric Rothbarth viewed the envelope. (81.13.222.95)
Sat, 7th Oct 2023 13:35:44 UTC	Document emailed to jceu@sheffield.ac.uk (18.132.10.96)
Sat, 7th Oct 2023 13:35:44 UTC	Sent the envelope to Sir James Underwood (jceu@sheffield.ac.uk) for signing (81.13.222.95)
Sat, 7th Oct 2023 13:35:43 UTC	Eric Rothbarth signed the envelope (81.13.222.95)
Sat, 7th Oct 2023 13:34:19 UTC	Eric Rothbarth viewed the envelope. (81.13.222.95)

Sat, 7th Oct 2023 13:34:13 UTC	Eric Rothbarth opened the document email. (81.13.222.95)
Sat, 7th Oct 2023 13:34:12 UTC	Eric Rothbarth opened the document email. (81.13.222.95)
Fri, 6th Oct 2023 16:45:00 UTC	Eric Rothbarth opened the document email. (104.28.54.93)
Fri, 6th Oct 2023 16:43:45 UTC	Document emailed to eric@rothbarth.com (18.134.95.98)
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Fri, 6th Oct 2023 16:39:22 UTC	Andy Rich has been assigned to this envelope (185.105.75.178)
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