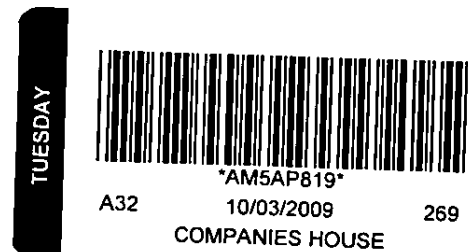


Company Registration No: 3565051 (England and Wales)
Charity Number: 1069681 (England and Wales)

BARROW FOUNDATION (UK)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008



Saffery Champness
CHARTERED ACCOUNTANTS

BARROW FOUNDATION (UK)

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BARROW FOUNDATION (UK)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees Judith Beresford
Thomas Bible
Linda Hunt
Robert Spetzler
Richard Selway
Yo Yo Allalouf (appointed 22 October 2008)
Jenny Brown (appointed 22 October 2008)

Secretary Temple Secretarial Ltd

Auditors Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

Registered Office 16 Old Bailey
London
EC4M 7EG

Company Registration Number 3565051

Charity Number 1069681

Bankers HSBC
95 Gloucester Road
South Kensington
London
SW7 4SX

Investment managers Wells Fargo
Private Client Services
8601 N. Scottsdale Road
1st Floor, Scottsdale
Arizona AZ85253
USA

Solicitors Withers LLP
16 Old Bailey
London
EC4M 7EG

BARROW FOUNDATION (UK)

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2008

The Trustees present their annual report and the audited financial statements for the year ended 30 June 2008.

Structure, Governance and Management

Constitution

The charity was incorporated on 12 May 1998, and is governed by its Memorandum and Articles of Association under the Companies Acts 1985 and 1989 as amended. The charity is a company limited by guarantee.

Trustees

Trustees meet twice a year to consider grant applications, review investment performance and discuss matters of a strategic and administrative nature. There were no changes to the Trustees who served during the year. The power to appoint new Trustees is vested in the existing Trustees of the Trust. There is an informal interview and induction process for any new Trustee.

Risk Review

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Objectives and Activities

Objects

The objects of the charity are the relief of sickness and promotion of education generally, in accordance with the moral and ethical principles of the Roman Catholic Church.

The Objects include but are not limited to:

- the provision of neuroscience services (including in particular, but without limitation to, the treatment of seizure disorders) in the United Kingdom and continental Europe and also throughout the international community;
- the provision and promotion of research into all aspects of neuroscientific medicine, health care and rehabilitation and the dissemination of the useful results of such research; and
- the promotion of education and learning (including the provision and funding of training for members of the medical profession and others) relating to the causes, prevention and treatment (including surgical and other procedures) of illnesses, injuries and diseases, particularly neurological and related disorders.

Review of activities

During the period under review the Trustees made a grant for funding education and research at St Josephs Hospital Medical Centre of £50,405 (2007: £42,305).

Their additional wish is to continue to fund the chairs, to which the funding commitments were made in 2000, details of which are given later in this report.

Grant making policy

Although grants were only made to St Joseph's Hospital Medical Centre during the year, the Trustees continue to consider grant applications in furtherance of the charity's objects. Grant applications for funds will be considered by the Trustees. Further grants for patient expenses are unlikely to be made with preference instead being given to applications for research funding.

BARROW FOUNDATION (UK)

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Financial Review

The net movement in funds for the year amounted to a loss of £214,541 (2007: gain £75,255) as shown in the statement of financial activities on page 7. It is the intention of Trustees to maintain the investment portfolio and use the income from the portfolio to make grants to projects related to the objects of the charity as outlined above.

Reserves policy

The level of general unrestricted funds at 30 June 2008 of £233,393 was considered adequate to cover general expenditure. The Trustees have reviewed the charity's areas of activity and in the circumstances have retained sufficient funds to cover the day to day running of the charity.

The income arising on the expendable endowment fund is available to make grants to the following:

- To the Newsome Chair of Neurosurgical Research and Education.
- To the Newsome Chair of Neuropsychology.
- To the Newsome Chair of Neurology.

Investment policy

The charity's investment committee has agreed investment guidelines with the charity's investment managers – Wells Fargo. The investment manager's primary objective, as determined by that committee, is to provide protection of principal, and ensure reasonable growth of the charity's assets relative to indices as recommended by the manager to the charity.

Since the Trustees recognise that fluctuating rates of return are characteristic of the securities market, their overall objective is long term appreciation of the charity's assets and consistency of total portfolio returns. The Trustees will seek a rate of return equal to the rate of inflation plus 5.5 % on an annual basis, to be achieved over a 3–5 year market cycle with an asset allocation policy designed to reflect and be consistent with their investment policy.

The investment managers and Trustees have agreed an asset mix of equities and fixed income securities and the Wells Fargo portfolio manager has authority to select individual securities and funds within the parameters as specified in the agreement. The investment manager may not use derivatives to increase portfolio risk above the level that could be achieved in the portfolio using only traditional investment obligations. The Trustees are mindful that cash reserves are required to accommodate operational needs. The requirements of the charity in this regard are co-ordinated between the investment managers and Trustees.

Changes in policy may occur as a result of changing market conditions or anticipated changes in the charity's needs. While the policy will be reviewed on a regular basis, the Trustees believe the need to deviate from these investment guidelines will be rare.

BARROW FOUNDATION (UK)

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Trustees

The Trustees who served during the period were as follows:

Judith Beresford

Thomas Bible

Linda Hunt

Robert Spetzler

Richard Selway

Trustees are appointed by the Founder Member and can then be re-appointed by the Board for further terms.

Trustees' responsibilities

Company law 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 charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently,
- 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.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

So far as each of the Trustees is aware, there is no relevant information that has not been disclosed to the charity's auditors and each of the Trustees believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the charity's auditors have been made aware of that information.

By order of the Board



Trustee
16 Old Bailey
London
EC4A 7EG

4 February 2009

BARROW FOUNDATION (UK)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 30 JUNE 2008

We have audited the financial statements on pages 7 to 11 which have been prepared under the historical cost convention, modified by the revaluation of certain fixed assets and the accounting policies set out in note 1 on page 9.

Respective responsibilities of Trustees and auditors

As described in the statement of Trustees' responsibilities on page 4, the Trustees (who are also directors of Barrow Foundation (UK) for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Auditing Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information given in the Trustees' Report is consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

BARROW FOUNDATION (UK)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 30 JUNE 2008

Opinion

In our opinion

- the financial statements give a true and fair view of the charity's state of affairs as at 30 June 2008 and of its incoming resources and application of resources, including its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' report is consistent with the financial statements.

Saffery Champness

Chartered Accountants
Registered Auditors

10 February 2009

Saffery Champness

Lion House,
Red Lion Street,
London WC1R 4GB

BARROW FOUNDATION (UK)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Unrestricted Fund £	Expendable Endowment Fund £	Total 2008 £	Total 2007 £
Incoming resources					
Incoming resources from generated funds					
Voluntary Income		-	-	-	2,358
Investment income	2	70,397	-	70,397	63,886
Total incoming resources		70,397	-	70,397	66,244
Resources expended					
Costs of generating funds:					
Investment managers fees		19,807	-	19,807	15,479
Charitable activities					
- Education and research costs	7	50,405	-	50,405	42,305
- Support costs		-	-	-	2,407
Governance costs	8	24,003	-	24,003	24,525
Total resources expended		94,215	-	94,215	84,716
Transfer between funds		173,540	(173,540)	-	-
Net incoming/(outgoing) resources before other recognised gains and losses	3	149,722	(173,540)	(23,818)	(18,472)
Other recognised gains and losses					
Realised gains on sale of investments		(44,579)	-	(44,579)	28,970
Other exchange losses/(gains)		5,925	-	5,925	(133,281)
		111,068	(173,540)	(62,472)	(122,783)
Unrealised (losses)/gains on investments		(152,069)	-	(152,069)	198,038
Net movement in funds	6	(41,001)	(173,540)	(214,541)	75,255
Total funds brought forward		274,394	1,720,434	1,994,828	1,919,573
Total fund carried forward	6	233,393	1,546,894	1,780,287	1,994,828

All recognised gains and losses are included in the statement of financial activities.

The results for the year all relate to continuing activities.

The notes on pages 9 to 11 form part of these financial statements.

All the above incoming resources were unrestricted.

BARROW FOUNDATION (UK)**BALANCE SHEET AS AT 30 JUNE 2008**

	Notes	2008 £	2007 £
Fixed assets			
Investments	4	1,546,894	1,720,434
Current assets			
Cash at bank		273,167	285,095
		273,167	285,095
Current liabilities			
Creditors	5	39,774	10,701
Net current assets		233,393	274,394
Net assets		1,780,287	1,994,828
Reserves			
Expendable endowment fund	6	1,546,894	1,720,434
Unrestricted general fund	6	233,393	274,394
Net funds		1,780,287	1,994,828

The notes on pages 9 to 11 form part of these financial statements.

Signed on behalf of the Trustees on 4 February 2009



Trustee

BARROW FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1 Accounting policies

The principal accounting policies, all of which have been applied consistently throughout the year are as follows:-

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of Fixed Asset Investments and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005 issued in March 2005) and applicable accounting standards.

1.2 Fund accounting

The unrestricted general fund is available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

The endowment fund represents assets which are held for the benefit of the charity as a capital fund.

1.3 Incoming resources

All income is accounted for on a receivable basis.

Legacy income is included when the charity becomes legally entitled to the income and there is certainty of measurement and receipt.

1.4 Resources expended

Costs of generating funds comprise the costs incurred by the charity in generating investment income. Costs of charitable activities comprise grants related to the furtherance of the charity's charitable objectives. These are recorded by the charity upon approval by the Trustees and notification to the recipient. This includes costs that can be allocated directly to such activities and those of an indirect nature necessary to support them.

Governance costs include costs associated with meeting the constitutional and statutory requirements of the charity and include audit costs.

1.5 Taxation

Barrow Foundation (UK) is registered as a charity with the Charity Commissioners. Accordingly, the charity can take advantage of certain tax exemptions in accordance with section 505 of the Income and Corporation Taxes Act 1988.

1.6 Investments

These are stated at market value. Investments denominated in foreign currency are valued at the balance sheet date in the foreign currency and then translated into UK sterling at the rate of exchange prevailing at the balance sheet date. Differences arising on currency translation are expressed as movements in the market value of investments.

1.7 Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the statement of financial activities.

BARROW FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2	Investment income	2008	2007
		£	£
	Dividends (all received in the United States of America)	33,135	31,408
	Interest and other income	37,261	32,478
		<u>70,397</u>	<u>63,886</u>
3	Net incoming/(outgoing) resources for the year is stated after charging	2008	2007
		£	£
	Auditors' remuneration	6,099	5,875
	The Trustees of the charity received no remuneration or reimbursed expenses from the charity during the year (2007: £nil).		
4	Investments	2008	2007
		£	£
	Market value at 1 July 2007	1,693,343	1,562,885
	Additions at cost	474,574	277,474
	Disposal proceeds	(504,874)	(244,414)
	Net (loss)/gain on investments	(190,719)	97,398
		<u>1,472,324</u>	<u>1,693,343</u>
	Equities and fixed interest securities		
	Cash deposits and money market instrument	74,570	27,091
		<u>1,546,894</u>	<u>1,720,434</u>
	Investments assets held outside the UK:		
	Equities	1,143,453	1,269,211
	Fixed interest securities	328,871	424,132
	Cash deposits and money market instrument	74,570	27,091
		<u>1,546,894</u>	<u>1,720,434</u>
	Historical cost of the investments held at 30 June 2008	<u>1,466,536</u>	<u>1,500,074</u>
	At 30 June 2008, the portfolio includes significant holdings in the following investments:		
			2008
			£
	Harbor International Fund		118,749
	Midcap SPDR		118,195
	Dodge and Cox International Stock Fund		113,452
	Federal Home Loan Mortgage Corporation Medium Term Notes		78,892

BARROW FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

5	Creditors	2008 £	2007 £
	Accruals and other creditors	8,940	7,582
	Amount due to connected charity	30,834	3,119
		<u>39,774</u>	<u>10,701</u>

6	Movement in funds	Unrestricted General fund £	Expendable endowment fund £	Total £
	Balance at 1 July 2007	274,394	1,720,434	1,994,828
	Movement during the year	(214,541)	-	(214,541)
	Transfer between funds	173,540	(173,540)	-
	Balance at 30 June 2008	<u>233,393</u>	<u>1,546,894</u>	<u>1,780,287</u>

During the year the Trustees elected to make a transfer of £173,540 (2007: (£88,840)) to the unrestricted fund from the expendable endowment fund, representing the movement arising on the endowment fund investments during the year. The income arising on the expendable endowment fund is to be held for the purpose of making grants to the three Newsome chairs described in the Trustees report.

7 Education and Research Costs

During the year £50,405 (2007: £42,305) was approved as a payment to Catholic Healthcare West dba St Josephs Hospital Medical Center, a charity operating in the United States of America which is the founder of Barrow Foundation (UK) and has common Trustees, to fund education and research. A balance of £30,834 (2007: £3,119) due to Catholic Healthcare West dba St Josephs Hospital Medical Center is included as a creditor at 30 June 2008.

8	Governance Costs	2008 £	2007 £
	Audit	6,099	5,875
	Legal and Professional	17,904	18,650
		<u>24,003</u>	<u>24,525</u>