

Registered Company Number 3565051 (England & Wales)
Registered Charity Number 1069681

BARROW FOUNDATION (UK)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

THURSDAY



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BARROW FOUNDATION (UK)

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BARROW FOUNDATION (UK)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Thomas Bible Linda Hunt Robert Spetzler Yoram Allalouf Jenny Brown Tom Reahard Philip van Hille Chris Priestley Mary Jane Crist
Secretary	Temple Secretarial Ltd
Statutory 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 1 st 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 2011

The Trustees present their annual report and the audited financial statements for the year ended 30 June 2011.

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 last amended by a special resolution dated 19 April 2011. 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. 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.

The Trustees who served during the period were as follows:

Judith Beresford	(resigned 30/03/2011)
Thomas Bible	
Linda Hunt	
Robert Spetzler	
Richard Selway	(resigned 30/03/2011)
Yoram Allalouf	
Jenny Brown	
Tom Reahard	(appointed 27/10/2010)
Philip van Hille	(appointed 30/03/2011)
Chris Priestley	(appointed 30/03/2011)
Mary Jane Crist	(appointed 30/03/2011)

Trustees are either appointed by the existing trustees with approval by the Founder Member, or are appointed directly by the Founder Member.

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.

Review of activities

The Charity's principal objectives are:

- 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.

BARROW FOUNDATION (UK)

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2011

During the period under review the trustees made a grant for funding education and research at St Josephs Hospital Medical Center of £73,620 (2010: £65,612).

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 Center during the year, the trustees continue to consider awarding grants in furtherance of the charity's objects in the light of the stated intentions of the Charity's primary benefactor, Miss Marjorie Newsome, who is deceased. Grant recipients are identified directly by the trustees. Further grants for patient expenses are unlikely to be made with preference instead being given to research funding.

In planning their activities for the year the Trustees confirm that they have given due regard to the Charity Commission's guidance on public benefit.

Financial Review

The net movement in funds for the year amounted to a surplus of £86,076 (2010: £250,591) 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 2011 of £196,207 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

In line with the global recovery in the stock market the value of the portfolio shows a net gain of £157,546 (2010: £309,145) for the year.

Highlight/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.

BARROW FOUNDATION (UK)

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2011

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.

Trustees' responsibilities

The trustees (who are also directors of Barrow Foundation (UK) for the purposes of company law) 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).

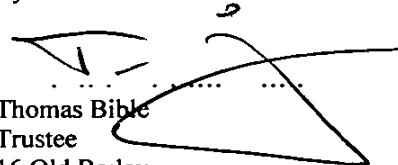
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. 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 accounts, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with section 418 of the Companies Act 2006, the trustees confirm that, in the case of each of the persons who are trustees at the time when this report is approved, so far as each trustee is aware, there is no relevant audit information of which the company's auditors are unaware, and he/she has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



Thomas Bible
Trustee
16 Old Bailey
London
EC4A 7EG

21 MARCH 2012

BARROW FOUNDATION (UK)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 30 JUNE 2011

We have audited the financial statements on pages 7 to 11. 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members 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, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements 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 financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements 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 financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the charity's state of affairs as at 30 June 2011 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

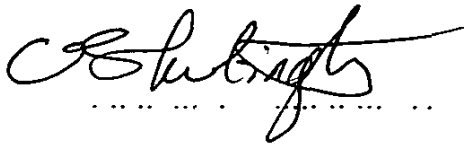
BARROW FOUNDATION (UK)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
FOR THE YEAR ENDED 30 JUNE 2011**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit



Cara Turlington (Senior Statutory Auditor)
For and on behalf of

Saffery Champness
Chartered Accountants
Statutory Auditors

Lion House,
Red Lion Street,
London WC1R 4GB

23 March 2012

BARROW FOUNDATION (UK)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Unrestricted Fund £	Expendable Endowment Fund £	Total 2011 £	Total 2010 £
Incoming resources					
Incoming resources from generated funds					
Voluntary Income		-	-	-	169
Gifts in kind and donated services	3	18,535	-	18,535	-
Investment income	2	48,533	-	48,533	43,715
Total incoming resources		67,068	-	67,068	43,884
Resources expended					
Costs of generating funds:					
Cost of generating voluntary income		18,535	-	18,535	-
Investment managers fees		-	17,332	17,332	16,716
Charitable activities					
- Education and research costs	7	83,620	-	83,620	65,612
Governance costs	8	25,662	-	25,662	12,820
Total resources expended		127,817	17,332	145,149	95,148
Net incoming resources before transfers		(60,749)	(17,332)	(78,081)	(51,264)
Transfer between funds	6	-	-	-	-
Net incoming/(outgoing) resources before other recognised gains and losses	3	(60,749)	(17,332)	(78,081)	(51,264)
Other recognised gains and losses					
Realised gains/(losses) on sale of investments		-	35,128	35,128	(20,145)
Realised exchange (losses)/gains		-	(8,054)	(8,054)	(23,473)
		(60,749)	9,742	(51,007)	(94,882)
Unrealised exchange movements		14,665	(100,494)	(85,829)	155,523
Unrealised losses on investments		-	222,912	222,912	189,950
Net movement in funds	6	(46,084)	132,160	86,076	250,591
Total funds brought forward		242,291	1,668,267	1,910,558	1,659,967
Total funds carried forward	6	196,207	1,800,427	1,996,634	1,910,558

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

The results for the year all relate to continuing activities. All the above incoming resources were unrestricted.

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

BARROW FOUNDATION (UK)**BALANCE SHEET AS AT 30 JUNE 2011**

	Notes	2011 £	2010 £
Fixed assets			
Investments	4	1,800,427	1,668,267
Current assets			
Cash at bank		218,053	254,597
		218,053	254,597
Current liabilities			
Creditors	5	21,846	12,306
Net current assets		196,207	242,291
Net assets		1,996,634	1,910,558
Reserves			
Expendable endowment fund	6	1,800,427	1,668,267
Unrestricted general fund	6	196,207	242,291
Net funds		1,996,634	1,910,558

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

Signed on behalf of the Trustees on 21 MARCH 2012

Thomas Bible
Trustee

Company Registration No: 3565051 (England and Wales)

BARROW FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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 Gifts in kind and donated services

Gifts in kind and donated services (consultancy services) are provided by the by the Catholic Healthcare West dba St Josephs Hospital Medical Center. They are recognised in the financial statements as income and expenditure at the amount paid in respect of the work carried out.

1.5 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.

1.6 Taxation

Barrow Foundation (UK) is registered as a charity with the Charity Commission for England and Wales. Accordingly, the charity can take advantage of certain tax exemptions in accordance with the Corporation Tax Act 2010.

1.7 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.

1.8 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 2011

2	Investment income	2011 £	2010 £
	Dividends (all received in the United States of America)	20,609	22,459
	Interest and other income	27,924	21,256
		<u>48,533</u>	<u>43,715</u>

3	Net incoming/(outgoing) resources for the year is stated after charging	2011 £	2009 £
	Auditors' remuneration	<u>6,400</u>	<u>6,400</u>

One trustee of the charity received £3,544 in reimbursed travel and accommodation expenses from the charity during the year (2010: £nil). The charity also incurred fees in respect of company secretarial services of £2,236 from Templeco Services which is a division of Withers LLP, a firm of solicitors in which Chris Priestley is a partner. Withers LLP also provided pro-bono legal advice to the value of approximately £10,000.

A further trustee was reimbursed travel expenses of £3,468 and following their resignation as a trustee received consultancy fees totalling £18,535 which was paid by Catholic Healthcare West dba St Josephs Hospital Medical Center (see note 7) and is included in gifts in kind and donated services.

4	Investments	2011 £	2010 £
	Market value at 1 July 2010	1,664,935	1,454,960
	Additions at cost	241,342	1,375,380
	Disposal proceeds	(293,223)	(1,474,564)
	Net gain on investments (including exchange gain)	<u>157,546</u>	<u>309,145</u>
	Equities and fixed interest securities	<u>1,770,600</u>	<u>1,664,921</u>
	Cash deposits	<u>29,827</u>	<u>3,346</u>
		<u>1,800,427</u>	<u>1,668,267</u>
	Investments assets held outside the UK:		
	Equities	1,141,922	1,090,103
	Fixed interest securities	628,678	574,818
	Cash deposits and money market instrument	<u>29,827</u>	<u>3,346</u>
		<u>1,800,427</u>	<u>1,668,267</u>
	Historical cost of the investments held at 30 June 2011	<u>1,607,354</u>	<u>1,602,714</u>

At 30 June 2011, the portfolio includes significant holdings in the following investments.

iShares Barclays	108,446
Ariel Fund	102,868
Federal Home Loan Mortgage Corporation Medium Term Notes	<u>98,690</u>

BARROW FOUNDATION (UK)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

5	Creditors	2011 £	2010 £
	Accruals and other creditors	6,266	5,625
	Amount due to connected charity	15,580	6,681
		<u>21,846</u>	<u>12,306</u>

6	Movement in funds	Unrestricted General fund £	Expendable endowment fund £	Total £
	Balance at 1 July 2010	242,291	1,668,267	1,910,558
	Movement during the year	(46,084)	132,160	86,076
	Transfer between funds	-	-	-
	Balance at 30 June 2011	<u>196,207</u>	<u>1,800,427</u>	<u>1,996,634</u>

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 £73,620 (2010: £65,612) was approved as a grant 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 £15,580 (2010 £6,681) due to Catholic Healthcare West dba St Josephs Hospital Medical Center is included as a creditor at 30 June 2011. A further grant of £10,000 was approved as a grant to Nicholas Hayden, winner of the Norman Dott Medal, as winner of the Newsome Travelling Fellowship Award.

8	Governance Costs	2011 £	2010 £
	Audit	6,400	6,400
	Legal and Professional	19,262	6,420
		<u>25,662</u>	<u>12,820</u>