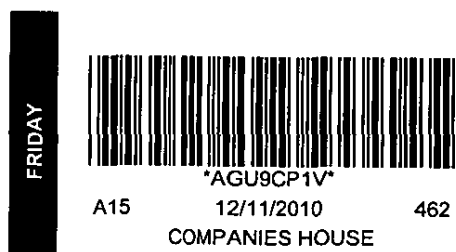


Registered Company Number 3565051 (England & Wales)
Registered Charity Number 1069681

BARROW FOUNDATION (UK)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010



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 Yoram Allalouf Jenny Brown
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 2010

The Trustees present their annual report and the audited financial statements for the year ended 30 June 2010

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 by a special resolution dated 12 December 2009. 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.

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.

During the period under review the trustees made a grant for funding education and research at St Josephs Hospital Medical Center of £65,612 (2009 £84,585).

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 grant applications in furtherance of the charity's objects in the light of the provisions of Miss Newsome's will and codicils. Grant applications for funds will be considered by a scientific peer review panel of the charity. Further grants for patient expenses are unlikely to be made with preference instead being given to applications for 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.

BARROW FOUNDATION (UK)

TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2010

Financial Review

The net movement in funds for the year amounted to a surplus of £250,591 (2009 deficit £120,320) 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 2010 of £242,291 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 £309,145 (2008 deficit of £76,574) 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.

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 2010

Trustees

The Trustees who served during the period were as follows

Judith Beresford
Thomas Bible
Linda Hunt
Robert Spetzler
Richard Selway
Yoram Allalouf
Jenny Brown

Trustees can be elected at the Annual General Meeting

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)

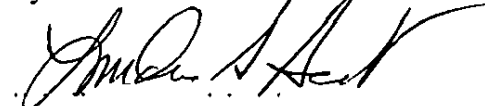
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that 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



Trustee
16 Old Bailey
London
EC4A 7EG

27 October 2010

BARROW FOUNDATION (UK)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 30 JUNE 2010

We have audited the financial statements on pages 7 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein.

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

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view 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).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 significant estimates and 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 as to whether 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 2010

Opinion

In our opinion

- the financial statements give a true and fair view of the charitable company's state of affairs as at 30 June 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Report is consistent with the financial statements

.....
Cara Turtington (Senior Statutory Auditor)
For and on behalf of

Saffery Champness
Chartered Accountants
Statutory Auditors

Lion House,
Red Lion Street,
London WC1R 4GB

27 October 2010

BARROW FOUNDATION (UK)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2010

	Notes	Unrestricted Fund £	Expendable Endowment Fund £	Total 2010 £	Total 2009 £
Incoming resources					
Incoming resources from generated funds					
Voluntary Income		169	-	169	21,478
Investment income	2	43,715	-	43,715	65,642
Total incoming resources		43,884	-	43,884	87,120
Resources expended					
Costs of generating funds					
Investment managers fees		-	16,716	16,716	14,183
Charitable activities					
- Education and research costs	7	65,612	-	65,612	84,585
Governance costs	8	12,820	-	12,820	23,435
Total resources expended		78,432	16,716	95,148	122,203
Net incoming resources before transfers		(34,548)	(16,716)	(51,264)	(35,083)
Transfer between funds	6	64,085	(64,085)	-	-
Net incoming/(outgoing) resources before other recognised gains and losses	3	29,537	(80,801)	(51,264)	(35,083)
Other recognised gains and losses					
Realised losses on sale of investments		-	(20,145)	(20,145)	(143,115)
Realised exchange (losses)/gains		-	(23,473)	(23,473)	304,651
		29,537	(124,419)	(94,882)	126,453
Unrealised exchange movements		17,204	138,319	155,523	-
Unrealised losses on investments		-	189,950	189,950	(246,773)
Net movement in funds	6	46,741	203,850	250,591	(120,320)
Total funds brought forward		195,550	1,464,417	1,659,967	1,780,287
Total funds carried forward	6	242,291	1,668,267	1,910,558	1,659,967

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 2010**

	Notes	2010 £	2009 £
Fixed assets			
Investments	4	1,668,267	1,464,417
Current assets			
Cash at bank		254,597	259,500
		254,597	259,500
Current liabilities			
Creditors	5	12,306	63,950
Net current assets		242,291	195,550
Net assets		1,910,558	1,659,967
Reserves			
Expendable endowment fund	6	1,668,267	1,464,417
Unrestricted general fund	6	242,291	195,550
Net funds		1,910,558	1,659,967

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

Signed on behalf of the Trustees on 27 October 2010



Trustee

Company Registration No: 3565051 (England and Wales)

BARROW FOUNDATION (UK)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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 2010**

2	Investment income	2010	2009
		£	£
	Dividends (all received in the United States of America)	22,459	33,935
	Interest and other income	21,256	31,707
		<u>43,715</u>	<u>65,642</u>
3	Net incoming/(outgoing) resources for the year is stated after charging	2010	2009
		£	£
	Auditors' remuneration	6,400	6,325
	The Trustees of the charity received no remuneration or reimbursed expenses from the charity during the year (2009 £nil)		
4	Investments	2010	2009
		£	£
	Market value at 1 July 2009	1,454,960	1,472,324
	Additions at cost	1,375,380	222,880
	Disposal proceeds	(1,474,564)	(163,670)
	Net (loss)/gain on investments including exchange gain	309,145	(76,574)
		<u>1,664,921</u>	<u>1,454,960</u>
	Equities and fixed interest securities		
	Cash deposits	3,346	9,457
		<u>1,668,267</u>	<u>1,464,417</u>
	Investments assets held outside the UK		
	Equities	1,090,103	1,044,159
	Fixed interest securities	574,818	410,801
	Cash deposits and money market instrument	3,346	9,457
		<u>1,668,267</u>	<u>1,464,417</u>
	Historical cost of the investments held at 30 June 2010	<u>1,602,714</u>	<u>1,535,016</u>
	At 30 June 2010, the portfolio includes significant holdings in the following investments		
	1 Shares Barclays		111,402
	Federal Home Loan Mortgage Corporation Medium Term Notes		<u>108,588</u>

BARROW FOUNDATION (UK)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

5	Creditors	2010 £	2009 £
	Accruals and other creditors	5,625	6,335
	Amount due to connected charity	6,681	57,615
		<u>12,306</u>	<u>63,950</u>

6	Movement in funds	Unrestricted General fund £	Expendable endowment fund £	Total £
	Balance at 1 July 2009	195,550	1,464,417	1,659,967
	Movement during the year	(17,344)	267,935	250,591
	Transfer between funds	<u>64,085</u>	<u>(64,085)</u>	-
	Balance at 30 June 2010	<u>242,291</u>	<u>1,668,267</u>	<u>1,910,558</u>

During the year the Trustees elected to make a transfer of £64,085 (2009 £82,477) 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 £65,612 (2009 £84,585) 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 £6,681 (2009 £57,615) due to Catholic Healthcare West dba St Josephs Hospital Medical Center is included as a creditor at 30 June 2010.

8	Governance Costs	2010 £	2009 £
	Audit	6,400	6,335
	Legal and Professional	6,420	17,100
		<u>12,820</u>	<u>23,435</u>