

# Jenner Vaccine Foundation

## ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2008



Company number: 3079818  
Charity number: 1051079

# Jenner Vaccine Foundation

## TRUSTEES AND PRINCIPAL ADVISERS TO THE TRUST

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### TRUSTEES

Prof B Greenwood (Chairman)

Dr J Almond  
Dr K Fleming  
Prof K Gull  
Dr J Maxton  
Prof M W Shirley  
Dr P Wells

### REGISTERED OFFICE

Compton  
Newbury  
Berkshire  
RG20 7NN

### BANKERS

HSBC Bank plc  
8 London Street  
Basingstoke  
RG21 7NU

### SOLICITORS

Paisner & Co  
Bouverie House  
154 Fleet Street  
London  
EC4A 2DQ

Hempsons Solicitors  
Hempson House  
154 Fleet Street  
London  
EC4A 2DQ

### INVESTMENT MANAGERS

Citigroup Quilter  
St Helen's  
1 Undershaft  
London  
EC3A 8BB

### AUDITORS

Baker Tilly UK Audit LLP  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

# Jenner Vaccine Foundation

## TRUSTEES' REPORT

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### THE BOARD OF DIRECTORS AND THEIR INTERESTS

Members of the Board of Directors during the year have been:

Directors serving between 1 April 2007 and 31 March 2008

#### DIRECTOR:

Prof B Greenwood (Chairman)

Prof M W Shirley

Dr P Wells

Dr J Almond

Dr K A Fleming

Dr J Maxton

Prof K Gull

#### NOMINATED BY:

Jointly nominated by the Institute for Animal Health  
and the University of Oxford

Institute for Animal Health

Institute for Animal Health

Research Nominee, nominated by mutual agreement of  
Oxford University and Institute for Animal Health

University of Oxford

University of Oxford

Institute for Animal Health

Chief Executive Officer and Secretary

Chief Executive Officer

Secretary

Prof A Hill

Mr G Strickland

### DIRECTORS AND TRUSTEES

The directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

### ANNUAL REPORT OF THE TRUSTEES AND DIRECTORS

(For the purposes of Section 45 of the Charities Act 1993 and Directors' Report for the purposes of Section 234 of the Companies Act 1985)

The Trustees have pleasure in submitting their annual report together with the accounts for the year ended 31 March 2008.

The financial statements have been prepared in accordance with the accounting policies set out on pages 14 and 15 of the accounts and comply with the Charities Act 1993 and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005).

# Jenner Vaccine Foundation

## TRUSTEES' REPORT (continued)

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### STRUCTURE, GOVERNANCE AND MANAGEMENT

The Jenner Vaccine Foundation is a company limited by guarantee (registered number 3079818) and a registered charity (number 1051079). The Jenner Vaccine Foundation was previously known as the Edward Jenner Institute for Vaccine Research. At the May 2006 board meeting the trustees agreed to change the name by a written resolution of the two members of the company. This was finally approved in September 2006 by Companies House and the Charities Commission. The Foundation is governed by its Memorandum and Articles of Association and is registered with the Charities Commission.

#### Membership

- The Foundation has two members, the University of Oxford and the Institute for Animal Health.
- The Board of directors serve as the Trustees of the Foundation.
- The liability of the two members of the company is limited by guarantee to a maximum of £10 each.

### APPOINTMENT OF TRUSTEES

As set out in the Articles of Association, the chair of the Trustees is appointed jointly by the Institute for Animal Health and the University of Oxford. The Institute for Animal Health and the University of Oxford each appoint three Trustees and a further research nominee is appointed by whichever of the two members has the highest level of research activity in vaccinology. Each of the chairman and the research nominee hold office for a period of three years from the date of appointment and will be eligible for reappointment for one or more further terms of three years.

### RECRUITMENT AND INDUCTION OF NEW TRUSTEES

Trustees are nominated by the members and are selected on the basis of their knowledge and eminence relevant to the Foundation. The Board formally approve all trustee nominations. All Trustees are provided with an induction pack containing Trustee contact details, a copy of the memorandum and articles of association, the last published accounts and the most up to date strategic plan. Baker Tilly are available to advise the Trustees and attend Board Meetings and provide advice to the Trustees on matters affecting them in their roles both as Trustees and Directors.

### ORGANISATION

The Board of Trustees, which can have up to eight members, administers the charity. The Board meets quarterly and is advised on scientific matters by a Scientific Advisory Board. A Chief Executive is appointed by the Trustees to manage the day to day operation of the Foundation.

# Jenner Vaccine Foundation

## TRUSTEES' REPORT (continued)

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### RELATED PARTIES

As noted in the section 'Structure, Governance and Management' the two members of the Foundation from 1 November 2005 are the Institute for Animal Health and the University of Oxford. As premier research led organisations with expertise in the field of vaccinology the members will submit grant proposals to the Foundation. A Scientific Advisory Board was established in March 2008 with an independent membership which considers all grant applications. More information concerning the Scientific Advisory Board is contained in the section 'Grant Making Policy'.

In November 2005 under transitional arrangements, following the change in the Foundation's membership and cessation of the funding arrangements with the original sponsors of the Edward Jenner Institute for Vaccine Research, three year fellowships were granted to four senior members of the Jenner Institute by the University of Oxford. This arrangement was funded by the Foundation along with a transitional three month grant to cover the salaries of eight other staff and some consumable costs. These arrangements retained a core body of staff to enable the Institute to continue in the short to medium term and to give the new Trustees time to prepare and execute a plan for the continuation and development of the Institute.

### RISK MANAGEMENT

The Trustees have a risk management strategy which comprises:

- An annual review of the risks the charity may face;
- The establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

Key elements in the management of financial risk are:

- The setting of a reserves policy by the Trustees and
- Setting parameters for the distribution of the investment portfolio between equity investments and fixed interest securities in order to achieve a balance between maximising returns and limiting the potential variability of investment returns
- Depletion of trust funds after year 5 due to no new income being received. The Foundation intends to employ a full time fund raiser to take forward a fundraising strategy.

Both the reserves policy and the investment portfolio parameters are reviewed annually.

### OBJECTIVES AND ACTIVITIES

The aims of the Foundation are to support the development of new vaccines against diseases of humans and of livestock. The Foundation aims to achieve this primarily through the support of a research institute, the Jenner Institute, a multi-site institute spanning the University of Oxford and the Institute for Animal Health. The Institute has a particular focus on the design and development of new vaccines for the developing world where the greatest needs exist for such vaccines. This ambitious aim recognises that non-industrial researchers have a major role to play in the development and design of new vaccines.

This Institute has activities in both basic and translational research with a particular emphasis on the latter. This focus reflects and recognises both the scientific state of vaccinology and the need for the non-commercial sector to make a greater contribution to vaccine development, particularly for diseases that are unattractive commercial targets for large vaccine companies.

# Jenner Vaccine Foundation

## TRUSTEES' REPORT (continued)

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### OBJECTIVES AND ACTIVITIES (*continued*)

The objectives for the year are shaped by the strategic aims to establish a research facilitating charity with an international reputation. In 2007/08 the emphasis has been on moving into a new research headquarters for the Institute in Oxford while ensuring that a broad spectrum of vaccine research continues to be pursued successfully.

Major activities during the year have been

- Occupation of the Jenner Institute Laboratories in the new Old Road Campus Research Building of the University of Oxford. [See *Review of the Development and Activities of the Foundation During the Year*, below].
- A new Jenner Institute Scientific Advisory Board including distinguished vaccinologists from three continents met for the first time in Oxford and Compton in early 2008 and provided valuable input on the scientific input on the research activities of the Institute and the Foundation.
- The Institute, with the support of the Foundation, applied successfully to the Wellcome Trust for a Strategic Award to support the core research activities of the Institute and in particular work towards vaccines for avian and human influenza, bovine and human tuberculosis, foot and mouth disease and malaria. A grant of £3.4 million was awarded over a five year period.
- The Foundation has offered Jenner Investigator status to further persons who are employees of either the University of Oxford or the Institute for Animal Health and have an excellent track record in the area of vaccinology. This status confers the entitlement to an allowance for travel to conferences and other such expenses whilst raising the profile of the Institute through the use of the title 'Jenner Investigator' on papers written by Jenner Investigators.
- The Foundation decided to launch a fund raising effort in partnership with the University of Oxford.
- A rigorous program of cost control and review has been undertaken at the Compton site and this has reduced the Foundation's expenditure on research support costs at this site.

The achievement of these objectives is now establishing a sound base for the Foundation and its supported Institute and longer term objectives will include the establishment of new funding streams to enable the work of the Institute to continue and grow.

### GRANT MAKING POLICY

During 2007/8, the Foundation supported vaccinology research at the Jenner Institute through a variety of mechanisms. The salaries of three Jenner Fellows were supported through a grant made to the University of Oxford. The allowances of Jenner Investigators are funded directly to the individuals. The costs of research facilities at the Oxford and Compton sites are supported in some part by the Foundation. The Foundation was a significant contributor to the building costs of the new Jenner Institute Laboratories. A proportion of the costs of research seminars in vaccinology at the various Institute sites have been supported directly. The Jenner Institute's Scientific Advisory Board (SAB) has been supported by the Foundation: this SAB will meet approximately every 12 months and will oversee the overall research strategy of the Institute. Members of the Institute Board attended the first meeting of the SAB and the SAB will shortly report back to the Institute Board. The Foundation is currently reviewing its priorities for future research funding and funded an external consultant to undertake an appraisal of its options for fundraising. This was helpful in the Board's recent decision to initiate and fund a campaign to raise funds in partnership with the University of Oxford. If this campaign is successful this may allow the Foundation to support vaccinology activities more widely than through funding of the Jenner Institute.

# Jenner Vaccine Foundation

## TRUSTEES' REPORT (continued)

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### REVIEW OF THE DEVELOPMENT AND ACTIVITIES OF THE FOUNDATION DURING THE YEAR

The new Jenner Institute Laboratories at the Old Road Campus site of the university in Headington, Oxford became available for occupation in January 2008. Over the next two months the Laboratories were occupied by research groups working on malaria, tuberculosis and influenza vaccines. The new Laboratories form the headquarters of the Jenner Institute and house the director, several senior scientists, the senior administrator and support staff with laboratory space for up to sixty researchers. The Laboratories include biosafety level 3 containment facilities, an insectary to support malaria vaccine research, and a flow cytometry facility. The building of this > 1000 square meter space was supported by funds from several sources including the Jenner Vaccine Foundation, the Medical Research Council, the Wolfson Foundation, the Wellcome Trust and the University of Oxford.

A major grant application for support of the work of the Institute was submitted to the Wellcome Trust as a Strategic Award in August 2007. This was awarded after interview in early 2008. The grant amounts to £3.7 million over five years and will support several activities at the Institute. These include establishing a vectored vaccine core facility and an adjuvant bank along with some support for a flow cytometry core facility. The research programme will focus on vaccine development for four major infectious pathogens: influenza virus, M. tuberculosis, foot and mouth disease virus and malaria parasites. The programme should considerably enhance collaborative work between University and Institute for Animal Health scientists in accordance with the strategic objectives of the Foundation.

The Foundation was pleased to note the establishment of a very distinguished Institute Scientific Advisory Board including leading human and veterinary vaccinologists. The Board is chaired by Dr Marie-Paule Kieny, head of the Initiative for Vaccine Research at the World Health Organisation in Geneva. The deputy chair is Professor Ivan Morrison of Edinburgh University. The Board will meet every year and report to the Foundation Board as well as the Institute director.

The Foundation has supported a seminar programme hosted by the Institute at its two major sites in Compton and at the Old Road / Churchill site in Headington. Initially Oxford-based scientists have spoken in Compton and vice-versa to enhance knowledge of vaccinology research activities on the other site. By mid-year, after most of the Investigators had presented seminars, the programme was extended to invite external speakers. These seminars have again been well attended. Details of past and planned seminars are available on the Institute's website: [www.jenner.ac.uk](http://www.jenner.ac.uk).

The Foundation has now identified and appointed further Jenner Institute Investigators active in vaccinology from amongst the staff of the University and the Institute for Animal Health, bringing the total number to 24. This status confers entitlement to an allowance for travel to conferences and other such expenses whilst raising the profile of the Institute.

The Institute played a major part in the successful joint application last year by the Oxford Radcliffe Hospitals Trust and the University for a Department of Health-supported Oxford Biomedical Research Centre. The Institute's activities are now receiving support from the Centre as part of the Vaccines theme and this has contributed significantly to the clinical trials programme of the Institute. Jenner Institute Investigators are currently undertaking clinical vaccine trials in the following disease areas: tuberculosis, malaria, pneumococcal disease, meningitis, influenza and hepatitis C.

Subsequent to the Institute's support last year of a workshop on a Roadmap for Global Foot and Mouth Disease control in Agra, India, several grant applications have been prepared and submitted for funding and an additional Investigator has been appointed in this disease area.

Scientific progress on various vaccinology research areas continues to be made by all groups within the Institute. Several grant applications by Jenner Investigators and fellows have been funded and several vaccine candidates from Institute scientists are in clinical development.

# Jenner Vaccine Foundation

## TRUSTEES' REPORT (continued)

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### REVIEW OF THE DEVELOPMENT AND ACTIVITIES OF THE FOUNDATION DURING THE YEAR (*continued*)

The profile of the Foundation and the Institute was enhanced by the launch of a new detailed website that provides details of the Foundation and Institute locations and structures, and of Jenner Investigators and their research programmes - [www.jenner.ac.uk](http://www.jenner.ac.uk).

### PLANS FOR FUTURE PERIODS

The need for greater investment in vaccinology in the UK and globally is increasingly recognised and advocated and is driven by several factors:

- Increasing recognition that the horrendous burden of mortality from potentially vaccine-preventable diseases in poor countries is indefensible in an increasingly wealthy world.
- Appreciation that a huge investment in basic sciences such as immunology and genomics has provided great opportunities for new vaccine development but relatively few products.
- Increasing public concerns about the safety of widely used childhood vaccines in the UK and other developed countries.
- Realisation that new pathogens such as SARS and new influenza strains will continue to emerge, that eradicated diseases such as smallpox may be re-introduced by bioterrorists, and that vaccination offers a major defence strategy.
- Concern that adequate vaccines and vaccination policies have not been available or in place to safeguard livestock from epidemics such as foot and mouth disease.
- Realisation that the commercial sector is unlikely to be able to undertake more than late stage development of vaccines that are needed for mainly developing country markets.
- Excitement that therapeutic vaccination against chronic infections and auto-immune diseases may soon become feasible.

Against this background Oxford University and the Institute for Animal Health are committed to actively supporting their vaccinology programmes that are enhanced by the work of the Jenner Institute supported by the Jenner Vaccine Foundation. Objectives for the coming year include the following.

- The Institute will seek to conclude an agreement on a commercial partnering activity that will lead to large scale field trials of its promising vaccine candidate for human tuberculosis.
- The Institute, with Foundation support and oversight, will initiate the planned Wellcome Trust Strategic Award activities leading to the development of a new vaccine vector core facility and adjuvant bank.
- The Institute will review the locations of current research groups activities seeking greater efficiencies and closer research networking between human and veterinary vaccinologists.
- The Foundation will initiate fundraising activities seeking to enhance its resources for supporting its charitable objectives.

### FINANCIAL RESULTS FOR THE YEAR

The net movement in funds for the year to 31 March 2008 was a deficit of £1,095,146 (2007: £595,174 deficit). The total value of fund balances at the 31 March 2008 was £1,761,312 (2007: £2,856,459).

### INVESTMENT POLICY

Under the Memorandum and Articles of Association the Charity may invest monies not immediately required for its purposes in any way the Trustees wish.



# Jenner Vaccine Foundation

## TRUSTEES' REPORT (continued)

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The Investment Policy is that sufficient funds will be retained on short-term deposit to cover the designated funds and also any timing differences between receipts and expenditure for the following year. The remaining funds will be invested in such a way as to balance the need to maximise growth whilst retaining sufficient liquidity to manage the ongoing cash requirements of the Foundation. The Foundation has engaged the services of an Independent Adviser to provide advice on suitable investments.

After allowing for the withdrawal of £955,000 of capital during the year for investments and short term deposits, the portfolio returned -5.2% against a benchmark return of -6.0%. This is based on a revised asset allocation reflecting the trustees' decision during the year to maximise the return subject to adopting a medium risk strategy. As a result of this, the bond exposure was reduced in favour of new investments in property and a fund of hedge funds and the reintroduction of overseas equity content. However the investment managers are mindful that additional funds will be required in the coming year and have retained a significant exposure to cash and other short term instruments.

On an overall basis the year produced a satisfactory outcome. The asset mix is reviewed regularly to align investment objectives with the needs of the fund.

The Foundation's investment policy and the performance of its investments against that policy are reviewed annually.

### RESERVES POLICY

It is the policy of the Board that the balance on unrestricted funds is maintained at such a level as is deemed sufficient to enable the Foundation to accommodate fluctuations in the timing of receipts and payments without exposing the Foundation to undue financial risk.

From 1 November 2005 no further funding was received from the Foundation's original sponsors, the previous funding arrangement having ended. One of the key tasks of the Trustees is to manage the remaining reserves whilst new sources of funding are identified. During the current financial year the Trustees appointed an organisation to conduct a fundraising feasibility study with a view to increasing the Foundations reserves substantially.

At the 31 March 2008, the actual reserves were £1,761,312 of which a balance of £1,732,145 was in unrestricted general reserves.

At the 31 March 2008 the balance of funds in unrestricted designated reserves amounts to £29,167 a description of the items included herein is contained in note 6 to the financial statements.

The degree of adherence to and appropriateness of this policy is reviewed annually.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### AUDITORS

Baker Tilly UK Audit LLP has indicated its willingness to continue in office. On 1 April 2007 the Foundation was notified of the cessation of the partnership Baker Tilly and the creation of Baker Tilly UK Audit LLP

Trustee

 20/9/08

2008

# Jenner Vaccine Foundation

## TRUSTEES' RESONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The Trustees, who are also the directors, are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law required the trustees to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements on accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will continue in business.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and 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 of fraud and other irregularities.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JENNER VACCINE FOUNDATION

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We have audited the financial statements on pages 11 to 24.

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 charitable company'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 charitable company and the charitable 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 responsibilities of the trustees (who are also the directors of Jenner Vaccine Foundation Ltd for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting 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).

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 whether in our opinion the Trustees'/Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company 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 other transactions is not disclosed.

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

### **Basis of audit 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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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.

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 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.
- the information given in the Trustees'/Directors' Report is consistent with the financial statements.

*Robert Tidy* *uh Audit* *uh*

Registered Auditor  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

21-10-2008

# Jenner Vaccine Foundation

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 March 2008

	Notes	Unrestricted funds 2008 £	Designated funds 2008 £	Total funds 2008 £	Total funds 2007 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Investment income	2	65,830	-	65,830	108,887
Incoming resources from charitable activities:					
Grants	1	54,700	-	54,700	-
Other incoming resources		541	-	541	9,886
Total incoming resources		121,071	-	121,071	118,773
<b>RESOURCES EXPENDED</b>					
Costs of generating funds:					
Costs of generating voluntary income		32,873	-	32,873	-
Investment management costs		23,581	-	23,581	28,863
Charitable activities:					
Scientific research	3	388,173	646,565	1,034,738	751,074
Governance costs	3	42,349	-	42,349	52,396
Total resources expended		486,976	646,565	1,133,541	832,333
Net outgoing resources before transfers		(365,905)	(646,565)	(1,012,470)	(713,560)
Transfers between funds		105,500	(105,500)	-	-
Net outgoing resources for the year		(260,405)	(752,065)	(1,012,470)	(713,560)
<b>OTHER RECOGNISED/(UNRECOGNISED) GAINS AND LOSSES</b>					
Unrealised (loss)/gains on investment assets		(82,676)	-	(82,676)	118,386
NET MOVEMENTS IN FUNDS		(343,081)	(752,065)	(1,095,146)	(595,174)
FUND BALANCES AT 1 APRIL 2007		2,075,226	781,232	2,856,458	3,451,633
FUND BALANCES AT 31 MARCH 2008	7	1,732,145	29,167	1,761,312	2,856,459

All of the charity's activities are continuing. The Statement of Financial Activities includes all gains and losses recognised in the year. The notes on pages 14 to 24 form part of these financial statements.

# Jenner Vaccine Foundation

## BALANCE SHEET

31 March 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible Assets	9	64,669	112,303
Investments	10	1,683,270	2,467,812
		<u>1,747,939</u>	<u>2,580,115</u>
CURRENT ASSETS			
Debtors	11	5,086	6,108
Short term deposits		157,423	373,759
Cash at bank and in hand		-	96,709
		<u>162,509</u>	<u>476,576</u>
CREDITORS: Amounts falling due within one year	12	(149,136)	(200,232)
NET CURRENT ASSETS		<u>13,373</u>	<u>276,344</u>
NET ASSETS		<u><u>1,761,312</u></u>	<u><u>2,856,459</u></u>
FINANCED BY			
Unrestricted - General	7	1,732,145	2,075,227
Unrestricted - Designated	6, 7	29,167	781,232
		<u>1,761,312</u>	<u>2,856,459</u>

The financial statements on pages 11 to 24 were approved on behalf of the Trustees and authorised for issue on 20/9/2008 and signed on their behalf by:

*BN. Curwood*

Trustee

Trustee

*Kenneth A. Fleming*

The notes on pages 14 to 24 form part of these financial statements.

**Jenner Vaccine Foundation**  
**CASH FLOW STATEMENT**  
for the year ended 31 March 2008

	<i>Note</i>	<i>2008</i> £	<i>2007</i> £
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	13	(1,071,772)	(904,113)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		5,329	3,215
Income received from investments		60,501	105,672
		<u>65,830</u>	<u>108,887</u>
CAPITAL EXPENDITURE			
Payments to acquire investments		-	(893,747)
Proceeds from sale of investments (net of costs)		678,284	1,034,785
		<u>678,284</u>	<u>141,038</u>
NET CASH OUTFLOW		(327,658)	(654,188)
MANAGEMENT OF LIQUID RESOURCES			
Net decrease in short term deposits		216,336	453,291
		<u>216,336</u>	<u>453,291</u>
DECREASE IN CASH		<u>(111,322)</u>	<u>(200,897)</u>

The notes on pages 14 to 24 form part of these financial statements.

# Jenner Vaccine Foundation

## ACCOUNTING POLICIES

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### ACCOUNTING CONVENTION

The accounts have been prepared under the historical cost convention modified to include the revaluation of investments which are valued at market value. The accounts meet with the requirements of the Companies Act 1985 and have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005). The accounts comply with applicable accounting standards so far as these requirements are appropriate. Significant departures from applicable accounting standards are disclosed.

### TANGIBLE FIXED ASSETS

Fixed assets costing over £10,000 are depreciated to their estimated residual values by equal annual instalments over their expected useful lives as below. Items costing less than £10,000 are expensed in the year of purchase.

Leasehold land and buildings	over the term of the lease
Plant and machinery	5 years

No depreciation is provided on works of art except in the event of permanent diminution in value.

### INVESTMENTS

Investments are stated at market value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

### INCOME

Income comprises grants received from sponsors and other funding agencies and miscellaneous income from other sources. Grants and other income received on account of activities to be undertaken or services to be provided in future periods are deferred.

### RESTRICTED FUNDS

Income received from sponsors and other funding agencies which is designated by the funder as to be applied for specific purposes is accounted for within restricted funds. Where that specific purpose is the provision of one or more fixed assets to be used in the general charitable activities of the Foundation the restricted fund is subsequently reduced by transfers to unrestricted funds of amounts equivalent to any depreciation or amortisation charges over the expected useful life of the asset.

### UNRESTRICTED AND DESIGNATED FUNDS

Income received which is not designated by the sponsors or other funding agencies to be applied for specific purposes are accounted for within unrestricted funds. Funds committed by the Trustees for a specific purpose which have not been expended at the end of an accounting period are accounted for within designated funds.

### GRANTS PAYABLE

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attached are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment but not accrued as expenditure.

### RESOURCES EXPENDED

Costs of generating funds comprise direct costs on fundraising and investment management costs for the Independent Advisers management of the investment portfolio.

Charitable activities expenditure comprises costs incurred directly or in support of scientific research whether undertaken at the Foundation's own facilities or in other laboratories.

# Jenner Vaccine Foundation

## ACCOUNTING POLICIES

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### MANAGEMENT AND SUPPORT COSTS AND GOVERNANCE COSTS

Expenditure incurred on central management and administration of the Foundation is reported as Support Costs in the Notes. Governance costs are costs incurred in the governance of the Foundation and its assets and are primarily the associated statutory audit and legal fees.

### VALUE ADDED TAX

Expenditure includes any related irrecoverable Value Added Tax under each heading.

### FOREIGN CURRENCY TRANSACTIONS

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

### RESERVES

The balance on unrestricted funds is maintained at such a level as to enable the Foundation to accommodate fluctuations in the timing of receipts and payments without exposing the Foundation to undue financial risk.

### INVESTMENT POLICY

The Foundation's policy is to invest sufficient funds in such a way as to guarantee preservation of their capital value to cover any potential liabilities. Additional funds will be retained on short-term deposit to cover timing differences between receipts and expenditure. Remaining funds will be invested in such a way as to maximise growth.



# Jenner Vaccine Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

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1	GROSS INCOME	2008 £	2007 £
	Grants receivable		
	EU Grant	14,700	-
	University of Oxford	40,000	-
		<u>54,700</u>	<u>-</u>
		<u><u>54,700</u></u>	<u><u>-</u></u>
2	INVESTMENT INCOME	2008 £	2007 £
	Interest received	5,329	3,215
	Investment income	60,501	105,672
		<u>65,830</u>	<u>108,887</u>
		<u><u>65,830</u></u>	<u><u>108,887</u></u>

# Jenner Vaccine Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

### 3 CHARITABLE EXPENDITURE AND GOVERNANCE COSTS

	2008		2007	
	Direct charitable £	Support costs £	Direct charitable £	Support costs £
Grants paid in support of scientific programs (note 4)	202,516	-	395,247	-
Grants paid towards Old Road Campus (note 6)	639,565	-	110,435	-
Scientific support and administration	-	36,320	-	26,216
Service level agreements	(7,798)	24,008	48,514	23,060
Jenner Investigators	31,757	-	-	-
Travel and subsistence	-	695	-	3,692
Laboratory consumables and equipment	21,929	(509)	(1,899)	6,874
Communications	-	2,121	-	3,993
Premises	1,967	3,135	48,313	11,180
Miscellaneous	3,283	28,115	(1,542)	29,983
Depreciation	47,634	-	47,008	-
	<u>940,853</u>	<u>93,885</u>	<u>646,076</u>	<u>104,998</u>

### DIRECT CHARITABLE AND SUPPORT COSTS – SCIENTIFIC RESEARCH

1,034,738 751,074

### GOVERNANCE COSTS

Professional fees 42,349 52,396

The Foundation does not employ any staff and no trustee received any remuneration during the financial year (2007: nil). Two trustees received reimbursed expenses during the year totalling £288 for attending Board meetings.

### 4 GRANTS PAYABLE

	2008 £	2007 £
Grants paid in the year in support of scientific research programmes:		
Oxford University	202,516	395,247
Grants paid in the year in support of Laboratory Development Site:		
Oxford University	639,565	110,435
	<u>          </u>	<u>          </u>

# Jenner Vaccine Foundation

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2008

#### 4 GRANTS PAYABLE (continued)

Commitments resulting from grants awarded to these and other institutions:

	£
Falling due for payment in year ending 31 March 2009	248,456

Conditions for payment of these grants has not yet been met and these grants will be funded from reserves.

#### 5 INSURANCES

The Foundation has entered a policy of insurance to indemnify trustees and officers against legal or other costs incurred as a consequence of their action or inaction as trustees or officers of the Foundation. Premiums and related costs in respect of this policy totalled £2,100 (2007: £2,100).

#### 6 DESIGNATED FUNDS

Designated funds comprise funds set aside to meet expenditure commitments and unencumbered revenues received from sources other than sponsors' contributions which have been set aside to provide facilities or supplement operating costs or meet any future liabilities of the Foundation. The unexpended balance of designated funds is invested in short term deposits and investments. Transfers between funds are made up as follows:

	<i>As at 1 April 2007 £</i>	<i>Resources Expended in the year £</i>	<i>Transfers to the Unrestricted General fund in the year £</i>	<i>As at 31 March 2008 £</i>
Designated:				
VAT Capital Goods Scheme	116,667	-	(87,500)	29,167
Old Road Campus, Oxford	639,565	(639,565)	-	-
Decommissioning provision	25,000	(7,000)	(18,000)	-
	<u>781,232</u>	<u>(646,565)</u>	<u>(105,500)</u>	<u>29,167</u>

#### VAT Capital Goods Scheme

The Foundation recovered £875,000 of input VAT arising from the construction of a purpose built research facility completed in August 1998. Under the VAT Capital Goods Scheme a proportion of this VAT is repayable to HM Revenue and Customs in the event that the facility ceases to be used for the charitable purpose. The potential liability diminishes linearly to nil over a 10 year period. At the balance sheet date the building has been used for a charitable purpose for 9 years and 8 months.

# Jenner Vaccine Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

### 6 DESIGNATED FUNDS (continued)

Old Road Campus, Oxford

In 2006, the Foundation committed £1m to provide space for The Jenner Institute at the Old Road Campus Site in Headington, Oxford. This is part of a £5m development being undertaken by the University of Oxford. It presented an exciting opportunity for the Foundation to base its headquarters in purpose built space in one of the world's leading research universities, allowing considerable scope for enhancement of the field of vaccinology in the UK. During the year to 31 March 2007, the Medical Research Council paid £250,000 direct to the University in lieu of a grant to the Jenner Foundation and the Foundation paid a tranche of £110,435 to the University. The remaining commitment of £639,565 was paid during the current financial year. The Foundation moved into the building in January 2008.

Decommissioning provision

The Foundation owned a Gamma irradiation facility at the Compton site. During the year, ownership of the equipment was transferred to the Institute for Animal Health. It was agreed that the Jenner Vaccine Foundation would pay a one-off sum of £7,000 to cover any final decommissioning costs that would be incurred.

7 ANALYSIS OF NET ASSETS BETWEEN FUNDS	<i>Unrestricted funds</i> £	<i>Designated funds</i> £	<i>Total funds</i> £
Tangible fixed assets	64,699	-	64,699
Current assets and investments	1,816,582	29,167	1,845,749
Current liabilities	(149,136)	-	(149,136)
	<u>1,732,145</u>	<u>29,167</u>	<u>1,761,312</u>

8 RESOURCES EXPENDED	2008 £	2007 £
General resources expended include the following:		
Auditor's remuneration		
- statutory audit	19,497	14,185
Depreciation	47,634	47,008
	<u>67,131</u>	<u>61,193</u>

# Jenner Vaccine Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

### 9 TANGIBLE ASSETS

	<i>Works of art</i> £	<i>Plant and machinery</i> £	<i>Short leasehold buildings</i> £	<i>Total</i> £
Cost:				
At 1 April 2007	11,750	2,061,460	6,815,099	8,888,309
Additions	-	-	-	-
Disposals	-	(719,576)	-	(719,576)
	<u>11,750</u>	<u>1,341,884</u>	<u>6,815,099</u>	<u>8,168,733</u>
At 31 March 2008	11,750	1,341,884	6,815,099	8,168,733
Depreciation:				
At 1 April 2007	-	1,960,907	6,815,099	8,776,006
Charge for the year	-	47,634	-	47,634
On disposal	-	(719,576)	-	(719,576)
	<u>-</u>	<u>1,288,965</u>	<u>6,815,099</u>	<u>8,104,064</u>
At 31 March 2008	-	1,288,965	6,815,099	8,104,064
Net book value				
At 31 March 2008	<u>11,750</u>	<u>52,919</u>	<u>-</u>	<u>64,669</u>
At 31 March 2007	<u>11,750</u>	<u>100,553</u>	<u>-</u>	<u>112,303</u>

### 10 INVESTMENTS

These investments are held primarily to provide investment returns for the charity. Foundation policy is to invest sufficient funds in such a way as to guarantee preservation of their capital value to cover any potential liabilities. Additional funds will be retained on short-term deposit to cover timing differences between receipts and expenditure. Remaining funds will be invested in such a way as to maximise growth.

	2008 £	2007 £
Fixed interest – UK Gilts	104,349	323,002
Other fixed interest	196,832	303,702
Equities – UK	830,872	1,063,542
Equities – Other	551,217	777,566
	<u>1,683,270</u>	<u>2,467,812</u>

All investments are listed on a recognised stock exchange or ones valued by reference to such investments.

**Jenner Vaccine Foundation**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2008

10	INVESTMENTS (continued)	% value of portfolio 2008	% value of portfolio 2007
	Treasury 5% 2012	6.2	13.1
	Bradford & Bingley Fixed Interest	5.8	4.1
	Lloyds TSB Fixed Interest	5.9	4.1
	Ishares FTSE 100	37.7	31.9
	Ishares FTSE 250 Fund	7.7	7.0
	Paragon Asset Management	9.7	7.6
	Charities Prop Property Fund	7.2	5.6
	Legg Mason Inv Fds US Equity	-	5.2
	Findlay Park Sm Co	6.9	4.8

	Fixed interest		Equities		
	UK Gilts	Other	UK	World	Total
	£	£	£	£	£
Value at 1 April 2007	323,001	303,702	1,063,543	777,566	2,467,812
Sale proceeds	(228,604)	(100,873)	(134,479)	(237,910)	(701,866)
Change in market value	9,952	(5,997)	(98,192)	11,561	(82,676)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Value at 31 March 2008	104,349	196,832	830,872	551,217	1,683,270
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The original cost of the investments at 31 March 2008 was: 1,504,191

11	DEBTORS	2008 £	2007 £
	Trade debtors	-	325
	Other debtors	199	-
	Prepayments and accrued income	4,887	5,783
		<u>          </u>	<u>          </u>
		5,086	6,108
		<u>          </u>	<u>          </u>

# Jenner Vaccine Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

12	CREDITORS: Amounts falling due within one year	2008 £	2007 £
	Trade creditors	8,861	7,702
	Bank overdraft	14,613	-
	Amounts owed to related undertakings:		
	Institute for Animal Health	33,153	59,231
	University of Oxford	68,509	121,549
	Accruals and deferred income	24,000	11,750
		<u>149,136</u>	<u>200,232</u>
13	RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES	2008 £	2007 £
	Net outgoing resources before transfers	(1,012,470)	(713,560)
	Interest receivable	(5,329)	(3,215)
	Investment income receivable	(60,501)	(105,672)
	Depreciation charged	47,634	47,008
	Investment management costs	23,581	28,863
	Decrease in debtors	1,022	21,970
	Decrease in creditors	(65,709)	(179,507)
		<u>(1,071,772)</u>	<u>(904,113)</u>
14	RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS AND ANALYSIS OF CHANGES IN NET FUNDS	2008 £	2007 £
	Decrease in cash	(111,322)	(200,897)
	Cash release as a result of changes in short term deposits	(216,336)	(453,291)
		<u>(327,658)</u>	<u>(654,188)</u>
	Decrease in net funds	(327,658)	(654,188)
	Net funds at 1 April 2007	470,468	1,124,656
		<u>142,810</u>	<u>470,468</u>
	Net funds at 31 March 2008		

# Jenner Vaccine Foundation

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 March 2008

#### 14 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS AND ANALYSIS OF CHANGES IN NET FUNDS (continued)

	<i>At 1 April</i> 2007 £	<i>Cash flows</i> £	<i>At 31 March</i> 2008 £
Cash at bank and in hand	96,709	(111,322)	(14,613)
Short term deposits	373,759	(216,336)	157,423
	<u>470,468</u>	<u>(327,658)</u>	<u>142,810</u>

#### 15 RELATED PARTY TRANSACTIONS

The Foundation has close working relationships with the Institute for Animal Health and the University of Oxford. Since the change in membership of the Foundation on 1 November 2005 these bodies nominate the trustees. The Foundation occupies premises at the Institute for Animal Health's Compton site. The following is a summary of purchases and recharges from these entities.

	2008 £	2007
Institute for Animal Health:		
Purchases	21,891	5,788
Recharges	(18,947)	(30,280)
University of Oxford:		
Payments	913,784	725,670
Recharges	(47,791)	-
	<u>868,937</u>	<u>701,178</u>

Two pieces of equipment were transferred to the Institute for Animal Health for no consideration. They had a net book value of nil. A one off sum of £7,000 was paid to Institute of Animal Health to cover any final decommissioning cost that would be incurred in relation to this equipment.

The amounts due to these entities at 31 March 2008 are shown within note 12.



# Jenner Vaccine Foundation

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2008

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### 16 CONTINGENT LIABILITIES

Under current VAT legislation a proportion of the VAT from which the Foundation was relieved on the construction costs of the new laboratory is payable in the event that there is material business use of the building during the first ten years of its life. This proportion is time related so that 9 years 8 months after the relief was granted the maximum potential liability is 3% of the original amount relieved.

The estimated value of the VAT payable if this contingency is realised is £29,167. Funds have been designated in this amount and are held on deposit such that capital security and access without penalty are assured.