

Annual Report and Financial Statements 31 March 2019

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Mission, vision and characteristics

The Academy of Medical Sciences is an independent organisation that represents the spectrum of medical science – from basic research through clinical application to healthcare delivery. Our mission is to advance biomedical and health research and its translation into benefits for society.

We are working to secure a future in which:

- **UK and global health is improved by the best research.**
- **The UK leads the world in biomedical and health research, and is renowned for the quality of its research outputs, talent and collaborations.**
- **Independent, high quality medical science advice informs the decisions that affect society.**
- **More people have a say in the future of health and research.**

We are guided by the following values and characteristics:

- **A Fellowship of the UK's best biomedical and health researchers.**
- **An independent source of evidence-based and expert advice.**
- **Connected to, and respected by, decision makers.**
- **Focused on realising cross-disciplinary opportunities across academia, industry and healthcare.**
- **Committed to improving and celebrating diversity - in all its forms - in the biomedical and health research community.**
- **Global in outlook, reach and influence.**
- **Catalytic, inclusive and accessible in our approach.**
- **Responsive to change and innovative in our solutions.**
- **Adept at maximising our impact through partnership working.**

Our elected Fellows are central to our success. It is their unique diversity of talent, collective experience and professionalism that enables the Academy to address complex issues of science and healthcare with expertise and authority. In this way, the Fellowship is a national, public resource of independent and expert advice on medical science and healthcare.

Administrative details

Name of charity

The Academy of Medical Sciences

Registered charity no

1070618

Registered company no

3520281

Principal address

(and Registered Office)
41 Portland Place
London, W1B 1QH

Principal bankers

Lloyds Bank PLC
8-10 Waterloo Place
London, SW1Y 4BE

Auditors

PKF Littlejohn LLP
1 Westferry Circus
Canary Wharf
London, E14 4HD

Investment fund manager

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London, EC4M 8BU

Honorary Officers of the Academy of Medical Sciences**President**

Professor Sir Robert Lechler FMedSci
Executive Director, King's Health Partners and Vice-Principal (Health),
King's College London

Vice-President (clinical)

Professor Paul Stewart FMedSci
Dean of Medicine and Faculty Dean Medicine and Health,
University of Leeds

Vice-President (non-clinical)

Professor Fiona Watt FRS FMedSci *until November 2018*
Executive Chair, Medical Research Council
Professor Michael Malim FRS FMedSci *from November 2018*
Head, School of Immunology & Microbial Sciences,
King's College London

Vice-President (international)

Professor George Griffin CBE FMedSci *until June 2018*
Centre for Infection,
St George's University of London
Professor Dame Anne Johnson FMedSci *from June 2018*
Professor of Infectious Disease Epidemiology,
University College London

Treasurer

Professor Anne Dell CBE FRS FMedSci *until November 2018*
Professor of Carbohydrate Biochemistry,
Imperial College London
Professor Edward Bullmore FMedSci *from November 2018*
Professor of Psychiatry,
University of Cambridge

Registrar

Professor Philippa Saunders FRSE FMedSci
Professor of Reproductive Steroids,
University of Edinburgh

Ordinary Members of Council

Professor Frances Brodsky FMedSci *appointed November 2018*
Professor Sir Rory Collins FRS FMedSci *retired November 2018*
Professor Dame Jessica Corner FMedSci
Professor Hilary Critchley FRSE FMedSci
Professor Annette Dolphin FRS FMedSci *retired November 2018*
Professor Dame Anna Dominiczak FRSE FMedSci *appointed November 2018*
Professor Elizabeth Fisher FMedSci
Professor David Lomas FMedSci *appointed November 2018*
Professor Patrick Maxwell FMedSci *appointed November 2018*
Professor Sir Stephen O'Rahilly FRS FMedSci *retired November 2018*
Dr Sir James Smith FRS FMedSci *retired November 2018*
Professor Sir Douglas Turnbull FMedSci
Professor Julie Williams CBE FMedSci FLSW

Co-opted members

Dr Fiona Marshall FMedSci *re-appointed December 2018*
Professor Frances Platt FMedSci *re-appointed December 2018*

Principal Employed Officers**Executive Director**

Dr Helen Munn

Director of Biomedical Grants and Careers Policy

Dr Suzanne Candy

Director of Communications

Mr Nick Hillier

Director of Medical Science Policy

Dr Rachel Quinn

Director of Finance and Resources

Mrs Chris Straw

Aims and objectives

The Academy is approaching the midpoint of our current strategic plan 2017-2021.

Our mission is to advance biomedical and health research and its translation into benefits for society.

Our four key objectives are:

- 1. Promoting excellence**
- 2. Developing talented researchers**
- 3. Influencing research and policy**
- 4. Engaging patients, the public and professionals**

In delivering these objectives we will seek to address the following strategic challenges:

1. To harness our expertise and convening power to tackle the biggest scientific and health challenges and opportunities facing our society.
2. To lead innovation in the development of research talent through funding and careers support.
3. To achieve influence and impact beyond the UK to improve health and well-being.
4. To become the exemplar of a 'modern scientific academy' – diverse, trusted, dynamic, relevant and accessible.
5. To enhance the Academy's delivery capability, making sure we have the Fellows, staff, partners, resources and influence to make an even greater contribution to the UK and beyond.

Income and expenditure under the four key objectives for the financial year to 31 March 2019 are shown in the Consolidated Statement of Financial Activities at page 19.

Achievements in the year 2018/19

20th Anniversary celebrations

- In December 2018 we celebrated the Academy's 20th Anniversary. To mark the occasion we developed a microsite sharing 20 of our biggest impacts, which launched alongside a social media campaign under the hashtag #AMS20. This microsite, along with blogs written by our President marking the celebration, were some of the most popular digital content of the year.
- The celebrations concluded with a special dinner held for Fellows and guests thanking them for their immense contribution to the Academy during its first 20 years.

Promoting excellence

- In April 2018 we elected 48 new Fellows to the Academy Fellowship from a record pool of 410 candidates. The total proportion of women candidates was 28% - a 2% increase from last year. The election process involved the majority of the Fellowship in their various roles as nominators, peer reviewers or Sectional Committee members. This election brought the total number of Fellows to 1,249. Election to the Fellowship continues to be regarded as an international badge of biomedical and health research excellence.
- We continued to improve diversity of participants in all our work, including the Fellowship election, events, working groups, committees and panels. In October 2018 we published our fourth annual comprehensive report of diversity data.
- In December 2018 Professor Janet Rossant FRS gave the Jean Shanks Lecture on 'Stem cells and genome editing – from basic research to precision medicine' at our 20th Anniversary Fellows meeting.
- At the 20th Anniversary dinner we admitted Baroness Manningham-Buller LG DCB FMedSci and Fiona Fox OBE FMedSci as Honorary Fellows of the Academy.

Developing talented researchers

- Developing new initiatives has been a major focus for 2018-19, as well as refining the delivery of our existing portfolio of activities. New activities that were developed and launched were our Future Leaders in Innovation, Enterprise and Research (FLIER) programme and the Academy of Medical Sciences Professorships scheme.
- The FLIER pilot programme opened for applications in October 2018. Working with our delivery partner Cirrus-Connect, this prestigious cross-sector leadership scheme brought together our first cohort of 17 participants from across academia, industry, NHS and government/policy sectors to take part in a two-year immersive programme. The pilot programme was funded from the BEIS Talent Fund and the Dennis and Mireille Gillings Foundation.
- The Academy of Medical Sciences Professorships scheme was launched in early 2019. This scheme is designed to attract and retain emerging talent from across the globe to the UK, with the specific aim to build capacity at the early-leadership career stage. The scheme is underpinned by the BEIS Talent Fund.
- We have continued to deliver our portfolio of grants schemes including: Springboard Awards, Starter Grants for Clinical Lecturers, Clinician Scientist Fellowships, Newton Fellowships, GCRF Networking Grants, The Daniel Turnberg Travel Fellowship scheme and the Hamied Foundation UK-India AMR Visiting Professorship scheme. Monitoring and evaluation of our activities is an important element of our work to ensure that the schemes remain fit for purpose and achieve impact. This is exemplified by the recent independent evaluation and Working Group review of the Springboard Awards scheme.
- To support medical students to explore a clinical academic career, a fifth round of INSPIRE small grant funding was awarded to 28 medical, dental and veterinary schools. Prior to the funding round, INSPIRE leads (both academic and student representatives) came together to share achievements from previous grant funding rounds, and to discuss future rounds and findings from the independent evaluation.
- Scientific discourse and networking took place at the inaugural Clinical Academics in Training Annual Conference (CATAC; formerly known as the Spring Meeting) on 8 November 2018 at the Royal College of Physicians, Edinburgh. This successful event attracted over 200 attendees from across clinical science disciplines.
- The annual Winter Science meeting for AMS award holders was held in November 2018 in London. This was an opportunity for our awardees to present their research, take part in career development workshops and network with peers and Academy Fellows.

Developing talented researchers

- Our portfolio of programme activities to support early career researchers continues to grow in terms of reach and impact. Over 149 early career researchers were paired in our mentoring scheme this year, bringing the total mentoring pairs to over 900 since the programme began. Three regional career development events were held to provide support and skills training to trainees across the country. We evaluated the second round of SUSTAIN, our development programme for emerging women research leaders, which evidenced the benefits to participants and helped to secure funding for further rounds from the Royal Society and Royal Academy of Engineering. Round three of SUSTAIN launched in March 2019. We continue to share our tools of mentoring and career development with the UK and international research community via catalysis workshops. This year we advised

the African Academy of Sciences on the development of a distance mentoring programme to support the Royal Society Global Challenges Research Fund (GCRF) Future Leaders African Independent Research fellows.

- In terms of policy work to support research career pathways, we undertook a two year follow-up to our Team Science report. This involved a one-day meeting with stakeholders in June 2018 to review progress on the report's recommendations and to identify where further action is needed. A report of this meeting was published in Spring 2019.
- In November, a high-level discussion dinner focussing on clinical academic training challenges in Scotland was hosted at the Royal College of Physicians, Edinburgh.

Influencing research and policy

- Our major policy report, Our data-driven future in healthcare, was published in November 2018. Building on our 2017-8 public dialogue programme, it outlined principles to guide the responsible development, use, commissioning and regulation of emerging technologies that use patient data. The report is already influencing Government policy in this area.
- The Academy's first inter-disciplinary scientific meeting was held in Oxford in March 2019 as a pilot funded by the Development Fund and other external stakeholders. The developing brain in health and disease meeting was welcomed by attendees as being unique in bringing together clinical and non-clinical researchers in a range of relevant fields from across career stages, and received extensive media coverage.
- Working in partnership across the sector, we continued to inform national discussions about safeguarding biomedical research after Britain leaves the EU. This involved numerous statements, consultation responses, and meetings with Ministers and senior officials, covering issues around regulation, immigration and research funding. Efforts continued to inform implementation of the Life Sciences Industrial Strategy, including supporting the UK regional life sciences clusters to contribute to the long-term success of the sector.
- Four FORUM events were held in 2018/19, most of which were held in partnership, providing additional reach, leverage and impact. Topics were: transforming health through engineering and technology; delivering novel therapies; gene therapies; and adaptive clinical trials. These meetings continued to attract leaders from across academia, industry and healthcare, providing an important and neutral platform to discuss challenges and opportunities across the sectors.

Six new organisations joined the FORUM, which reached 42 members. In addition we held two events on Artificial Intelligence and Health.

- In April 2018, we published our first international policy report 'Multimorbidity: a priority for global health research'. The impacts of this report include the launch of a major joint MRC and NIHR funding call and the development of a cross-funder group to promote multimorbidity research.
- Global health policy workshops funded by GCRF were held on: improving the development and deployment of rapid diagnostic tests in South East Asia (Philippines); transforming maternal and newborn health in sub-Saharan Africa (Kenya); and global mental health research (London). Dr Irene Akua Agyepong delivered the 2018 Academy of Medical Sciences and The Lancet International Health Lecture on Universal Health Care coverage. We held a UK-India meeting on antimicrobial resistance in London as part of the Hamied programme.
- In January 2019, we co-hosted the US National Academy of Medicine's prestigious Rosenthal lecture, which was held outside the US for the first time. This one-day symposium brought together UK and US researchers around the theme 'Behaviour change to improve health for all'.
- Relationships with sister Academies in Europe were strengthened, including through a joint meeting in December with the French Academy of Medicine on addiction in adolescence. We continued to provide substantial support to the Federation of European Academies of Medicine to strengthen its influence in Europe and to secure its future.

Engaging patients, the public and professionals

- In 2018/19 we secured significant funding from The Health Foundation and Wellcome to develop the Academy's most ambitious public engagement project to date. Developed throughout the year to launch in May 2019, 'The Departure Lounge' will prompt a national debate on death and dying and encourage conversations on how medical science can help us prepare for the end of life. In February 2019 we held the first in a series of events to catalyse policy activity informed by conversations in 'The Departure Lounge'.
- Our work to increase the number of women experts commenting in the media has continued, and 115 women have now participated in the programme. In October 2018 we held a second session showcasing these trained women to journalists from ITV, Channel 4 and Channel 5 news. This work was recognised by the prestigious Royal Society Athena Prize and an article in PR Week hailed the Academy as 'Champions of change' in the area.
- In 2018/19 the Academy received more coverage in more media outlets than ever before. The multimorbidity report launch in April reached the widest audience achieved so far through broadcast (30 million), print and online news (17 million). In the first 24 hours post-launch, the report reached 34,000 via social media and was downloaded 15,000 times.
- Digital engagement continued to increase. Our main website received more than 640,000 views in 2018/9 - an increase of 22% from the previous year. Our MedSciLife microsite received around 12,000 views - a 95% increase on the previous year. Our Twitter followers jumped to more than 17,000 - an increase of 66%

Looking ahead

Promoting excellence

- Deliver a robust election process, in which a large and diverse pool of candidates is considered fairly and effectively, and up to 50 new Fellows are elected who represent the UK's best medical researchers in its broadest diversity.
- Work with our Regional Champions to support a programme of activities that engages Fellows across the country.
- Deliver high quality corporate events including the New Fellows Admissions Day, Annual Fellows Meeting and Jean Shanks lecture. Utilise media and digital communications to increase reach and impact.
- Support the process to award the 2019 Foulkes Foundation Medal, increasing nominations of individuals from previously under-represented areas.
- Enhance the MedSciLife campaign, raising its media profile, developing further website content, increasing visitor numbers to www.medscilife.org

Developing talented researchers

- Support FLIER participants as they complete year 1 of the programme and commence cross-sector projects in year 2. Select the second cohort of FLIER participants to start the programme in February 2020.
- Continue the work started in 2017/18 in collaboration with The Health Foundation to develop an innovative transdisciplinary fellowship scheme in health of the public research. Exploring funding sources to underpin the scheme will be a focus this year.
- Convene a Programmes Advisory Group to review and advise on the package of support provided across the Academy's grants and programmes.
- Deliver a further grant round for INSPIRE, taking on board findings from the independent evaluation, including the offer of larger, multi-year awards. Encourage medical, dental and veterinary schools to work together in promotion of the 'one health' agenda.
- Secure funding and deliver the fourth round of SUSTAIN, supporting a further 24 women from across science and engineering to succeed in their research careers.
- Scope and commission a digital platform to streamline delivery and expand the capacity of our mentoring programme.
- Further develop CATAAC through scoping and planning for an event in May 2020 in Bristol.
- Review and implement recommendations from the Springboard Award independent evaluation into the next grant round. Deliver a Springboard Champions' meeting and an expanded Springboard Induction meeting to include both new and existing awardees, to increase near-peer and peer-to-peer networking opportunities.
- Award the first cohort of Academy of Medical Sciences Professorships, supported from the BEIS Research Talent Fund.

Influencing research and policy

- Publish an influential vision for enhancing the NHS-academia interface, with input from a wide range of stakeholders, including patient representatives.
- Convene stakeholders to consider the policy implications of the information collected as part of the Departure Lounge public engagement.
- Advocate the views of the Academy's community, alone and in partnership, on factors that impact the UK science base, including Brexit, the Government's target of investing 2.4% of GDP in R&D by 2027, the implementation of Industrial/Life Sciences Industrial Strategy, and the framing of the next Government comprehensive spending review. Explore the use of regional events to inform this work.
- Deliver at least four high-level FORUM meetings, in addition to the 2019 FORUM Annual Lecture on genome editing, and continue to convene the UK life sciences clusters group. Grow the FORUM network, focusing on broader industry representation and NHS engagement, and enhance involvement of members in the Academy's wider work.
- Launch a major new international policy project on global clinical research capacity building with input from national academies, particularly in lower and middle income countries.
- Work with partners in low and middle income countries to deliver six GCRF workshops that support evidence-based policy in relation to their priorities, including: Research and Universal Health Coverage; Science to tackle non-communicable diseases in South Asia and beyond; Multimorbidities in sub-Saharan Africa; and Evaluating and improving Epidemic preparedness and responsiveness. Host a visit from the Chinese Academy of Medicine.
- Further enhance connections with the European medical research community through support for the Federation of European Academies of Medicine, bilateral dialogue and events with European Academies. Strengthen relationships with countries of scientific strength, including the US and Japan.

Engaging patients, the public and professionals

- Deliver 'The Departure Lounge' - the ambitious public engagement programme to include a pop up shop, dedicated website, researcher training, dialogue workshops and large scale digital and traditional media communication campaigns.
- Expand the Academy's UK media presence, ensuring we represent the voice of medical science in high profile media debates. Further enhance our reputation as the 'go to' place for expert and authoritative comment on medical science.
- Increase the diversity of experts commenting in the media through training sessions and media showcases; scope opportunities to develop training to support BAME experts to undertake media work.
- Develop our presence on digital and social media to increase visitors, downloads, followers and subscribers across platforms

Governance

Structure, governance and management

The Academy of Medical Sciences is a registered charity and company limited by guarantee. The company was incorporated on 2 March 1998. The Academy is governed by its Memorandum and Articles of Association. The Council members, who are the trustees of the Academy, are directors under company law.

Following the resolution to apply for Royal Charter status at the Annual General Meeting in 2016, the Academy office has worked with legal advisers on drafting the new governing documents, which were submitted to Privy Council at the end of January 2019. The Academy's petition for Charter will be considered by the Privy Council meetings in March and June, with the Charter likely to be sealed and formalised in August. Once the Charter is granted the assets and liabilities of the Academy will be transferred to the new Chartered body, subject to a formal resolution of the Fellowship.

Fellowship

The Academy is one of the five National Academies of the UK and at 31 March 2019 had 1,249 Fellows, who are members of the company. The Academy elects Fellows on the basis of sustained and outstanding contributions to the breadth of medical research, including biomedical, clinical and population sciences, as well as veterinary medicine, dentistry, nursing, medical law, health economics and bioethics. Fellows of the Academy are elected for life and designate themselves with the suffix 'FMedSci'. Forty-eight new Fellows were elected in 2018 from a pool of 410 candidates through a rigorous process of peer review, scrutiny from eight Sectional Committees and final election by Council in April. New Fellows are admitted to the Academy at a ceremony in June.

Governance

The Academy is governed by a Council of 17 Fellows, which meets five times per year. Members of Council are elected from the Fellowship, with nominees confirmed by a ballot of the Fellowship. Council may co-opt up to 5 additional Fellows to provide a balance of expertise. Fellows elected to Council are amongst the UK's leading medical scientists and hold senior positions in medical schools, universities, research institutes, industry and the civil service; they are well qualified to provide the Academy with the necessary guidance and leadership to achieve its objectives. Fellows elected to Council hold office for three years before retiring at the Annual General Meeting in December.

The Council includes six Honorary Officers: President, Vice-President (Clinical), Vice-President (Non-clinical), Vice-President (International), Treasurer and Registrar. The Honorary Officers are elected by Council from nominations received from the Fellowship; they hold office for four or five years, with one (or two) of the six retiring each year.

The Honorary Officers and Council set the strategic direction of the Academy and oversee the work of the secretariat. Academy activities are selected by Council for the contribution they make towards the Academy's strategic goals, and are informed by the independent opinion, experience and expertise of the Fellowship. Council is advised by a small number of committees, including the group of Honorary Officers, who meet six times per year. The Finance Committee, chaired by the Treasurer, meets three times a year and is responsible for overseeing all financial aspects of the Academy's activities on behalf of Council, including liaison with auditors, investment managers and other advisers.

Trustee selection, induction and training

One third of Council stand down in December of each year, and new members are elected via a ballot of the Fellowship in October each year. Only Fellows of the Academy may stand for Council, and candidates require nomination from three Fellows. Between one third and one half of the Fellowship votes in the Council postal ballot. The ballot is overseen by a scrutineer with results announced to the Fellowship shortly after. New members attend their first Council meeting in February. They are inducted at a dedicated session following the Council meeting and are provided with information relating to their responsibilities as trustees of the charity. This includes a presentation from the Academy's legal advisers, along with financial information, strategic and annual objectives, and an overview of current activities.

Management and staffing

Day to day management of the Academy is delegated to the Executive Director who is supported by a Senior Management Team of four Directors responsible for Finance and Resources, Grants and Careers, Medical Science Policy and Communications. The Executive Director leads a permanent staff of 48, with fixed term posts to support teams with particular need for additional resource.

Policy for setting remuneration for senior management

The Academy operates a Pay and Reward Policy for all staff that encompasses salary, employee benefits, training and development, job content and promoting work/life balance. Salaries are set within a broad pay band structure at each grade, with minimum and maximum salary levels informed by independent salary benchmarking carried out by a specialist company. The Academy's policy is to pay staff at 100% of the median of their individual salary range once they are established in post. Salary progression beyond the median is based on performance, as monitored during the year and assessed annually against objectives and competencies agreed between the line manager and staff member. The performance of the Senior Management Team is monitored via regular one to one

meetings with the Executive Director (and the Executive Director with the President), assessment against objectives and an annual 360 degree review process, which is discussed at the annual appraisals. Any salary awards, including that for the Executive Director, must be approved by the Finance Committee at its February meeting.

Volunteers

The Academy is grateful for the valuable contribution to its work that is made voluntarily by both Fellows and non-Fellows. Fellows serve the Academy without compensation in a range of activities: as Honorary Officers (who typically contribute between two and six days a month to Academy business), Council members and committee members, as members of working groups, as speakers and participants in symposia, as providers of evidence for Academy studies, as peer reviewers for grant applications, as mentors to early career researchers, and in many more ways. Fellows also act as Academy representatives on many external bodies.

Risk management

The Finance Committee advises Council on the risks to which the Academy is exposed. It does this by regularly reviewing all elements of Academy business to ensure that potential risks are identified and processes implemented to mitigate those risks. The senior management team discusses business risks quarterly and updates the risk register for Finance Committee to review.

The key strategic risk of the Academy continues to be the risk to its reputation; this is managed in a number of ways, including by ensuring that all the Academy's activities are directed and prioritised as a result of its strategic plan, and not as a result of an individual funder, in order to safeguard its independence. All Academy reports are scrutinised by review groups of Fellows and approved by Council to provide quality assurance. Grant schemes and programmatic activities are monitored and evaluated by staff, panels, Officers and Council to ensure that they are robust and the quality of research being supported is of a satisfactory quality.

A new operational risk identified and managed in 2018/19 is associated with the sustained growth of the Academy. There is a requirement to ensure that the digital infrastructure is able to support the more complex needs of an expanded organisation, and that a strategy is put in place to ensure appropriate investment into digital and IT systems.

Public benefit

Council has discussed the implications of the provisions of the Charities Act 2011, which states that all charities must demonstrate that they are established for public benefit and have had due regard to the public benefit guidance issued by the Charity Commission. Council is confident that activities planned under the four key objectives fulfil the Academy's mission to ensure that advances in medical science are translated into healthcare benefits to the public.

Grants

The Academy's targeted research funding schemes are offered to a range of aspiring medical researchers. Each of the schemes operate specific eligibility and funding criteria, but all schemes are aimed at supporting those who demonstrate significant potential. The schemes are widely publicised and a robust selection process is operated; final appointments are made by an expert panel, which may draw on peer reviews by Academy Fellows. Grant holders are required to submit progress reports, which are reviewed by experts in the field.

Subsidiary and related parties

The Academy has one wholly owned subsidiary company, Academy of Medical Sciences Trading Limited, which was incorporated in England and Wales on 25 February 2010 with registered number 07170258. The Academy invested £1,000 in the £1 ordinary shares of the company on 1 April 2010 and made an initial loan of £100,000 secured under a debenture, so that the company could cover the set up costs of the new conferencing business at 41 Portland Place. The Directors of the trading subsidiary are the Treasurer, the Executive Director and Director of Finance and Resources of the Academy. The Finance Committee routinely considers whether the trading company continues to represent a good investment for the Academy at its June meeting.

Relationships with other charities and organisations

The Academy has close connections with a number of organisations with which we co-operate to deliver our charitable objectives, and who generously support our work. Over the course of 2018/19 this included (but was not limited to): UK government departments of Business, Energy & Industrial Strategy (BEIS), Health, and the National Institute of Health Research; Wellcome, Medical Research Council, The Dennis & Mireille Gillings Foundation, British Heart Foundation, Versus Arthritis, The Health Foundation, Public Health England, Foulkes Foundation, Yusuf and Farida Hamied Foundation, Jean Shanks Foundation, Lord Leonard and Lady Estelle Wolfson Foundation, Diabetes UK, The Lancet, The Royal Society, British Academy, Royal Academy of Engineering, along with all the members of the Academy's FORUM and donors to the Daniel Turnberg Memorial Fund. The Academy is grateful to the nine funders of our scientific meeting on 'The developing brain in health and disease'.

The Academy gratefully acknowledges the generosity of the many trusts, companies, Fellows and individuals who have supported our work through pledges, contributions and donations over the last year, including those that are part of the Academy's FORUM and Helix Group.

Financial review

The Consolidated Statement of Financial Activities (SOFA) and Balance Sheet, together with the Notes to the Accounts set out on pages 19-35, show the overall financial performance of the Academy group and provide an analysis of the incoming resources and how they were applied in the performance of the Academy's objectives.

Results for the year

The financial results for 2018/19 show continued growth, with income rising 19% to £14.08 million and total expenditure by 11% to £13.28 million. The increase in income was received to support specific new multi-year programmes and the expansion of existing grant schemes. A significant proportion of this additional restricted funding was applied in the year, and expenditure on charitable activities increased as a result by 12%, from £11.22 million to £12.57 million. The remaining restricted funding was held at the year end to cover future programme costs, resulting in a £628k increase in restricted fund balances. Overall, total funds increased by £872k to £11.84 million.

The level of unrestricted income was maintained at £1.85 million in line with previous years, and demonstrates the on-going challenge of attracting funding for core purposes. This is of particular significance given the need to support the Academy's continued growth with investment into the operational infrastructure and specialist staff, and re-emphasized the importance of the Development Fund. This Fund was used during the year to cover £119,456 costs associated with improvements to IT systems, additional support staff and new strategic activities.

Funding sources

Total incoming resources for 2018/19 were £14.08 million of which £11.46 million was received from charitable activities. This was an increase of £1.49 million from the previous year as a result of continued funding for career programmes and grant schemes and for two major new initiatives. The pilot two year FLIER leadership scheme attracted funding from the Department of Business and Industrial Strategy (BEIS) Research Talent Fund, with individual participant contributions from employer organisations. The Departure Lounge public engagement project was funded by The Health Foundation, Wellcome and BEIS. Donations in the year increased to £1.73 million as a result of the substantial donation from the Dennis and Mireille Gillings Foundation in support of the FLIER scheme.

Expenditure

Total expenditure was £13.28 million, an increase of £1.34 million, the majority of which (£1.2m) was incurred on developing talented researchers. Increased expenditure on the FLIER and INSPIRE career programmes, along with an expansion of the Springboard grant scheme contributed to the rise under this strategic area. Expenditure on engaging public, patients & professionals increased to £533k as a result of the set up costs for the Departure Lounge. The Academy's pilot scientific meeting on the developing brain, held in March 2019, was partly funded by the Development Fund and this new activity is reflected in the increased cost under influencing research & policy.

Support costs increased by 6% to £1.58 million, principally as a result of the expansion of the finance and HR teams as well as continued investment in the IT systems some of which was covered by the Development Fund.

Cash and investment management

Investments were valued at £2,542,007 at 31 March 2019 with a £64,150 increase in market value. The investments are held in the Sarasin & Partners Alpha Common Investment Fund (CIF) for Endowments and Alpha CIF for Income and Reserves, in proportions agreed with the investment managers to fulfil the investment objectives of the four individual portfolios. The Finance Committee confirmed that those objectives were being achieved at their meeting in February 2019.

The terms of the Academy's grant schemes require that substantial cash deposits are received from funders in advance of award rounds and at 31 March 2019 cash on deposit was £9.03 million of which £4.70 million was held in advance for grants. The cash management policy, which is reviewed regularly by the Finance Committee, recommends the diversification of deposits with the use of pooled cash deposit funds and the placing of cash on term deposit with selected banks.

Reserves

The Academy's reserves at 31 March 2019 were £11,835,273, an increase of £871,734 from 31 March 2018. The reserves were made up as follows:

	£
Permanent Endowment	1,731,049
Restricted Funds	5,202,269
Unrestricted Funds	
Designated Funds	3,744,382
General Fund	1,157,573
Total Funds at 31 March 2019	11,835,273

The Finance Committee reviews the level of reserves regularly to ensure that they are appropriate for the purposes for which they are retained. These purposes are set out in Note 13 to the Accounts on page 32.

During the year a transfer of £180,000 was made from the General Fund to the Designated Building Repair Fund as a contribution to the long term repair costs of the building.

Reserves policy

The Finance Committee regularly reviews the level of reserves retained in the General Fund with reference to the income sources and assets of the Academy. At its meeting on 10 June 2019 the Finance Committee approved the current target level of reserves, in terms of General Fund resources, to a range of £1 million to £1.25 million. This level of reserve would allow the Academy to restructure activities to a level that would be appropriate for a reduced amount of General Fund income, in the event of a significant shortfall in core funding. At 31 March 2019 the General Fund was £1,157,573 and within the target range.

Statement of Trustees' responsibilities

The Council of trustees (who are also directors of the Academy for Medical Sciences for the purposes of company law) are responsible for preparing the Report of the Council (including the Strategic 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 Group and parent charitable company and of the incoming resources and application of resources, including the income and expenditure of the Group and parent 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 2015 (FRS 102);
- 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 inappropriate to presume that the charitable company will continue in operation.

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 so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Council on 20 June 2019 and signed on its behalf by:



Professor Sir Robert Lechler PMedSci
President

Independent auditor's report to the trustees and members of the Academy of Medical Sciences

Opinion

We have audited the financial statements of the Academy of Medical Sciences (the 'charitable company') for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheet, the Consolidated and Parent Charitable Company Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2019 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Report of the Council (incorporating the Strategic Report), other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Council (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Council (incorporating the Strategic Report) has been prepared in accordance with applicable legal requirements.

Opinions on other matters as required by BEIS Grant Agreement

In our opinion, in all material aspects the payments from the Department for Business Energy and Industrial Strategy (BEIS) under the following grants have been applied for the purposes set out in the agreement and in accordance with the terms and conditions of the agreement:

- National Academies allocation of the science and research budget 2016-2020;
- Investment in Research Talent Fund; and
- Federation of European Academies of Medicine.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Council (incorporating the Strategic Report).

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 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.



Alastair Duke

Senior statutory auditor

For and on behalf of PKF Littlejohn LLP
Statutory Auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

June 2019

Consolidated statement of financial activities

for the year ended 31 March 2019

(Incorporating an income and expenditure account)

	Note	General Fund £	Designated Funds £	Restricted Funds £	Permanent Endowment Funds £	Total 2019 £	Total 2018 £
Income from:							
Donations		894,576	-	834,752	-	1,729,328	977,849
Charitable activities		141,050	-	11,318,318	-	11,459,368	9,971,081
Trading activities		783,032	-	-	-	783,032	788,849
Investments		36,229	-	19,055	57,614	112,898	111,017
Total income	3	1,854,887	-	12,172,125	57,614	14,084,626	11,848,796
Expenditure On:							
Raising funds							
		664,511	12,183	14,708	12,550	703,952	717,593
Charitable activities							
Promoting excellence		209,113	25,075	15,889	10,591	260,668	241,306
Developing talented researchers		172,854	100,473	9,773,320	-	10,046,647	8,845,554
Influencing research & policy		426,050	122,477	1,184,595	-	1,733,122	1,703,218
Engaging patients, the public & professionals		193,843	31,745	307,065	-	532,653	434,105
		1,001,860	279,770	11,280,869	10,591	12,573,090	11,224,183
Total expenditure	4	1,666,371	291,953	11,295,577	23,141	13,277,042	11,941,776
Net income before investment gains/(losses)		188,516	(291,953)	876,548	34,473	807,584	(92,980)
Gains/(losses) on investment assets	9	3,297	-	14,387	46,466	64,150	223,049
Gross transfers between funds	14	(160,089)	454,548	(263,094)	(31,365)	-	-
Net movement in funds		31,724	162,595	627,841	49,574	871,734	(123,417)
Funds 1 April 2018		1,125,849	3,581,787	4,574,428	1,681,475	10,963,539	11,086,956
Funds 31 March 2019	13	1,157,573	3,744,382	5,202,269	1,731,049	11,835,273	10,963,539

All amounts relate to continuing operations.

There are no recognised gains or losses other than those in the statement of financial activities.

The notes on pages 22-35 form part of these financial statements.

Balance sheets

as at 31 March 2019

	Note	Group 2019 £	Charity 2019 £	Group 2018 £	Charity 2018 £
Tangible fixed assets	8	4,937,172	4,937,172	5,203,467	5,203,467
Investments	9	2,542,007	2,543,007	2,449,790	2,450,790
Current assets					
Debtors	10	1,476,669	1,641,018	1,413,732	1,655,721
Stock		5,327	-	5,547	-
Cash on deposit		8,591,477	8,591,477	7,611,069	7,611,069
Cash at bank and in hand		441,058	153,979	451,430	86,515
		10,514,531	10,386,474	9,481,778	9,353,305
Current liabilities					
Creditors: amounts falling due within one year	11	(6,049,539)	(5,922,482)	(6,042,911)	(5,915,438)
Net current assets		4,464,992	4,463,992	3,438,867	3,437,867
Creditors: amounts falling due after one year	11	(108,898)	(108,898)	(128,585)	(128,585)
Net assets	15	11,835,273	11,835,273	10,963,539	10,963,539
Represented by:					
Permanent endowment funds		1,731,049	1,731,049	1,681,475	1,681,475
Restricted funds		5,202,269	5,202,269	4,574,428	4,574,428
Unrestricted funds:					
General fund		1,157,573	1,157,573	1,125,849	1,125,849
Designated funds		3,744,382	3,744,382	3,581,787	3,581,787
Total funds	13	11,835,273	11,835,273	10,963,539	10,963,539

Approved by the Council and authorised for issue on 20 June 2019, and signed on its behalf by:



President
Professor Sir Robert Lechler PMedSci



Treasurer
Professor Edward Bullmore FMedSci

The notes on pages 22-35 form part of these financial statements.
Company Number 3520281

Statement of Cash Flows

for the year ended 31 March 2019

	Group 2019 £	Charity 2019 £	Group 2018 £	Charity 2018 £
Cash from operating activities	936,707	1,014,543	2,567,948	2,364,317
Cash used in investing activities				
Interest from investments	112,898	112,898	111,017	111,017
Purchase of fixed assets	(34,065)	(34,065)	(41,865)	(41,865)
Proceeds from sale of fixed assets	2,167	2,167	-	-
Proceeds from sale of investments	18,564	18,564	18,643	18,643
Purchase of investments	(46,631)	(46,631)	(44,582)	(44,582)
	<u>52,933</u>	<u>52,933</u>	43,213	43,213
Cash used in financing activities				
Repayment of borrowings	(19,604)	(19,604)	(18,951)	(18,951)
Increase in cash in the year	970,036	1,047,872	2,592,210	2,388,579
Cash at the beginning of the year	<u>8,062,499</u>	<u>7,697,584</u>	5,470,289	5,309,005
Cash at the end of the year	<u>9,032,535</u>	<u>8,745,456</u>	<u>8,062,499</u>	<u>7,697,584</u>
Note (a)				
Net movement in funds per the statement of financial activities	871,734	871,734	(123,417)	(123,417)
Add back depreciation charge	294,962	294,962	291,697	291,697
Add back loss on sale of fixed assets	3,231	3,231	-	-
Add losses / (deduct gains) on investments	(64,150)	(64,150)	30,437	30,437
Deduct interest from investments	(112,898)	(112,898)	(111,017)	(111,017)
Decrease / (increase) in stock	220	-	(531)	-
Decrease / (increase) in debtors	(62,937)	14,703	971,059	791,395
Increase / (decrease) in creditors	<u>6,545</u>	<u>6,961</u>	<u>1,509,720</u>	<u>1,485,222</u>
Net cash provided by operating activities	<u>936,707</u>	<u>1,014,543</u>	<u>2,567,948</u>	<u>2,364,317</u>

Notes to the financial statements

for the year ended 31 March 2019

1. Accounting policies

The principal accounting policies applied in the preparation of the financial statements are described below.

a. Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP) and the Companies Act 2006.

b. Group financial statements

The financial statements include transactions, assets and liabilities of Academy of Medical Sciences Trading Limited, a wholly owned subsidiary company of the Academy of Medical Sciences on a line by line basis. Transactions and balances between the Academy and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the Academy's balance sheet. The subsidiary's accounts are produced separately as required by the Companies Act 2006 and are summarised at Note 2. No separate Statement of Financial Activities has been presented for the charity alone, as permitted by section 408 of the Companies Act 2006.

c. Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are included in full in the statement of financial activities when receivable.

Trading activities – trading income is recognised when services are delivered and is net of VAT.

Investment income is recognised on a receivable basis.

Grants are credited to the statement of financial activities when received or receivable, whichever is earlier. Where entitlement to grants receivable is dependent upon fulfilment of conditions within the Academy's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the Academy can meet such conditions, the incoming resource is deferred. Where amounts are received which relate specifically for use in a future period, they are deferred and recognised in the accounting period to which they relate, where entitlement arises.

Donated services are recognised when the benefit to the charity is reasonably quantifiable and measurable. The value placed on these services is the estimated value to the charity of the service received. The value is included in incoming resources and a corresponding amount is shown as expenditure under the relevant charitable activity.

d. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity.

Support costs - where costs cannot be directly attributed they have been allocated to activities on the basis of the average amount of staff time spent on each activity, except where the terms of restricted funding specifies a particular overhead recovery. Included in support costs are **governance costs** which are incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements. The costs of Council meetings and the Annual General Meeting, together with related Fellows' travel costs, are included.

Raising funds includes fundraising costs expended in seeking new sources of funding for the Academy; the costs of conferencing and office rentals in the trading company; and expenditure on property to be used to generate income.

Grants payable – Clinician Scientist Fellowships, Starter Grants for Clinical Lecturers, Springboard Grants for Biomedical Researchers, Global Challenges Research Fund Networking and Newton Fellowships are charged in the year when the conditions for each award are fulfilled. Grants awarded under the Daniel Turnberg Memorial Fund are treated as payable only when funding is in place.

e. Tangible fixed assets

Tangible fixed assets are included at cost except for the leasehold premises, which are held at deemed cost (see accounting policy **j**), and antiques, which are shown at their insurance value. Because of the long term nature of the antiques, the Academy does not consider it appropriate to charge annual depreciation.

Fixed assets costing more than £1,000 are capitalised and included on the balance sheet. Depreciation is provided on a straight-line basis on tangible fixed assets so as to write them off over their anticipated useful economic lives at the following annual rates:

Furniture, fixtures and office equipment	10%
Computer and audio visual equipment	25%
Computer software	25%
Leasehold premises and refurbishment	in equal instalments over the remaining term of the original lease

f. Investments

Investments are included at market value at the year end. However, the investment in the trading company in the charity only balance sheet is at cost. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

g. Funds

Unrestricted funds comprise a General Fund, held for the general objects of the Academy's work, and several Designated Funds which have been earmarked by the Council for specific purposes; a Business Fund to support the trading subsidiary, an Asset Fund for the leasehold premises at 41 Portland Place, a Building Repair Fund to provide for the future maintenance of the property and a Development Fund to hold significant unrestricted donations. Restricted funds are funds used for specific purposes as required by the donor. Permanent endowment funds are restricted funds that the donor has stated are to be held as capital.

h. Pension policy

The Academy operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Academy in an independently administered scheme. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.⁹

i. VAT

The Academy is registered for VAT and, as a result of a significant part of its activities being exempt or outside the scope of VAT, is not able to recover all the purchase VAT relating to those activities. An amount of irrecoverable VAT of £234,253 (2018: £189,827) has been included in resources expended and allocated to the relevant cost headings on the basis described at (d) above.

j. Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have the most significant effect on amounts recognised in the financial statements.

The Academy has taken the view of the Trustees that valuing the properties of 41 Portland Place and 8 Weymouth Mews at fair value would incur undue cost and effort and has therefore not applied the transitional arrangements of Section 35 of FRS 102. The Academy has instead continued to use the market value (i.e the value of the leasehold premises as transferred to the Academy from the Novartis Foundation on 31 July 2008) as the deemed cost for its leasehold premises.

The Academy has also not adopted the FRS 102 SORP requirement for a property to be apportioned between its investment use and operational use. This has not been adopted as it is impractical to do so and therefore the property has been measured in line with SORP 2005 on its primary use, and is recognised as a tangible fixed asset.

2. Results of the subsidiary company

The charity has one wholly owned subsidiary company, Academy of Medical Sciences Trading Limited, which was incorporated in England and Wales on 25 February 2010 with registered number 07170258. The Academy invested £1,000 in the £1 ordinary shares of the company on 1 April 2010 and made an initial loan of £100,000 secured under a debenture so that the company could cover the set up costs of the new conferencing business at 41 Portland Place. A summary of the results for the year and the balance sheet at 31 March 2019 are shown below.

	2019 £	2018 £
Profit & loss account		
Turnover	856,273	840,451
Costs of sales	<u>(538,368)</u>	<u>(528,765)</u>
Gross profit	317,905	311,686
Administrative expenses	<u>(247,899)</u>	<u>(295,025)</u>
Operating profit for the year	70,006	16,661
Interest receivable	-	-
Interest payable	(3,500)	(3,500)
Donation to the charity	<u>(66,506)</u>	<u>(13,161)</u>
Profit for the year	<u><u>-</u></u>	<u><u>-</u></u>
Balance sheet		
Current assets	497,254	566,885
Current liabilities	<u>(396,254)</u>	<u>(465,885)</u>
Net current assets	101,000	101,000
Loan from the charity	<u>(100,000)</u>	<u>(100,000)</u>
Net assets	<u><u>1,000</u></u>	<u><u>1,000</u></u>
Share capital and reserves		
Share capital	1,000	1,000
Profit & loss account	<u>-</u>	<u>-</u>
Shareholders' funds	<u><u>1,000</u></u>	<u><u>1,000</u></u>

On consolidation these results have been adjusted to eliminate income from meeting room hire to the Academy and rent payable to the Academy under a head lease. The balance is included as income £660,561 and expenditure £559,658 at Notes 3 and 4: Trading subsidiary income and expenditure.

The parent charity's income and the results for the year are disclosed as follows:

	2019 £	2018 £
Income	13,721,992	11,451,728
Net movement in funds for the year	871,734	(123,417)

3. Income from:

	General Fund £	Designated Funds £	Restricted Funds £	Endowed Funds £	Total 2019 £	Total 2018 £
Donations						
Fellows' subscriptions and contributions	345,908	-	-	-	345,908	320,927
Department of Health	478,000	-	-	-	478,000	478,000
Other donations	70,668	-	766,752	-	837,420	112,922
Donated services	-	-	68,000	-	68,000	66,000
	894,576	-	834,752	-	1,729,328	977,849
Charitable activities						
Promoting excellence	2,000	-	-	-	2,000	-
Developing talented researchers	-	-	9,899,903	-	9,899,903	8,752,857
Influencing research & policy	139,050	-	1,072,225	-	1,211,275	1,089,301
Engaging patients, the public & professionals	-	-	346,190	-	346,190	128,923
	141,050	-	11,318,318	-	11,459,368	9,971,081
Trading activities						
Trading subsidiary income	660,561	-	-	-	660,561	668,339
Other rental income	122,471	-	-	-	122,471	120,510
	783,032	-	-	-	783,032	788,849
Investments						
Income on investments	9,119	-	19,055	57,614	85,788	83,583
Short term deposits	27,110	-	-	-	27,110	27,434
	36,229	-	19,055	57,614	112,898	111,017
Total Income	1,854,887	-	12,172,125	57,614	14,084,626	11,848,796

4. Expenditure on:

	Direct Costs £	Grant Funding £	Support Costs £	Total 2019 £	Total 2018 £
Raising Funds					
Fundraising costs	102,415	-	41,889	144,304	150,263
Trading subsidiary expenditure	559,648	-	-	559,648	567,330
	<u>662,063</u>	<u>-</u>	<u>41,889</u>	<u>703,952</u>	<u>717,593</u>
Charitable activities					
Promoting excellence	210,093	-	50,575	260,668	241,306
Developing talented researchers	1,371,566	7,750,043	925,038	10,046,647	8,845,554
Influencing research & policy	1,293,237	-	439,885	1,733,122	1,703,218
Engaging patients, the public & professionals	411,155	-	121,498	532,653	434,105
	<u>3,286,051</u>	<u>7,750,043</u>	<u>1,536,996</u>	<u>12,573,090</u>	<u>11,224,183</u>
Total expenditure	<u>3,948,114</u>	<u>7,750,043</u>	<u>1,578,885</u>	<u>13,277,042</u>	<u>11,941,776</u>

Total expenditure in the year to 31 March 2018 was £11,941,776 comprising expenditure under General Funds; £1,659,233, Designated Funds; £411,025, Restricted Funds; £9,602,119 and Endowed Funds; £269,399.

Analysis of support costs

	Cost of Premises £	Office & IT Costs £	Staff & Related Costs £	Governance Costs £	Total 2019 £	Total 2018 £
Raising Funds	20,821	7,076	13,116	876	41,889	42,862
Charitable activities						
Promoting excellence	25,138	8,544	15,836	1,057	50,575	58,653
Developing talented researchers	303,604	183,587	404,076	33,771	925,038	630,408
Influencing research & policy	179,169	81,215	166,659	12,842	439,885	639,264
Engaging patients, the public & professionals	57,062	21,107	40,482	2,847	121,498	115,462
Total support costs	<u>585,794</u>	<u>301,529</u>	<u>640,169</u>	<u>51,393</u>	<u>1,578,885</u>	<u>1,486,649</u>

The Academy initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. The remaining support costs, which include the depreciation charge for the year, together with the governance costs, are allocated on the basis of average staff time, except where the terms of restricted funding specify a particular overhead recovery.

5. Trustee and employee information

a. Trustee information

None of the Council (trustees) received or waived emoluments in the current or preceding year.

During the year 10 Council members (2018: 13) received reimbursed travel expenses of £12,097 (2018: £14,692).

The Academy received donations during the year from 14 Council members (2018: 7) of £3,963 (2018: £1,777).

b. Employee information

	2019 £	2018 £
Salaries	1,818,603	1,609,780
Employer's national insurance	188,819	124,982
Employer's pension contributions	127,520	107,685
Donated staff services	68,000	66,000
	<u>2,202,942</u>	<u>1,908,447</u>

The average number of salaried staff employed during the year was 48.47 (2018 43.17).

The full-time average equivalent for salaried staff during the year was 44.62 (2018: 39.30).

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2019	2018
£60,001 - £70,000	2	1
£70,001 - £80,000	3	1
£80,001 - £90,000	-	1

Pension contributions paid by the Academy relating to the higher paid employees as defined above amounted to £26,270 relating to five employees (2018: £16,685 – three employees).

The total salary cost of the five directors constituting the Senior Management Team, including pension contributions, was £426,862 (2018 £402,005).

6. Net incoming/(outgoing) resources after charging:

	2019 £	2018 £
Auditor's fees:		
Audit – charity	12,100	11,822
Audit – trading subsidiary	1,890	1,850
Other services	370	360
Investment management fees	18,564	18,643
Depreciation of tangible fixed assets	294,962	291,697

7. Grants payable

The Academy administers six grant schemes: the Clinician Scientist Fellowship Scheme (CSFS) funded by the Health Foundation; the Starter Grants for Clinical Lecturer Scheme (CLS) funded by the Wellcome Trust, the British Heart Foundation, Arthritis Research UK, the Medical Research Council, Diabetes UK, British Thoracic Society; the Springboard Grants Scheme (SBS) funded by the Wellcome Trust (this also incorporating the Research Talent Fund and Global Challenges Research Fund Springboard scheme, both funded by the Department for Business Energy & Industrial Strategy (BEIS)), British Heart Foundation, Diabetes UK; the Newton Fellowships (NFS) funded by the Newton Fund (BEIS), the Global Challenges Research Fund Networking Scheme funded by BEIS and the Daniel Turnberg UK/Middle East Travel Fellowship Scheme (DTMF). Details of the schemes are as follows:

	CSFS £	CLS £	SBS £	NFS £	GCRFN £	DTMF £	Total 2019 £
Grants at 1 April	228,474	87,136	3,026,742	657,347	144,696	108,965	4,253,360
Grants awarded	682,193	1,274,517	3,298,469	1,359,935	1,018,579	116,350	7,750,043
Grants paid	(712,392)	(1,331,653)	(2,977,194)	(1,374,068)	(1,163,275)	(104,065)	(7,662,647)
Grants at 31 March	198,275	30,000	3,348,017	643,214	-	121,250	4,340,756
Grants to institutions							
Developing talented researchers	682,193	1,274,517	3,298,469	1,359,935	1,018,579	-	7,633,693
	682,193	1,274,517	3,298,469	1,359,935	1,018,579	-	7,633,693
Grants to individuals							
Developing talented researchers	-	-	-	-	-	116,350	116,350
Grants awarded	682,193	1,274,517	3,298,469	1,359,935	1,018,579	116,350	7,750,043

Grants payable of £4,340,756 are shown under creditors amounts falling due within one year at note 11 on page 31.

Grants awarded are shown as grant funding expenditure in note 4 on page 26.

Grants to 53 institutions were awarded in the year to a total value of £7,750,043. (2018 £7,180,842 to 47 institutions). The principal institutions benefiting from the grants were:

	£
University College London	553,506
University of Oxford	501,241
King's College London	430,401
University of Cambridge	418,438
University of Birmingham	395,626
Imperial College London	354,448
University of Exeter	259,950
University of Leeds	251,807
University of Sheffield	249,730
University of Newcastle	230,132

8. Tangible fixed assets – Group and Charity

	Leasehold Premises £	Refurbished Property £	Furniture, fixtures & equipment £	Computer equipment £	Computer software £	Total £
Cost						
At 1 April	2,300,000	4,193,846	482,455	274,519	15,927	7,266,747
Additions	-	-	19,049	8,258	6,758	34,065
Disposals	-	-	(5,398)	-	-	(5,398)
At 31 March	2,300,000	4,193,846	496,106	282,777	22,685	7,295,414
Depreciation						
At 1 April	621,623	1,100,428	143,124	195,580	2,525	2,063,280
Charge for the year	80,553	148,593	29,130	31,009	5,677	294,962
Disposals	-	-	-	-	-	-
At 31 March	702,176	1,249,021	172,254	226,589	8,202	2,358,242
Net book value						
31 March 2019	1,597,824	2,944,825	323,852	56,188	14,483	4,937,172
31 March 2018	1,678,377	3,093,418	339,331	78,939	13,402	5,203,467

Leasehold premises represents the value of the leasehold property at 41 Portland Place/8 Weymouth Mews as transferred to the Academy from the Novartis Foundation on 31 July 2008.

Refurbished property represents the costs of construction and associated professional fees incurred in the refurbishment of 41 Portland Place between 2009 and 2011 along with the refurbishment of 8 Weymouth Mews which was completed in June 2015.

On 22 April 2014 the Academy completed on a new over-riding lease with the immediate landlords QAS Nominees Ltd that extends the current lease term on 41 Portland Place and 8 Weymouth Mews from 2038 to 2137. The rent payable from 6 July 2038 will be at full market rate rather than at the peppercorn rent paid currently. This means that the capital value will expire in July 2038 and depreciation continues to be calculated on the original lease term.

Included in furniture, fixtures and equipment are antiques that are held as artefacts for the long term and depreciation, which would be immaterial, has not been charged on them. With regular maintenance their initial carrying value should be maintained and no impairment review is considered necessary.

9. Investments - Group

	2019 £	2018 £
At 1 April	2,449,789	2,454,287
Additions	46,631	44,582
Disposals	-	-
Management fees	(18,564)	(18,643)
Increase/(decrease) in market value	64,150	(30,437)
	<u>2,542,006</u>	<u>2,449,789</u>
Cash held for investment	1	1
Market Value at 31 March	<u>2,542,007</u>	<u>2,449,790</u>
Cost at 31 March	<u>2,095,096</u>	<u>2,048,739</u>

Investments to the value of £331,105 representing the Jean Shanks Memorial and the Sackler endowed funds are held in the Sarasin & Partners Alpha Common Investment Fund for Endowments. Investments to the value of £1,397,837 representing the Daniel Turnberg Memorial Fund are split between the Sarasin & Partners Alpha Common Investment Fund for Endowments and their Alpha Common Investment Fund for Income and Reserves. Additional investments to the value of £813,065 comprising balances held in the General Fund and Restricted Funds that are identified as suitable for retention in the medium term are split across the two Sarasin Funds as previously mentioned.

Investments of £2,543,007 shown in the Charity only balance sheet include an investment in the Academy of Medical Sciences Trading Limited share capital of £1,000 which is valued at cost.

10. Debtors

	Group 2019 £	Charity 2019 £	Group 2018 £	Charity 2018 £
Amounts falling due within one year:				
Trade debtors	217,850	223,792	310,008	416,492
Provision for doubtful debts	(7,312)	-	(24,906)	-
Prepayments	151,065	151,065	91,417	91,417
Accrued income	1,053,386	1,107,015	974,576	987,737
Other debtors	61,680	26,680	61,321	26,319
VAT receivable	-	-	1,316	-
Amount due from subsidiary	-	32,466	-	33,756
Amount falling due after more than one year:				
Loan to subsidiary	-	100,000	-	100,000
	<u>1,476,669</u>	<u>1,641,018</u>	<u>1,413,732</u>	<u>1,655,721</u>

11. Creditors

	Group 2019 £	Charity 2019 £	Group 2018 £	Charity 2018 £
Amounts falling due within one year:				
Grants payable	4,340,756	4,340,756	4,253,360	4,253,360
Trade creditors	361,473	256,846	488,558	412,191
Accruals	178,172	176,221	113,464	111,114
Deferred income	1,001,269	976,079	1,011,677	962,921
Rent deposit	73,904	73,904	73,835	73,835
PAYE/NIC Liability	55,927	55,927	45,528	45,528
VAT payable	18,289	23,000	36,823	36,823
Bank loan	19,749	19,749	19,666	19,666
	<u>6,049,539</u>	<u>5,922,482</u>	<u>6,042,911</u>	<u>5,915,438</u>
Amounts falling due beyond one year:				
Bank loan				
Due within two to five years	66,758	66,758	63,636	63,636
Due after five years	42,140	42,140	64,949	64,949
	<u>108,998</u>	<u>108,998</u>	<u>128,585</u>	<u>128,585</u>

The Academy has a secured loan, originally of £250k, with Lloyds repayable over 10 years. Interest is payable at a fixed rate of 4.31% on £125,000 and at a variable rate of 2.56% above base rate on the remaining capital, £40,000 of which was repaid in September 2015.

12. Deferred Income

	Group 2019 £	Charity 2019 £	Group 2018 £	Charity 2018 £
Deferred income brought forward	1,011,677	962,921	907,135	891,288
Less: Amount used in the year	(1,011,677)	(962,921)	(907,135)	(891,288)
<i>Income accrued within the year:</i>				
Grants from institutions	582,293	582,293	962,922	962,921
Fellows' subscriptions	279,684	279,684	-	-
Rent in advance	63,657	86,509	34,890	-
Conferencing deposits	48,042	-	13,865	-
Other	27,593	27,593	-	-
Deferred income carried forward	<u>1,001,269</u>	<u>976,079</u>	<u>1,011,677</u>	<u>962,921</u>

13. Movement on group funds

	Balance 1 April £	Income £	Expenditure £	Transfers £	Revaluation £	Balance 31 March £
Permanent endowment						
The Jean Shanks Memorial Fund	244,100	8,194	(5,402)	-	9,267	256,159
The Sackler Fund	78,863	2,731	(7,628)	-	3,089	77,055
The Daniel Turnberg Memorial Fund	1,358,512	46,689	(10,111)	(31,365)	34,110	1,397,835
Total permanent endowment	1,681,475	57,614	(23,141)	(31,365)	46,466	1,731,049
Restricted funds						
BEIS funding						
The Newton Fellowships	93,090	1,555,442	(1,589,137)	(979)	-	58,416
Science budget	-	471,000	(433,525)	(37,475)	-	-
FEAM	140	151,956	(152,096)	-	-	-
Research Talent Fund (2018-23):						
<i>Springboard scheme</i>	-	570,000	(570,000)	-	-	-
<i>AMS Professorships</i>	-	50,000	(50,000)	-	-	-
<i>FLIER leadership scheme</i>	-	250,000	(237,881)	(12,119)	-	-
Research Talent Fund (2017-19)	-	33,500	(33,500)	-	-	-
Global Challenges Research Fund:						
<i>Workshops</i>	-	333,000	(319,667)	(13,333)	-	-
<i>Networking scheme</i>	58,747	1,094,713	(1,140,280)	(2,720)	-	10,460
<i>Springboard scheme</i>	-	559,897	(559,825)	(72)	-	-
Other funders to grant schemes	724,725	5,023,267	(4,856,107)	(161,331)	-	730,554
Project/meeting contributions	28,064	1,790,403	(912,018)	(28,277)	-	878,172
Mentoring & career development	-	264,869	(233,115)	(6,788)	-	24,966
Medical Research Society	727,287	24,078	(50,445)	-	14,387	715,307
Restricted Asset Fund	2,942,375	-	(157,981)	-	-	2,784,394
Total restricted funds	4,574,428	12,172,125	(11,295,577)	(263,094)	14,387	5,202,269
Unrestricted funds						
General Fund	1,125,849	1,854,887	(1,666,371)	(160,089)	3,297	1,157,573
Designated funds						
Business Fund	200,422	-	-	-	-	200,422
Asset Fund	1,824,054	-	(94,006)	103,847	-	1,833,895
Building Repair Fund	537,831	-	(78,491)	180,000	-	639,340
Development Fund	1,019,480	-	(119,456)	170,701	-	1,070,725
Total designated funds	3,581,787	-	(291,953)	454,548	-	3,744,382
Total unrestricted funds	4,707,636	1,854,887	(1,958,324)	294,459	3,297	4,901,955
Total funds	10,963,539	14,084,626	(13,277,042)	-	64,150	11,835,273

Endowment Funds

The Jean Shanks Memorial Fund

This fund is held in perpetuity to fund an annual Jean Shanks Memorial Lecture. Income arising from the investment of the donation is treated as restricted income.

The Sackler Fund

This fund was donated by The Raymond and Beverly Sackler Foundation to be held in perpetuity to fund an annual lecture. Income arising from the investment of the donation is treated as restricted income. Expenditure of £7,628 in the year comprises investment manager fees and the cost of legal advice regarding options for future deployment of the endowment as agreed with the Foundation. With permission of the Foundation Trustees, the lecture has been paused.

The Daniel Turnberg Memorial Fund

The Academy holds funds as sole trustee of the Daniel Turnberg Memorial Fund set up to foster academic interchange between medical and bioscience researchers in and between the UK and countries in the Middle East by award of travel grants.

Restricted Funds

BEIS Funding

The Department of Business Energy & Industrial Strategy (BEIS) provides seven grants, disclosed separately as required by the terms of the funding agreements. These are:

The Newton Fellowships – details of the grants awarded are shown in note 7 with the Academy's other grant schemes. During the year £1,387,442 of grant funding and £168,000 contribution for the running of the scheme was received. Of this, £1,589,137 was expended; £1,359,935 of which was awarded as grants. The remaining £58,416 was held for grants to be paid after the year end.

Science budget – National Academies allocation – the Academy received £471,000 during the year as part of the Science and Research budget 2018/19 to the National Academies. The grant was expended on the Academy's strategic objectives relating to policy and public dialogue.

Federation of European Academies of Medicine (FEAM) – BEIS awarded a grant of £152,764 for a 12 month programme of support to FEAM, to be led by the Academy to strengthen FEAM's capacity, this was spent in full.

Research Talent Fund – The Academy was awarded £500,000 of grant funding for 5 Springboard awards, £250,000 towards the FLIER Programme, £35,000 towards career mentoring and £85,000 towards the costs of running the schemes (£50,000 of this relating to the setup of the AMS Professorship scheme). In addition there was £33,500 of funding relating to the running of the scheme remaining from the previous allocation of the Research Talent Funding. This funding was expended in full during the year.

Global Challenges Research Fund – BEIS administers the government fund set up to support cutting-edge research that addresses the challenges faced by developing countries. Funding received under the GCRF in 2018/19 was split into the following grants:

Workshops – The Academy was awarded £333,000 to hold three global policy workshops and this was expended in full during the year.

Networking grant scheme – The Academy was awarded £970,292 of grant funding and £124,421 contribution for the running of the scheme. Of this £1,154,610 was expended; £970,292 of which was awarded as grants.

Springboard – In 2018/19 the Academy was awarded £500,000 for 5 awards and £30,000 towards career mentoring for 4 years to 2021 and £58,897 contribution for the running of the scheme. There was an underspend of £43,390 which was returned to BEIS in Q1 19/20.

Other Funders to grant schemes

These schemes do not include the BEIS funded Newton, Networking or Springboard awards. They are funded by external organisations as detailed in note 7. Balances held at the end of the year include £535,059 remaining from the Clinician Scientist Fellowship Scheme (CSFS), funded by The Health Foundation.

Mentoring and career development programme

The National Institute for Health Research (NIHR) and the Wellcome Trust fund our mentoring and career development programme with supplementary funding received from BEIS (as detailed above), the Medical Research Council and the National Institute for Social Care and Health Research in Wales.

Policy project/meeting contributions

Specific donations to support meetings and other activities. Balances held at the end of the year include £615,847 remaining in relation to the FLIER leadership scheme.

Medical Research Society

The Medical Research Society merged with the Academy on 31st October 2011 and the monies transferred on merger have been retained by the Academy to fulfil the charitable objectives of the Society.

Restricted Asset Fund

This fund represents the assets that were funded by the Capital Appeal in 2009-11.

Designated Funds

Designated Business Fund

This fund is available to support the trading subsidiary and covers the maximum loan to the company.

Designated Asset Fund

This fund comprises the value of the leasehold premises, antiques and paintings at 41 Portland Place and 8 Weymouth Mews in July 2008 on merger with the Novartis Foundation, less associated depreciation. The costs of the refurbishment of 8 Weymouth Mews are also included in this fund along with the associated bank loan.

Designated Building Repair Fund

This fund provides for future building repairs and major equipment purchases at 41 Portland Place.

Designated Development Fund

This fund has been set up from significant unrestricted donations and transfers from the General Fund to be used to expand the Academy's work under its Strategic Plan and to strengthen the operational platform.

14. Transfer between funds

	General fund £	Designated funds £	Restricted funds £	Restricted funds £	Total £
Transfer to building repair fund	(180,000)	180,000	-	-	-
Transfer of project meeting costs	123,758	(1,431)	(122,327)	-	-
Transfer of restricted balance to Development Fund	-	172,132	(172,132)	-	-
Adjustment of endowment fund brought forward	-	-	31,365	(31,365)	-
Transfer to Designated Asset Fund	(103,847)	103,847	-	-	-
	<u>(160,089)</u>	<u>454,548</u>	<u>(263,094)</u>	<u>(31,365)</u>	<u>-</u>

15. Analysis of group net assets

	General funds £	Designated funds £	Restricted funds £	Permanent endowment funds £	Total £
Fixed assets	80,724	2,072,057	2,784,391	-	4,937,172
Investments	256,179	-	556,886	1,728,942	2,542,007
Cash on deposit and at bank	1,427,421	1,709,623	5,893,384	2,107	9,032,535
Other net current liabilities	(606,751)	71,600	(4,032,392)	-	(4,567,543)
Liabilities due after one year	-	(108,898)	-	-	(108,898)
	<u>1,157,573</u>	<u>3,744,382</u>	<u>5,202,269</u>	<u>1,731,049</u>	<u>11,835,273</u>

16. Company status and membership

The Academy of Medical Sciences is a registered charity and company limited by guarantee and does not have a share capital. In the event of the company being wound up, the liability of each member is limited to £10. At 31 March 2019 there were 1,249 members.

17. Subsidiary undertakings

The charity has provided a loan facility to the Academy of Medical Sciences Trading Limited of £200,000 in an agreement of 1 April 2010 secured by way of a debenture of the same date. Interest on the loan is payable at a margin above LIBOR and there are flexible terms for repayment of the borrowing. At the balance sheet date £100,000 had been drawn down under the facility and the charity does not intend to recall the loan before 30 June 2019.

The Academy is the sole trustee of the Daniel Turnberg Memorial Fund, a separate charity but treated as part of the Academy for the purposes of registration and accounting under parts 4 and 8 of the Charities Act 2011. The Daniel Turnberg Memorial Fund is shown as a separate endowed fund of the Academy at Note 13 and income arising from the investment of the fund is shown as restricted income in that note.



The Academy of Medical Sciences
41 Portland Place
London W1B 1QH

+44 (0)20 3176 2150
info@acmedsci.ac.uk
www.acmedsci.ac.uk

Registered Charity No. 1070618
Registered Company No. 3520281