

Annual Report and Financial Statements 31 March 2017

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Mission

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 achieve better healthcare through the application of research to the practice of medicine.

We achieve this by:

- **Providing expert, evidence-based information and advice to policymakers**
- **Supporting the development of a first class medical science workforce**
- **Championing the UK's medical research strengths in academia, in the NHS and in the biotechnology and pharmaceutical industries.**

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

Professor Martin Humphries FMedSci
Professor of Biochemistry, University of Manchester

Vice-President

Professor Christopher Day FMedSci
Vice Chancellor, Newcastle University

Treasurer

Professor Anne Dell CBE FRS FMedSci
Professor of Carbohydrate Biochemistry, Imperial College London

Registrar

Professor Moira Whyte OBE FMedSci (until June 2016)
Professor of Adult Respiratory Medicine, University of Edinburgh
Professor Philippa Saunders FMedSci (from June 2016)
Director of Postgraduate Research, MRC Centre for Inflammation Research,
University of Edinburgh

Foreign Secretary

Professor George Griffin FMedSci
Centre for Infection, St George's University of London

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

Ordinary Members of Council

Professor Jonathan Ashmore FRS FMedSci
Professor Ed Bullmore FMedSci *appointed December 2016*
Professor Sir Rory Collins FRS FMedSci
Professor Annette Dolphin FRS FMedSci
Professor Stephen Dunnett FMedSci *retired December 2016*
Professor Elizabeth Fisher FMedSci *appointed December 2016*
Professor Graham Hart FMedSci *retired December 2016*
Professor Jane Norman FMedSci
Professor Sir Stephen O'Rahilly FRS FMedSci
Professor Sir Michael Owen FMedSci FLSW
Sir Michael Rawlins FMedSci
Dr Sir James Smith FRS FMedSci
Professor Paul Stewart FMedSci *appointed December 2016*
Professor Sir Douglas Turnbull FMedSci *appointed December 2016*
Professor Veronica van Heyningen *retired December 2016*
CBE FRS FRSE FMedSci

Co-opted members 2015

Professor Deborah Lawlor FMedSci *retired December 2016*
Dr Melanie Lee CBE FMedSci *retired December 2016*
Professor Teresa Marteau FMedSci *re-appointed December 2016*
Dr Fiona Marshall FMedSci *appointed February 2017*
Professor Frances Platt FMedSci *appointed February 2017*
Professor Christopher Pugh FMedSci *re-appointed December 2016*

Aims and objectives

Our 1998 Memorandum and Articles of Association set out the Academy's four objects: to promote excellence in medical research and in the teaching of medical sciences; to promote the application of research to the practice of medicine and to the advancement of human health and welfare; to promote public understanding of the medical sciences and their impact on society; and to assess issues of medical science of concern to the public and to disseminate the results of such assessment.

The objects are delivered under the Academy's six priority programmes, as set out in our 2012-2016 Strategic Plan:

- 1. Promoting excellence**
- 2. Influencing policy to improve health and wealth**
- 3. Nurturing the next generation of medical researchers**
- 4. Linking academia, industry and the NHS**
- 5. Seizing international opportunities**
- 6. Encouraging dialogue about medical science**

The Strategic Plan was extensively reviewed during 2016/17 with involvement from the Academy's Fellows, Council and staff. Details of the Academy's objectives for the new strategic period 2017 to 2021 are discussed under the Looking Ahead section of this Report.

Achievements in the year

Promoting excellence

Our vision: To create an environment where excellence in medical science flourishes and is recognised.

- In April 2016 we elected 47 new Fellows to the Academy Fellowship from a candidate pool of 356 through an intensive process of review involving the majority of Fellows, acting as nominators, peer reviewers or Sectional Committee members. This election brought the total number of Fellows to 1,190. 13 of the new Fellows were women, representing 28% of the total elected in 2016. The total women in the pool of candidates was 25%.
- In February 2017 we launched our MedSciLife campaign to share the life experiences of those working in biomedical and health research, to celebrate diversity and to provide advice and support to researchers at all stages of their career. The campaign launched with a new website, www.medsclife.org, an exhibition of photographic portraits in 41 Portland Place, and themed editorials in *The Lancet*, alongside a stream of social media activity.

Influencing policy to improve health and wealth

Our vision: To be the UK's leading source of independent advice about supporting and harnessing biomedical research and innovation for the benefit of society.

- The final report of our 18 month working group study on *'Improving the Health of the Public by 2040'* was launched in September 2016, and followed by an implementation workshop for key stakeholders in January 2017. The report was welcomed by researchers and policymakers, and the recommendations are already being taken forward by research funders, medical schools, Royal Colleges and other agencies.
- Our major workstream - *Enhancing the use of scientific evidence to judge the potential benefits and harms of medicines* - has been a major focus of activity in 2016/17. The evidence-gathering phase was completed with two workshops on communicating evidence, followed by extensive engagement with stakeholders as the final recommendations and conclusions were developed. The final report was published in June 2017.
- A primary aim of 16/17 has been to inform discussions about how to safeguard biomedical research after Britain leaves the EU, and we have worked in partnership with the other UK Academies and with other biomedical organisations in this objective. This work has involved an extensive array of statements, consultation responses, commissioned research and meetings with Ministers and senior officials. As a result, one of the Prime Minister's objectives for a good outcome to Brexit negotiations is making Britain 'the best place for science and innovation'.

Nurturing the next generation of medical researchers

Our vision: To develop innovative support schemes for researchers, network researchers across disciplinary and sectoral boundaries and foster research independence.

- Our Springboard scheme of grants provide up to £100,000 over two years and a personalised package of career support to help newly independent biomedical scientists launch their research careers. With generous support from Wellcome, we made the second round of Springboard awards in 2016/17, supporting 20 researchers across a range of disciplines. We extended this scheme to newly independent researchers in medical humanities and health social sciences in 2016, through the Springboard-Health of the Public 2040 funding call. Sixteen awards were made to researchers who are addressing the range of recommendations from our *'Improving the Health of the Public in 2040'* report in their work, providing an immediate research impact to this important policy report.
- 52 awards were made through two rounds of our Starter Grants for Clinical Lecturers (SGCL) scheme in 2016, which continues to attract excellent applications and to benefit from support from funding partners Wellcome, Medical Research Council, Arthritis Research UK, British Heart Foundation, Royal College of Physicians and Diabetes UK. SGCL and Springboard awardees had the opportunity to come together to discuss their research at our now well-established Winter Science Meeting.
- We ran an extremely successful first year of SUSTAIN—our year-long programme to support women researchers as they establish their independent research careers - in which 20 participants benefitted from tailored training, peer coaching and mentoring from Academy Fellows. This success meant we were able to launch a further round of the programme with the support of our funding partners in March 2017, benefitting another cohort of 20 women.
- INSPIRE is the Academy's UK-wide initiative to support medical and dental schools to deliver activities aimed at inspiring students about the benefits of a career in research, kindly supported by Wellcome. In 2016 we launched the third round of INSPIRE grants, allowing UK Veterinary Schools to join the scheme. In October 2016 we hosted a conference to share outcomes and learning from the projects.
- Through our UK-wide mentoring scheme, the Academy paired over 123 early career researchers with Academy Fellows in 2016/17, bringing the total mentoring pairs to over 620.

Linking academia, industry and the NHS

Our vision: To facilitate a strong and equitable partnership between academia, industry and the NHS, along with effective engagement with regulators, for the translation of research into health and wealth benefits.

- We held seven FORUM meetings in 2016/17, an increase from five in the previous year to match the rise in demand from different stakeholders. The majority of events were held in partnership, which provided additional reach and impact, and leveraged valuable resource. Topics included ageing, stratified medicine, health economics, biomedical clusters, drug discovery, and regulation and governance, and 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.
- Our ongoing engagement with FORUM members has informed work across the Academy and in member organisations, particularly our work on Brexit and the industrial strategy. We continue to grow the FORUM membership and five organisations have asked to join the FORUM after attending successful events.
- We held discussions with Fellows to inform the Government's industrial strategy and the associated Life Sciences Strategy and brought together representatives from academe and industry to discuss the challenges and opportunities for enhancing mobility between these two sectors.

Seizing international opportunities

Our vision: To ensure that the UK takes a leadership role in tackling global health challenges, informs the development of EU regulation, and enables excellent biomedical researchers to move and collaborate across national boundaries.

- Our international policy activities have been transformed this year by funding from the Global Challenges Research Fund (GCRF), which forms part of the UK's Official Development Assistance commitment to support cutting-edge research that addresses challenges faced by developing countries. In 2016/17, the Academy's GCRF funding primarily supported policy workshops bringing together researchers and decision makers from the UK and one or more low and middle-income countries (LMIC). We supported workshops on the topic of multi-morbidities (when patients have two or more chronic medical conditions) in South Africa with the Academy of Science of South Africa, and one co-hosted with the InterAcademy Partnership for Health (IAP-H) with representatives from Brazil, Russia, India and China.
- A GCRF-funded workshop, held in London in partnership with IAP-H, brought together representatives from eight LMIC Academies with others from academia, industry, NGOs and funders, to consider how to improve the development and deployment of rapid diagnostic tests.
- We launched our first international policy working group, '*Addressing the global challenge of multimorbidity*' in September 2016. The working group has met three times, held an oral evidence session, collected written evidence and benefitted from the two international workshops funded by the GCRF.
- Delivering the Academy's Newton Fund programme has been a further area of focus, with the first full year of awards made in 2016/17, following inception of the programme the previous year. Seven Newton International Fellowships and eight Newton Advanced Fellowships were competitively awarded to researchers from China, India, Mexico, Brazil, Turkey and South Africa.
- We awarded 23 Travel Fellowships to support exchanges between researchers in the UK and Middle East through the Daniel Turnberg Travel Fellowship Scheme. In November 2016 we brought together over 70 alumni of the Scheme for the first time, at a meeting in Nicosia, Cyprus. Attendees from the UK, Israel, Jordan, Egypt, Lebanon and the Palestinian Territories warmly welcomed the opportunity to share their work, foster links across borders and support regional scientific dialogue.

Encouraging dialogue about medical science

Our vision: To shape our policy advice with the views of the public and patients, and to support researchers to share their knowledge and expertise with non-scientific audiences.

- During the summer of 2016 we undertook a large programme of public dialogue to underpin our policy project '*How can we all best use evidence to judge the potential benefits and harms of medicines?*'. The programme connected hundreds of members of the public, patients and healthcare professionals at events in London, Glasgow and Leeds. The programme demonstrated a significant investment into our objective to involve the views of patients and the public in our policy work.
- The launch of our '*Improving the Health of the Public in 2040*' report in September 2016 was accompanied by the most comprehensive package of digital content we have ever produced, including short animations that have been viewed over 1,500 times. An animation on how our vision for 2040 was shaped by the public dialogue work was sent to workshop participants to show how their views influenced the project.
- Our engagement with traditional and digital media has continued to increase in coverage and reach. In January 2017 our FORUM report on ageing was covered by BBC Radio 4's Today Programme; our Twitter and Facebook followers increased by 1,500 and 500 respectively; and videos on our YouTube channel were viewed for a total of approximately 79,000 minutes (or 55 days) by more than 17,000 people.

Looking ahead

A new Academy strategy for the period 2017-2021 was developed during the 2016/17 financial year. The process was informed by a 'Perceptions Survey' which sought feedback from Fellows and key stakeholders regarding the Academy's achievements to date and future role. Facilitated discussion sessions were held with our Officers and Council, and staff were brought together in project groups to scope and develop new initiatives.

While our vision and mission remain broadly unchanged, the new strategy consolidates our work from six objectives into four and identifies five key challenges to be addressed by bringing together our efforts and impacts across teams.

Our strategy for 2017-21 is as follows:

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.

Our four key objectives are to:

1. Promote excellence
2. Develop talented researchers
3. Influence research and policy
4. Engage patients, the public and professionals

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

- To harness our expertise and convening power to tackle the biggest scientific and health challenges and opportunities facing our society.
- To lead innovation in the development of research talent through funding and careers support.
- To achieve influence and impact beyond the UK to improve health and well-being.
- To become the exemplar of a 'modern scientific academy' – diverse, trusted, dynamic, relevant and accessible.
- 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.

Plans for 2017/18 Harnessing our expertise

- Publish final outputs from our major workstream on '*Enhancing the use of scientific evidence to judge the potential benefits and harms of medicines*' project and engage with stakeholders to catalyse action based on our conclusions and recommendations.
- Establish a programme of horizon scanning where Fellows and experts identify future developments, scientific opportunities and health challenges to inform policymakers, funders, healthcare providers and industry, as well as the Academy's future activity.
- Follow up our major working group reports, including '*Improving the Health of the Public by 2040*', to maximise their impact and implementation.
- Help shape a sustainable and effective UK research and innovation landscape by advocating the views of the Academy's community, alone and in partnership, in areas including post-Brexit priorities, Industrial/Life Sciences Strategy, assessment and regulation of research, and the new UK Research and Innovation.
- Deliver high impact FORUM workshops that link academia, industry and the NHS with other key stakeholders in areas including: endpoints in oncology, sustainable medical innovation, personalised psychiatry and an Annual Lecture on the mind-body interface.

Developing talent

- Convene a Task Force to develop and design an innovative Leadership scheme to equip cohorts of future UK research leaders to address national and global challenges.
- Convene a Task Force, in collaboration with The Health Foundation, to scope a potential new funding scheme aimed at supporting future public health research leaders.
- Evolve our successful SUSTAIN programme for women researchers, maintaining a strong focus on how to improve gender representation along career trajectories across biomedical and clinical research fields.

- Support the careers of the next generation of biomedical and clinical researchers through delivery of targeted grant schemes including Springboard awards for biomedical lecturers and Starter Grants for Clinical Lecturers.
- Provide wider support to cohorts of aspiring medical researchers through our mentoring and career development programme, including catalysing these initiatives to other organisations within the UK and overseas.

Being an exemplar Modern Academy

- Review the distribution of research fields across the Fellowship and improve diversity (in all its forms) amongst candidates and elected Fellows.
- Improve the diversity of participants in all our work, including our events, working groups, committees, consultation responses, among others, and record diversity information in all our major projects.
- Continue to increase the number of women experts commenting in the media by delivering media training for Fellows and grant awardees.
- Develop our digital presence to increase connections and showcase our work.
- Pioneer the incorporation of public and patient views into policy advice through the delivery of a public dialogue on future technology and patient data.

Enhancing delivery capability

- Elect to the Fellowship the most outstanding researchers from the full breadth of biomedical and health science, including those working in multi-disciplinary fields.
- Develop our strategic collaborations and partnerships, including with the National Academies, medical research charities, Research Councils, Learned Societies, FORUM members and others, to enhance our collective impact and reach.
- Increase the number of partners and supporters; raising more funds from philanthropic and private sources.
- Attract and retain the best people to work at the Academy, nurturing their talent and provide a high-quality and rewarding working environment.
- Strengthen the operational platform by upgrading financial management systems and increasing staff resource where appropriate.
- Continue to attract investment from external partners into our programmes and projects, securing leverage from funders through further investment and demonstrating excellent value for money.

Achieving global impact

- Provide funding and support to researchers in the UK and overseas as a delivery partner in the UK Government's Global Challenges Research Fund and through our programme of international grants and travel Fellowships.
- Lead the delivery of research networking grants on behalf of all four UK National Academies, and partner with the Royal Society to offer research Fellowships within sub-Saharan Africa.
- Publish the outputs of our working group study 'Addressing the global challenge of multimorbidity' in Autumn 2017, working to ensure influence on the policy and research agenda in the UK and beyond.
- Work with partners in low and middle income countries to deliver workshops that support evidence-based policy in relation to their priorities, including on obesity, clinical academic training and paediatric neurodevelopment defects in children.
- Maintain connections and dialogue with the European medical research community (including through the Federation of European Academies of Medicine) to ensure that the UK's future relationship with the EU allows UK, European and global science to flourish post-Brexit.

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.

Fellowship

The Academy is one of the five National Academies of the UK and at 31 March 2017 had 1,190 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-seven new Fellows were elected in 2016/17 from a pool of 356 candidates through a rigorous process of peer review, scrutiny from seven 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 18 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), Treasurer, Registrar and Foreign Secretary. The Honorary Officers are elected by Council from nominations received from the Fellowship; they hold office for four 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 meets three times a year and reports directly to Council; it reviews the audited financial statements and recommends their approval to Council, reviews the management of the Academy's assets, reviews reports from the external auditors and oversees the implementation of any recommendations thereafter.

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 financial and governance information, along with 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 37.

Policy for setting remuneration for senior management

In June 2016 the Academy introduced a new 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 salary benchmarking. The Academy's policy is to pay staff at the median of their individual salary band once they are established in post. Salary progression 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) and annual 360 feedback, 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 and the Honorary Officers 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 key strategic risk of the Academy continues to be the risk to its reputation; the risk of the impact of a shortfall in funding has diminished with the strengthening of the General Fund and the establishment of the Development Fund to be used for initiating new activities and supporting an increase in the operational platform.

The risk to reputation is managed in a number of ways: 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 scrutinized 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.

The risk of the impact of a shortfall in funding is managed by ensuring that there are multiple sources of unrestricted income. The performance of the trading company is regularly monitored by the Directors of the company and the Finance Committee, to ensure budgets are being met.

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 six priority programmes 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, Executive Director and Director of Finance and Resources of the Academy, together with one independent member. 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 cooperate to deliver our charitable objectives. Over the course of 2016/17 this included (but was not limited to): Wellcome, Medical Research Council, British Heart Foundation, Arthritis Research UK, Public Health England, National Institute for Health Research, The Health Foundation, Association of Medical Research Charities, Biotechnology and Biological Sciences Research Council, British Pharmacological Society, Foulkes Foundation, Prostate Cancer UK, Royal College of Physicians, The Lancet, The Royal Society, British Academy, Royal Academy of Engineering, The Royal Society of Edinburgh, along with all the members of the Academy's FORUM.

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. This year the Welton Foundation made a generous donation towards the Academy's future; the support of the Foundation's Trustees over the years has made a significant difference to our work and impact, and we are very grateful to them.

Financial review

The Consolidated Statement of Financial Activities (SOFA) and Balance Sheet, together with the Notes to the Accounts set out on pages 22-34, 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 2016/17 reflect another year of growth for the Academy group, with income increasing to over £11 million, compared to £8 million in the previous year. Much of the increase was received as restricted income to be used on specific grant schemes and international programmes. As a consequence, expenditure on charitable activities increased by 33% from £7,113,063 to £9,490,401.

The General Fund continued in surplus and allowed an increase in the retained balance at 31 March 2017 to comply with the revised reserves policy. A transfer to the Development Fund was also made in the year, to support continued investment in the Academy's operational platform and the new Strategic Plan. The Development Fund was used during the year to cover the costs of strengthening the IT platform and IT services, along with the reconfiguration and refurbishment of the Academy's office space, in order to accommodate an increasing number of staff into the future. The Fund also benefitted from a generous donation of £500,000 from the Welton Foundation, and finished the year at £1.16 million. This represents an important source of internal funding for the Academy to ensure that growth is supported appropriately and to provide seed corn funding to initiatives to be developed under the new Strategic Plan.

Funding sources

Total incoming resources for 2016/17 were £11,077,414, an increase of 37% from the previous year. The improvement came from income received for the Academy's charitable activities, which rose to £8,477,235 as a result of increased funding from Wellcome for the Springboard grant scheme, and new funding from the Department of Business Energy & Industrial Strategy under the Global Challenges Research Fund for a programme of international workshops. The income generated from the building continues to be an important source of unrestricted income for the Academy, with £933,021 being included in the group accounts and representing 49% of General Fund income for the year.

Expenditure

Total expenditure increased by 29% to £10,191,412, mostly as a result of an expansion in the Academy's grant schemes. Grant funding increased by £1,676,3505 (39%) as a result of a full year of grant awards under the Springboard scheme, together with an additional specialist call for newly independent researchers in medical humanities and health social sciences. The amount awarded under the Newton Fellowships also increased in the year to £1,241,270. This increase in grant awards is reflected in increased expenditure under the two strategic objectives '*nurturing the next generation*' and '*seizing international opportunities*'. The Academy's international programme was also enhanced by the £333,000 used to fund a new series of workshops, bringing together researchers from the UK and those from low and middle income countries.

Support costs increased by £283,284 in the year to £1,366,010. Much of the increase was due to the one-off investment in the Academy's operational platform. This is reflected in the increase in office and IT costs, and staff costs shown in Note 4 on page 26 of the Notes to the Accounts. The cost of premises also rose as a result of building repairs made during the year to the main conference meeting room.

Cash and investment management

Investments were valued at £2,454,288 at 31 March 2017 with a £223,049 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 2017.

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 2017 cash on deposit was £5,298,009 of which £891,288 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 to a maximum limit for each banking group.

Reserves

The Academy's reserves at 31 March 2017 were £11,086,956 an increase of £1,109,051 from 31 March 2016. The reserves were made up as follows:

	£
Permanent Endowment	1,785,054
Restricted Funds	4,463,993
Unrestricted Funds	
Designated Funds	3,812,812
General Fund	1,025,097
Total Funds at 31 March 2016	11,086,956

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 additional transfers of £400,000 were made from the General Fund to the Designated Funds; £250,000 to the Building Repair Fund as a contribution to the long term repair costs of the building, and £150,000 into the Development Fund to support the continued investment in the operational platform and scoping new initiatives under the updated Strategic Plan.

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 in November 2016 the Finance Committee approved the increase of the target level of free reserves to a range of £750,000 to £1,000,000. The increase was considered necessary to reflect the increased staff establishment and operational platform, and to provide flexibility over the next strategic period. 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. The level of free reserves (General Fund less the net book value of fixed assets in that Fund) at 31 March 2017 was £832,727 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 22 June 2017 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

We have audited the financial statements of the Academy of Medical Sciences for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheet, the Group and Parent Charitable Company Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 and to the charitable company's trustees, as a body, in accordance with regulations made under Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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. We have been appointed auditor under the Companies Act 2006 and Section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent charitable company's circumstances and have been consistently applied

and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017, and of the group's 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 and the Charities Act 2011

Opinion on other matter 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 Trustees' Annual Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and;
- the Trustees Annual Report (including the Strategic Report) has been prepared in accordance with applicable legal requirements

Opinion on other matter as required by BEIS Grant Agreement

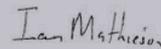
In our opinion, in all material aspects, the payments from the BEIS grant awarded to the Academy as part of the National Academies allocation of the 2016/17 government science budget, have been applied in accordance with, and for the purposes set out in the agreement and in accordance with the terms and conditions of the grant.

Matters on which we are required to report by exception

In the light of our 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 Trustees Annual Report (including the Strategic Report).

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.



Ian Mathieson, Senior Statutory Auditor
for and on behalf of PKF Littlejohn LLP

1 Westferry Circus, Canary Wharf
London E14 4HD

Date June 2017

PKF Littlejohn LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Consolidated statement of financial activities

for the year ended 31 March 2017

(Incorporating an income and expenditure account)

	Note	General Fund £	Designated Funds £	Restricted Funds £	Permanent Endowment Funds £	Total 2017 £	Total 2016 £
Income from:							
Donations		816,460	500,000	96,000	138,507	1,550,967	1,060,178
Charitable activities		105,511	-	8,371,724	-	8,477,235	6,032,660
Trading activities		933,021	-	-	-	933,021	909,241
Investments		43,243	-	31,205	41,743	116,191	108,043
Total income	3	1,898,235	500,000	8,498,929	180,250	11,077,414	8,110,122
Expenditure On:							
Raising funds							
		676,529	5,558	7,538	11,386	701,011	793,244
Charitable activities							
Promoting excellence		221,483	13,079	18,355	-	252,917	306,256
Nurturing the next generation		36,728	116,146	5,927,572	-	6,080,446	4,646,976
Influencing policy		126,163	80,956	419,566	-	626,685	532,265
Seizing international opportunities		-	52,015	1,825,491	136,232	2,013,738	1,113,242
Linking academia, industry & NHS		-	12,697	157,290	-	169,987	234,709
Encouraging dialogue		193,548	17,807	135,273	-	346,628	279,615
		577,922	292,700	8,483,547	136,232	9,490,401	7,113,063
Total expenditure	4	1,254,451	298,258	8,491,085	147,618	10,191,412	7,906,307
Income before investment gains		643,784	201,742	7,844	32,632	886,002	203,815
Gains/(losses) on investment assets	9	16,150	-	49,217	157,682	223,049	(85,476)
Gross transfers between funds	14	(315,968)	400,000	(84,032)	-	-	-
Net movement in funds		343,966	601,742	(26,971)	190,314	1,109,051	118,339
Funds 1 April 2016		681,131	3,211,070	4,490,964	1,594,740	9,977,905	9,859,566
Funds 31 March 2017	13	1,025,097	3,812,812	4,463,993	1,785,054	11,086,956	9,977,905

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 - 34 form part of these financial statements.

Balance sheets

as at 31 March 2017

	Note	Group 2017 £	Charity 2017 £	Group 2016 £	Charity 2016 £
Tangible fixed assets	8	5,453,299	5,453,299	5,615,156	5,615,156
Investments	9	2,454,288	2,455,288	2,206,816	2,207,816
Current assets					
Debtors	10	2,384,791	2,447,116	2,166,410	2,198,345
Stock		5,016	-	5,276	-
Cash on deposit		5,298,009	5,298,009	4,239,884	4,239,884
Cash at bank and in hand		172,280	10,996	229,229	82,589
		7,860,096	7,756,121	6,640,799	6,520,818
Current liabilities					
Creditors: amounts falling due within one year	11	(4,532,495)	(4,429,520)	(4,317,656)	(4,198,675)
Net current assets		3,327,601	3,326,601	2,323,143	2,322,143
Creditors: amounts falling due after one year	11	(148,232)	(148,232)	(167,210)	(167,210)
Net assets	15	11,086,956	11,086,956	9,977,905	9,977,905
Represented by:					
Permanent endowment funds		1,785,054	1,785,054	1,594,740	1,594,740
Restricted funds		4,463,993	4,463,993	4,490,964	4,490,964
Unrestricted funds:					
General fund		1,025,097	1,025,097	681,131	681,131
Designated funds		3,812,812	3,812,812	3,211,070	3,211,070
Total funds	13	11,086,956	11,086,956	9,977,905	9,977,905

Approved by the Council and authorised for issue on 22 June 2017, and signed on its behalf by:



President
Professor Sir Robert Lechler PMedSci



Treasurer
Professor Anne Dell CBE FRS FMedSci

The notes on pages 22 - 34 form part of these financial statements.
Company Number 3520281

Statement of Cash Flows

for the year ended 31 March 2017

	Group 2017 £	Charity 2017 £	Group 2016 £	Charity 2016 £
Cash from operating activities	1,060,665	1,046,021	588,700	602,038
Cash used in investing activities				
Interest from investments	116,191	116,191	108,043	108,043
Purchase of fixed assets	(133,810)	(133,810)	(108,029)	(108,029)
Proceeds from sale of fixed assets	-	-	1,805	1,805
Proceeds from sale of investments	17,320	17,320	17,876	17,876
Purchase of investments	(41,743)	(41,743)	(164,560)	(164,560)
	(42,042)	(42,042)	(144,865)	(144,865)
Cash used in financing activities				
Repayment of borrowings	(17,447)	(17,447)	(59,372)	(59,372)
Increase in cash in the year	1,001,176	986,532	384,463	397,801
Cash at the beginning of the year	4,469,113	4,322,473	4,084,650	3,924,672
Cash at the end of the year	5,470,289	5,309,005	4,469,113	4,322,473
Note (a)				
Net movement in funds per the statement of financial activities	1,109,051	1,109,051	118,339	118,339
Add back depreciation charge	289,167	289,167	267,733	267,733
Add back loss on sale of fixed assets	5,735	5,735	6,195	6,195
Add losses / (deduct gains) on investments	(223,049)	(223,049)	85,476	85,476
Deduct interest from investments	(116,191)	(116,191)	(108,043)	(108,043)
Decrease / (increase) in stock	260	-	(1,539)	-
Decrease / (increase) in debtors	(218,381)	(248,771)	(1,844,247)	(1,820,701)
Increase / (decrease) in creditors	214,073	230,079	2,064,786	2,053,039
Net cash provided by operating activities	1,060,665	1,046,021	588,700	602,038

Notes to the financial statements

for the year ended 31 March 2017

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 applicable in 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 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 market value, 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 £500 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%
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.

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 £195,238 (2016: £134,352) 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 2017 are shown below.

	2017 £	2016 £
Profit & loss account		
Turnover	973,069	977,737
Costs of sales	<u>(574,595)</u>	<u>(606,022)</u>
Gross profit	398,474	371,715
Administrative expenses	<u>(273,137)</u>	<u>(270,099)</u>
Operating profit for the year	125,337	101,616
Interest receivable	-	232
Interest payable	(3,500)	(3,500)
Donation to the charity	<u>(121,837)</u>	<u>(98,116)</u>
Profit for the year	<u><u>-</u></u>	<u><u>-</u></u>
Balance sheet		
Current assets	308,275	284,759
Current liabilities	<u>(207,275)</u>	<u>(183,759)</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 £808,818 and expenditure £596,689 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:

	2017 £	2016 £
Income	10,546,626	7,437,362
Net movement in funds for the year	1,109,051	118,339

3. Income from:

	General Fund £	Designated Funds £	Restricted Funds £	Endowed Funds £	Total 2017 £	Total 2016 £
Donations						
Fellows' subscriptions	313,075	-	-	-	313,075	307,728
Department of Health	478,000	-	-	-	478,000	471,000
Other donations	25,385	500,000	-	138,507	663,892	125,450
Donated services	-	-	96,000	-	96,000	156,000
	816,460	500,000	96,000	138,507	1,550,967	1,060,178
Charitable activities						
Nurturing – careers	-	-	939,694	-	939,694	685,628
Nurturing – fellowships	-	-	4,984,045	-	4,984,045	3,682,157
Influencing policy	-	-	244,260	-	244,260	311,703
Seizing international opportunities	-	-	1,922,581	-	1,922,581	971,499
Linking academia, industry & NHS	105,511	-	149,232	-	237,423	230,808
Encouraging dialogue	-	-	-	-	149,232	150,865
	105,511	-	8,371,724	-	8,477,235	6,032,660
Trading activities						
Trading subsidiary income	808,818	-	-	-	808,818	857,991
Other rental income	124,203	-	-	-	124,203	51,250
	933,021	-	-	-	933,021	909,241
Investments						
Income on investments	9,367	-	28,554	41,743	79,664	73,826
Short term deposits	33,876	-	2,651	-	36,527	34,217
	43,243	-	31,205	41,743	116,191	108,043
Total Income	1,898,235	500,000	8,498,929	180,250	11,077,414	8,110,122 Note (a)

2016 comparative

Note (a)	General Fund £	Designated Funds £	Restricted Funds £	Endowed Funds £	Total 2016 £
Donations	798,168	20,000	156,000	86,010	1,060,178
Charitable activities	80,870	-	5,951,790	-	6,032,660
Trading activities	909,241	-	-	-	909,241
Investments	38,267	-	31,869	37,907	108,043
Total Income	1,826,546	20,000	6,139,659	123,917	8,110,122

4. Expenditure on:

	Direct Costs £	Grant Funding £	Support Costs £	Total 2017 £	Total 2016 £
Raising Funds					
Fundraising costs	76,882	-	27,440	104,322	135,537
Property management	-	-	-	-	23,549
Trading subsidiary expenditure	596,689	-	-	596,689	634,158
	<u>673,571</u>	<u>-</u>	<u>27,440</u>	<u>701,011</u>	<u>793,244</u>
Charitable activities					
Promoting excellence	188,363	-	64,554	252,917	306,256
Nurturing the next generation	780,501	4,732,593	567,352	6,080,446	4,646,976
Influencing policy	326,448	-	300,237	626,685	532,265
Seizing international opportunities	424,456	1,333,391	255,891	2,013,738	1,113,242
Linking academia, industry & NHS	107,360	-	62,627	169,987	234,709
Encouraging dialogue	258,719	-	87,909	346,628	279,615
	<u>2,085,847</u>	<u>6,065,984</u>	<u>1,338,570</u>	<u>9,490,401</u>	<u>7,113,063</u>
Total expenditure	<u>2,759,418</u>	<u>6,065,984</u>	<u>1,366,010</u>	<u>10,191,412</u>	<u>7,906,307</u>

Total expenditure in the year to 31 March 2016 was £7,906,307 comprising expenditure under General Funds; £1,355,425, Designated Funds; £157,337, Restricted Funds; £6,303,080 and Endowed Funds; £90,465.

Analysis of support costs

	Cost of Premises £	Office & IT Costs £	Staff & Related Costs £	Governance Costs £	Total 2017 £	Total 2016 £
Raising Funds	11,365	6,207	9,203	665	27,440	45,670
Charitable activities						
Promoting excellence	26,737	14,602	21,650	1,565	64,554	82,852
Nurturing the next generation	234,995	128,334	190,272	13,751	567,352	367,522
Influencing policy	124,357	67,913	100,690	7,277	300,237	244,171
Seizing international opportunities	105,989	57,882	85,818	6,202	255,891	157,634
Linking academia, industry & NHS	25,940	14,166	21,003	1,518	62,627	113,546
Encouraging dialogue	36,411	19,885	29,482	2,131	87,909	71,331
Total support costs	<u>565,794</u>	<u>308,989</u>	<u>458,118</u>	<u>33,109</u>	<u>1,366,010</u>	<u>1,082,726</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 11 Council members (2016: 16) received reimbursed travel expenses of £17,457 (2016: £21,376).

The Academy received donations during the year from 10 Council members (2016: 8) of £2,364 (2016: £2,290).

b. Employee information

	2017 £	2016 £
Salaries	1,292,460	1,112,114
Employer's national insurance	134,817	111,200
Employer's pension contributions	90,875	72,678
Donated staff services	66,000	126,000
	<u>1,584,152</u>	<u>1,421,992</u>

The average number of salaried staff employed during the year was 33.58 (2016 30.17).

The full-time average equivalent for salaried staff during the year was 32.40 (2016: 28.58).

	2017	2016
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:
Pension contributions paid by the Academy relating to the higher paid employees as defined above amounted to £16,247 (2016: £6,187).

The total salaries of the five directors constituting the Senior Management Team, including pension contributions, was £354,060 (2016 £282,129). The comparative figures do not include the Interim Executive Director on secondment from Wellcome Trust during 2015, whose services were donated to the Academy.

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

	2017 £	2016 £
Auditor's fees		
Audit – charity	11,500	14,652
Audit – trading subsidiary	1,800	2,350
Other services	3,350	-
Investment management fees	17,418	16,221
Depreciation of tangible fixed assets	289,167	267,733

7. Grants

The Academy administers five 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, the Royal College of Physicians and Prostate Cancer UK; the Springboard Grants Scheme (SBS) funded by the Wellcome Trust; the Newton Fellowships (NFS) funded by the Newton Fund (Department for Business Energy & Industrial Strategy) and the Daniel Turnberg UK/Middle East Travel Fellowship Scheme (DTMF). Details of the Schemes are as follows:

	CSFS £	CLS £	SBS £	NFS £	DTMF £	Total 2017 £
Grants outstanding 1 April	268,874	-	1,841,434	541,925	-	2,652,233
Grants awarded	437,481	1,557,875	2,737,236	1,241,270	92,122	6,065,984
Grants paid	(548,000)	(1,439,419)	(1,841,434)	(1,672,195)	(92,122)	(5,593,170)
Grants payable at 31 March	158,355	118,456	2,737,236	111,000	-	3,125,047
Grants to institutions						
to nurture the next generation	437,481	1,557,875	2,737,236	-	-	4,732,592
to seize international opportunities	-	-	-	1,241,270	-	1,241,270
	437,481	1,557,875	2,737,236	1,241,270	-	5,973,862
Grants to individuals						
to seize international opportunities	-	-	-	-	92,122	92,122
Grants awarded	437,481	1,557,875	2,737,236	1,241,270	92,122	6,065,984

Grants payable of £3,125,047 are shown under creditors amounts falling due within one year at note 11 page 31.

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

Grants to 36 institutions were awarded in the year to a total value of £6,065,984. (2016 £4,273,939 to 27 institutions). The principal institutions benefiting from the grants were:

	£
University College, London	689,417
University of Oxford	587,665
University of Cambridge	541,303
King's College, London	449,813
University of Liverpool	405,556
University of Leeds	357,172
Imperial College, London	286,374
Queen Mary College, London	225,243
University of Manchester	224,737
University of Sheffield	216,481

8. Tangible fixed assets – Group and Charity

	Leasehold Premises £	Refurbished Property £	Furniture, fixtures & equipment £	Computer equipment £	Total £
Cost					
At 1 April	2,300,000	4,193,846	460,624	230,780	7,185,250
Additions	-	-	57,670	76,140	133,810
Disposals	-	-	(41,954)	(42,219)	(84,173)
At 31 March	2,300,000	4,193,846	476,340	264,701	7,234,887
Depreciation					
At 1 April	455,857	794,906	115,527	203,804	1,570,094
Charge for the year	82,883	152,761	37,212	16,311	289,167
Disposals	-	-	(35,454)	(42,219)	(77,673)
At 31 March	538,740	947,667	117,285	177,896	1,781,588
Net book value					
31 March 2017	1,761,260	3,246,179	359,055	86,805	5,453,299
31 March 2016	1,844,143	3,398,940	345,097	26,976	5,615,156

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

	2017 £	2016 £
At 1 April	2,162,805	2,099,942
Additions	95,163	164,560
Disposals	(9,312)	-
Management fees	(17,418)	(16,221)
Increase/(decrease) in market value	223,049	(85,476)
	<u>2,454,287</u>	<u>2,162,805</u>
Cash held for investment	1	44,011
Market Value at 31 March	<u>2,454,288</u>	<u>2,206,816</u>
Cost at 31 March	<u>2,004,155</u>	<u>1,952,969</u>

Investments to the value of £322,787 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 £1,309,832 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 £821,669 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 £2,455,288 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 2017 £	Charity 2017 £	Group 2016 £	Charity 2016 £
Amounts falling due within one year::				
Trade debtors	241,780	139,637	184,155	86,314
Prepayments	80,236	80,236	73,177	73,177
Accrued income	2,000,303	2,000,303	1,851,188	1,851,188
Other debtors	62,472	27,475	57,890	22,890
Amount due from subsidiary	-	99,465	-	64,776
Amount falling due after more than one year:				
Loan to subsidiary	-	100,000	-	100,000
	<u>2,384,791</u>	<u>2,447,116</u>	<u>2,166,410</u>	<u>2,198,345</u>

11. Creditors

Amounts falling due within one year:	Group 2017 £	Charity 2017 £	Group 2016 £	Charity 2016 £
Grants payable	3,125,047	3,125,047	2,652,233	2,652,233
Trade creditors	257,733	167,921	403,687	332,212
Accruals	103,680	101,532	70,702	68,352
Deferred income	907,135	891,288	1,058,962	1,018,050
Rent deposit	73,835	73,835	73,800	73,800
PAYE/NIC Liability	39,397	39,397	33,555	33,555
VAT payable	6,698	11,530	6,514	2,270
Bank loan	18,970	18,970	18,203	18,203
	<u>4,532,495</u>	<u>4,429,520</u>	<u>4,317,656</u>	<u>4,198,675</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.

Amounts falling due beyond one year:				
Bank loan				
Due within two to five years	84,430	84,430	80,133	80,133
Due after five years	63,802	63,802	87,077	87,077
	<u>148,232</u>	<u>148,232</u>	<u>167,210</u>	<u>167,210</u>

12. Deferred Income

	Group 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
Deferred income brought forward	1,058,962	1,018,050	1,461,048	1,415,888
Less: Amount used in the year	(1,058,962)	(1,018,050)	(1,461,048)	(1,415,888)
<i>Income accrued within the year:</i>				
Grants from institutions	891,288	891,288	1,018,050	1,018,050
Conferencing deposits	15,847	-	40,912	-
Deferred income carried forward	<u>907,135</u>	<u>891,288</u>	<u>1,058,962</u>	<u>1,018,050</u>

13. Movement on group funds

	Balance 1 April £	Income £	Expenditure £	Transfers £	Revaluation £	Balance 31 March £
Permanent endowment						
Jean Shanks Memorial Fund	216,214	-	(1,709)	-	27,526	242,031
Sackler Fund	72,074	-	(570)	-	9,175	80,679
Daniel Turnberg Memorial Fund	1,306,452	180,250	(145,339)	-	120,981	1,462,344
Total permanent endowment	1,594,740	180,250	(147,618)	-	157,682	1,785,054
Restricted funds						
BEIS funding:						
Newton grant scheme	-	1,399,269	(1,398,021)	(1,248)	-	-
National Academies allocation	-	471,000	(434,543)	(36,457)	-	-
Global Challenges Research Fund	-	333,000	(333,000)	-	-	-
FEAM	-	6,750	(6,750)	-	-	-
Other grant schemes	395,808	5,525,608	(5,248,857)	(83,836)	-	588,723
Project/meeting contributions	10,000	253,724	(297,262)	63,538	-	30,000
Mentoring & career development	-	372,927	(347,474)	(25,453)	-	-
Medical Research Society	762,711	55,612	(124,669)	-	49,217	742,871
Income on endowed funds	-	81,039	(80,463)	(576)	-	-
Capital Appeal	44,065	-	(44,065)	-	-	-
Restricted Asset Fund	3,278,380	-	(175,981)	-	-	3,102,399
Total restricted funds	4,490,964	8,498,929	(8,491,085)	(84,032)	49,217	4,463,993
Unrestricted funds						
General Fund	681,131	1,898,235	(1,254,451)	(315,968)	16,150	1,025,097
Designated funds						
Business Fund	200,422	-	-	-	-	200,422
Asset Fund	2,039,999	-	(98,151)	-	-	1,941,848
Building Repair Fund	367,583	-	(107,211)	250,000	-	510,372
Development Fund	603,066	500,000	(92,896)	150,000	-	1,160,170
Total designated funds	3,211,070	500,000	(298,258)	400,000	-	3,812,812
Total unrestricted funds	3,892,201	2,398,235	(1,552,709)	84,032	16,150	4,837,909
Total funds	9,977,905	11,077,414	(10,191,412)	-	223,049	11,086,956

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.

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 four 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 £1,241,270 of grant funding and £158,000 contribution for the running of the scheme was received and expended.

Science budget – National Academies allocation – the Academy received £471,000 in April 2016 as part of the Science and Research budget 2016/17 to the National Academies. The grant was expended on the Academy's strategic objectives centred around policy and public dialogue.

Global Challenges Research Fund – BEIS administers the new government fund set up to support cutting-edge research that addresses the challenges faced by developing countries. The Academy was awarded £333,000 under the fund and expended all in the year.

Federation of European Academies of Medicine (FEAM) – In March 2017 BEIS awarded a grant of £200,000 for a 12 month programme of support to FEAM, to be led by the Academy to strengthen FEAM's capacity. Funding of £6,750 was provided and expended in March.

Other Grant Schemes

The Academy's five grant schemes are funded by external organisations as detailed in note 7. Balances held at the end of the year include £549,638 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 the Medical Research Council, NHS Education for Scotland, the National Institute for Social Care and Health Research in Wales and GlaxoSmithKline.

Policy project/meeting contributions

Specific donations to support meetings and other activities.

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 and particularly to support the Annual Spring Meeting for Clinician Scientists in Training.

Capital appeal

The balance remaining from donations received in response to the Academy's fundraising appeal to support the refurbishment of 41 Portland Place. The monies were spent on improvements to the building in the year.

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 £	Total £
Transfer to building repair fund	(250,000)	250,000	-	-
Transfer to development fund	(150,000)	150,000	-	-
Elimination of inter-company room hire	84,032	-	(84,032)	-
	<u>(315,968)</u>	<u>400,000</u>	<u>(84,032)</u>	<u>-</u>

15. Analysis of group net assets

	General funds £	Designated funds £	Restricted funds £	Permanent endowment funds £	Total £
Fixed assets	192,370	2,158,529	3,102,400	-	5,453,299
Investments	264,104	-	557,565	1,632,619	2,454,288
Cash on deposit and at bank	732,859	1,821,485	2,763,510	152,435	5,470,289
Other net current liabilities	(164,236)	(18,970)	(1,959,482)	-	(2,142,688)
Liabilities due after one year	-	(148,232)	-	-	(148,232)
	<u>1,025,097</u>	<u>3,812,812</u>	<u>4,463,993</u>	<u>1,785,054</u>	<u>11,086,956</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 2017 there were 1,190 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 2018.

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.



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