

Annual Report and Financial Statements 31 March 2018

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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 Christopher Day FMedSci *until June 2017*
Vice Chancellor, Newcastle University
Professor Paul Stewart FMedSci *from June 2017*
Dean of Medicine and Faculty Dean Medicine and Health,
University of Leeds

Vice-President (non-clinical)

Professor Martin Humphries FMedSci *until December 2017*
Professor of Biochemistry, University of Manchester
Professor Fiona Watt FRS FMedSci *from December 2017*
Director, Centre for Stem Cells and Regenerative Medicine,
King's College London

Vice-President (international)

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

Treasurer

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

Registrar

Professor Philippa Saunders FMedSci
Director of Postgraduate Research, MRC Centre for Inflammation Research,
University of Edinburgh

Ordinary Members of Council

Professor Jonathan Ashmore FRS FMedSci *retired December 2017*
Professor Ed Bullmore FMedSci
Professor Sir Rory Collins FRS FMedSci
Professor Dame Jessica Corner FMedSci *appointed December 2017*
Professor Hilary Critchley FMedSci *appointed December 2017*
Professor Annette Dolphin FRS FMedSci
Professor Elizabeth Fisher FMedSci
Professor Jane Norman FMedSci *retired December 2017*
Professor Sir Stephen O'Rahilly FRS FMedSci
Professor Sir Michael Owen FMedSci FLSW *retired December 2017*
Sir Michael Rawlins FMedSci *retired December 2017*
Dr Sir James Smith FRS FMedSci
Professor Sir Douglas Turnbull FMedSci
Professor Julie Williams CBE FMedSci FLSW *appointed December 2017*

Co-opted members 2017

Professor Teresa Marteau FMedSci *retired December 2017*
Dr Fiona Marshall FMedSci *re-appointed December 2017*
Professor Frances Platt FMedSci *re-appointed December 2017*
Professor Christopher Pugh FMedSci *retired December 2017*

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 Medical Science Policy (interim)

Dr Naho Yamazaki

Dec 2017-March 2018

Director of Finance and Resources

Mrs Chris Straw

Aims and objectives

The new Academy strategy for the period 2017-2021 was introduced in April 2017. 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 aligning efforts across the Academy.

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 2018 are shown in the Consolidated Statement of Financial Activities at page 19.

Achievements in the year 2017/18

Promoting excellence

- In April 2017 we elected 46 new Fellows to the Academy Fellowship from a pool of 381 candidates 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 1,236. This new intake to the Fellowship included the highest female cohort to date (37%). Election to the Fellowship continues to be regarded as an international badge of research excellence, and the new Fellows attracted coverage in the specialist and general media, including a leading news story in the Evening Standard, together with a leader article and comment piece.
- We continued to improve diversity of participants in all our work, including the Fellowship election, events, working groups, committees, panels etc. Gender, ethnic and disability information across all activities was presented to Council for review, helping to identify priority areas for attention.
- In December 2017 Professor Emmanuelle Charpentier gave the Jean Shanks Lecture on '*CRISPR-Cas9 breakthrough genome engineering technology*'. The lecture was followed by a background press briefing for UK science and health journalists to engage with this new area of science and its potential to revolutionise our understanding of health and disease.
- In January Professor Edith Heard FRS gave a very well-received Sackler Lecture as part of our #MedSciLife programme, which aims to share the life experience of those working in biomedical research, to celebrate diversity and to provide advice and support to biomedical researchers at all stages of their careers.

Developing talented researchers

- A significant expansion in our international grants programme was delivered through our new Global Challenges Research Fund (GCRF) Networking Grants. The scheme was developed and launched by the Academy as part of the National Academies' Resilient Futures programme, whereby the Academy disperses grant monies to awardees that cover the research remit of our sister academies, the British Academy, The Royal Academy of Engineers and the Royal Society. These small grants support consortia of researchers in Official Development Assistance (ODA) countries to form interdisciplinary collaborations with UK researchers. In the first round of the scheme, 40 networking grants were awarded across 18 different countries.
- Grant schemes - 32 Springboard awards to newly independent biomedical scientists were made. The Academy worked to diversify the underpinning funding for this scheme, and alongside existing generous support from the Wellcome Trust, secured funding from the British Heart Foundation and the Government's Global Challenges Research Fund and Talent Funds. 42 awards were made through the Starter Grant for Clinical Lecturers (SGCL) scheme, supported by a consortium of funders including Wellcome, Medical Research Council, Arthritis Research UK, British Heart Foundation, and Diabetes UK. Springboard and SGCL awardees benefitted from a wider package of support, including participation in our well-established Winter Science Meeting and our acclaimed mentoring scheme.
- 10 Newton Fellowships and 8 Newton Advanced Fellowships were awarded in 2017/18 to researchers from partner countries including China, India, Mexico, Brazil, Turkey and South Africa. The partnership with the Department of Biotechnology (DBT) of India was renewed and follow on agreements with other countries progressed.
- 26 travel fellowships were awarded to support exchanges between researchers in the UK and Middle East through the Daniel Turnberg Travel Fellowship Scheme. Since its inception in 2008, the scheme has helped nearly 250 early career researchers to forge new collaborations.
- Taskforces were convened, and research was commissioned, to design two new programmes for launch in 2018-19: a leadership programme to create a pipeline of talent equipped to collaborate across the NHS-academe-industry-government interface; and a funding scheme to support emerging leaders from a range of sectors to drive transdisciplinary health of the public research.
- A further 20 women participated in SUSTAIN, our year-long programme to support women researchers as they establish their independent research careers, involving tailored training, media skills, peer coaching and mentoring from Academy Fellows. In our catalysis role, we continued to work with partners to implement similar models of support in their own organisations.
- Over 139 early career researchers were paired with mentors from amongst Academy Fellows, bringing the total mentoring pairs to over 750. Five career development events were held across the UK, including the Academy's flagship cross-specialty clinical science meeting – the Spring Meeting for Clinical Academics in Training. Work continued with UK and international partners (in the US, Africa and beyond) to catalyse local mentoring schemes informed by our model and tools.

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- Evaluation was completed on the INSPIRE scheme, which supports medical, dental and veterinary schools to deliver activities to inspire students to pursue a career in research. This demonstrated significant impact in raising awareness of research among students and leveraging support from other sources. In October funding was secured from Wellcome to deliver a further round of INSPIRE grants in 2018.
 - With the support of the Yusuf and Farida Hamied Foundation, we developed and launched a programme to strengthen the research links between the UK and India to address the global challenge of antimicrobial resistance. The five-year programme will support a Visiting Professorship scheme and two major international scientific meetings in India and the UK.

Influencing research and policy

- Our major policy report, *'Enhancing the use of evidence to judge the potential benefits and harms of medicine'*, was launched in June, followed by an implementation workshop for key stakeholders. The launch was accompanied by a comprehensive communications campaign and work to action several recommendations, e.g. a labelling system for medical research press releases; endorsement of a pocket guide for patients by the Royal College of General Practitioners; and launch of standards and indications for public involvement/engagement in research by INVOLVE.
- Impacts continued from our 2016 report *'Improving the health of the public by 2040'*: the recommended co-ordinating body for health of the public research was established as a sub-group of the Office for the Strategic Co-ordinating Body for Research (OSCHR); and follow up meetings with National Institute for Health Research, Faculty of Public Health, Public Health England and others progressed work to review medical undergraduate training and to connect researchers, practitioners and policy makers.
- A new horizon-scanning programme was launched, through which Fellows and grant awardees were surveyed to predict future transformative research and technologies. This was followed by more in-depth regional meetings with a range of researchers and citizens to discuss key themes. Findings will be published in 2018.
- Working in partnership with the UK Academies and with biomedical organisations, we continued to inform national discussions about how to safeguard 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 the Industrial Strategy, in particular the Life Sciences Industrial Strategy, including jointly commissioned work with the other Academies to support the development of a 'fresh case' for enhanced investment in research and innovation.
- Eight FORUM meetings were held in 2017/18, the highest annual number to date, to match the rise in demand from stakeholders. Most events were held in partnership, providing additional reach, leverage and impact. Topics included medical innovation, personalised psychiatry, novel endpoints in oncology research, the mind-body interface, real world evidence, early detection and diagnosis research and digital maturity of health systems. 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. Eleven new organisations joined the FORUM, which reached 39 members.
- GCRF global health policy workshops were held on: clinical research capacity in low- and middle-income countries (London); obesity (Malaysia); and paediatric neurodevelopment defects (Brazil). Work progressed on our first international policy project *'Multimorbidity: a priority for global health research'* in preparation for launch in April 2018. Dr Samuel Myers delivered the 2017 Academy of Medical Sciences and The Lancet International Health Lecture on 'Planetary health: Protecting global health on a rapidly changing planet'.
- Collaborations were progressed with the Japan Society for the Promotion of Science through a joint symposium on the application of AI algorithms to medical imaging research, and with the US National Academy of Medicine (NAM) through meetings between Officers and senior staff, the latter resulting in an agreement to hold a joint meeting in late 2018 on behavioural science and ongoing liaison on the role of real world evidence in regulation.
- Relationships with sister Academies in Europe were strengthened through bilateral meetings with the Dutch, French, German, Romanian and Swiss Academies, and 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

- We delivered a programme of deliberative dialogue with public, patients and healthcare professionals to explore the future of healthcare data and emerging technologies. Events took place in London, Sheffield and Cardiff, involving over 100 participants. Outputs will inform a policy project exploring how the perspectives of patients and the wider public can inform the development, regulation and delivery of new data-driven technologies in the context of healthcare, to be published in 2018.
- We reached the milestone of 100 women trained as part of our activities to increase the number of women experts commenting in the media. A media showcase was held for the first time in January, connecting 11 media-trained women Fellows and awardees to 22 BBC journalists from news and current affairs, factual entertainment and children's programmes. Feedback from the BBC on this completely novel event was highly positive. Over 50 media items were generated featuring our trained women experts, including multiple broadcast items on BBC Radio 4 Today programme, Newsnight, World at One, PM, Inside Health, Victoria Derbyshire and Women's Hour, as well as print articles in the Guardian, Telegraph, Mail, Mirror, BBC Online and Huffington Post.
- In 2017/18 the Academy received more coverage in more media outlets than ever before. In June the launch of the 'evidence' report reached 6.1m people through broadcast media, 13.6m through print media and engaged over 34,000 users on social media in the first 24 hours.
- The quantity and quality of our digital communications also significantly improved, with the introduction of more quote boxes, animations, visual notes, blog posts and tailored news articles. Twitter and Facebook followers increased by 3,500 (compared to 1,500 in the previous period) and 1000 respectively; and our website received more than 520,000 page views (an increase of 17% / 76,688 from last year.)

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 48 new Ordinary Fellows and 3 new Honorary Fellows are elected who represent the UK's best medical research talent in its broadest diversity. Consider improved mechanisms to review and elect candidates whose contribution is primarily through communications or leadership.
- 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, Jean Shanks and Sackler Lecture. Utilise media and digital communications to increase reach and impact.
- Enhance the MedSciLife campaign, raising its media profile, developing further website content, increasing visitor numbers to www.medscilife.org, piloting live events and developing a podcast series.

Developing talented researchers

- Launch two major new programmes: a cross-sector leadership scheme; and a transdisciplinary fellowship scheme to address health of the public challenges in partnership with The Health Foundation.
- Develop a new scheme of 'Global Rising Star Professorships', to attract talented researchers to the UK. Continue delivery of Springboard, Starter Grants for Clinical Lecturers, Newton, GCRF Networking, Turnberg and Hamied schemes.
- Deliver the new Clinical Academics in Training Annual Conference (CATAC, formerly known as the Spring Meeting) in Edinburgh, incorporating a high level discussion dinner focussing on clinical academic training challenges in Scotland.
- Evaluate the second round of the SUSTAIN programme, using outcomes to inform further development, secure funding for further cohorts and catalyse the programme within other organisations.
- Continue to share our models/tools of mentoring and career development to the research community through BRCs, HEIs and other interested organisations, and facilitate sharing of best practice through a catalysis workshop.
- Deliver a further round of INSPIRE funding to medical, dental and veterinary schools, bringing together INSPIRE leads for a sharing conference and disseminating impacts and feedback from award holders and the independent evaluation. Consider the future direction of the scheme and seek external funding accordingly.

Influencing research and policy

- Deliver a policy project on patient data and emerging data-driven technologies, building on the 2017-8 public dialogue programme. The report will identify principles around data handling by future technologies with regard to various stakeholders, including data users, controllers, regulators and technology developers.
- Launch the report of our horizon scanning programme, liaising with policy makers and research funders around the key findings.
- Deliver an interdisciplinary scientific meeting on the 'developing brain'.
- Advocate the views of the Academy's community, alone and in partnership, on factors that impact the UK science base, including Brexit, the establishment of UK Research & Innovation, the implementation of Industrial/Life Sciences Industrial Strategy, and the framing of the next Government comprehensive spending review.
- Deliver at least four high-level FORUM meetings, in addition to the 2018 FORUM Annual Lecture on bioengineering and medical technologies and a re-convening of the UK life sciences clusters group. Continue to grow the FORUM network, focusing on broader industry representation and NHS engagement, and enhance involvement of members in the Academy's wider work.
- Publish our major international policy project, *'Multimorbidity: a priority for global health research'*, in April 2018, followed by an implementation workshop with funders to drive forward the priority research areas identified in the report.
- Work with partners in low and middle income countries to deliver workshops that support evidence-based policy in relation to their priorities, including: child, maternal and newborn health; mental health; and rapid diagnostic testing. Deliver a UK-India meeting on antimicrobial resistance as part of the Hamied programme. Scope areas for further international policy work, including clinical research capacity building.
- Further enhance connections with the European medical research community through support for the Federation of European Academies of Medicine, bilateral dialogue European Academies, and planned joint events with the French Academy of Medicine and Dutch Academy. Work with the US National Academy of Medicine to co-host its prestigious Rosenthal lecture, to be held outside the US for the first time.

Engaging patients, the public and professionals

- Deliver a public engagement programme that uses research from Fellows and grant awardees to ignite conversations about death and dying in the context of an aging population. Catalyse policy work in the area and take the science that we represent to broader audiences.
- Continue to increase the Academy's media presence, ensuring we represent the voice of medical science in high profile media debates. Enhance our reputation as the 'go to' place for expert and authoritative comment on medical sciences and deliver media and digital communications that support external activities marking the 70th anniversary of the NHS.
- Continue to increase the number of women experts commenting in the media by delivering additional training sessions, showcasing trained Fellows and grant awardees and formally acknowledging women who undertake media work.
- Enhance our digital / social media presence to increase connections and to showcase the Academy, our Fellows and grant awardees. Enhance our ability to develop digital content that increases visitors, downloads or followers 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.

Fellowship

The Academy is one of the five National Academies of the UK and at 31 March 2018 had 1,236 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-six new Fellows were elected in 2017 from a pool of 381 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), Vice-President (International), Treasurer and Registrar. 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 39, 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 salary benchmarking. 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 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 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 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.

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 that 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 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. Over the course of 2017/18 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, British Heart Foundation, Arthritis Research UK, The Health Foundation, Public Health England, Foulkes Foundation, Yusuf and Farida Hamied 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 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 22-35, 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 2017/18 show that income and expenditure continued to rise, albeit not at the same rate as previous years. Income increased by a relatively modest 7% to £11.85 million, and once again was received as restricted income to support specific grant schemes and international programmes. The additional funding was applied in the year, and expenditure on charitable activities increased as a result by 18%, from £9.49 million to £11.22 million.

The Academy's trading company had a challenging year with a decrease in turnover from £973,069 to £840,451 as shown at note 2 to the Accounts. Despite this, the unrestricted income of the Academy finished at a similar level to the previous year, at £1.85 million. However, the significant fluctuation in trading company income demonstrates the risks to General Fund income from year to year, and re-emphasizes the importance of the Development Fund. This Fund was used during the year to cover £141,000 costs of scoping new strategic initiatives; a novel cross sector leadership scheme, and a horizon scanning survey and series of regional workshops to identify new areas of focus for the Academy's policy work. Without the Fund this scoping work would have been delayed until receipt of external funding.

Funding sources

Total incoming resources for 2017/18 were £11.85 million of which £9.97 million was received from charitable activities. This was an increase of £1.49 million from the previous year, as a result of additional UK government funding from the Department of Business Energy & Industrial Strategy (BEIS). The funding was received to support new schemes under the Global Challenges Research Fund Joint Academies' Resilient Futures Programme, the BEIS Research Talent Fund and the Academy's continued support to the Federation of European Academies of Medicine (FEAM).

Expenditure

Total expenditure increased by £1.75 million to £11.94 million mostly as a result of an expansion in the Academy's grant schemes. Grants awarded in the year increased by 22% from £6.07 million to £7.42 million, as a result of the new GCRF networking grants, and the additional funding for the Springboard scheme from BEIS. Expenditure under *Influencing research and policy* also increased in the year, with an expanded FORUM events programme and continued support to FEAM.

Support costs increased by 9% to £1.49 million as a result of investment in the Academy's operational and communications teams in order to support strategic growth.

Cash and investment management

Investments were valued at £2,449,790 at 31 March 2018 with a £30,437 decrease 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 2018.

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 2018 cash on deposit was £8.06 million of which £932,754 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 2018 were £10,963,539 a decrease of £123,417 from 31 March 2017. The reserves were made up as follows:

	£
Permanent Endowment	1,681,475
Restricted Funds	4,574,428
Unrestricted Funds	
Designated Funds	3,581,787
General Fund	1,125,849
Total Funds at 31 March 2018	10,963,539

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 33.

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 15 June 2018 the Finance Committee approved the current target level of free reserves to a range of £750,000 to £1,000,000, which in terms of General Fund resources was restated to a General Fund 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 2018 the General Fund was £1,125,849 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 21 June 2018 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 2018 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 2018 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 2018

Consolidated statement of financial activities

for the year ended 31 March 2018

(Incorporating an income and expenditure account)

	Note	General Fund £	Designated Funds £	Restricted Funds £	Permanent Endowment Funds £	Total 2018 £	Total 2017 £
Income from:							
Donations		823,221	-	66,000	88,628	977,849	1,550,967
Charitable activities		189,612	-	9,741,469	40,000	9,971,081	8,477,235
Trading activities		788,849	-	-	-	788,849	933,021
Investments		45,869	-	10,990	54,158	111,017	116,191
Total income	3	1,847,551	-	9,818,459	182,786	11,848,796	11,077,414
Expenditure On:							
Raising funds							
		675,557	8,510	21,688	11,838	717,593	701,011
Charitable activities							
Promoting excellence		182,903	11,762	38,956	7,685	241,306	252,917
Developing talented researchers		191,823	183,916	8,219,939	249,876	8,845,554	7,660,078
Influencing research & policy		399,722	183,911	1,119,585	-	1,703,218	1,230,777
Engaging patients, the public & professionals		209,228	22,926	201,951	-	434,105	346,628
		983,676	402,515	9,580,431	257,561	11,224,183	9,490,401
Total expenditure	4	1,659,233	411,025	9,602,119	269,399	11,941,776	10,191,412
Net income before investment gains/(losses)		188,318	(411,025)	216,340	(86,613)	(92,980)	886,002
Gains/(losses) on investment assets	9	(6,729)	-	(6,742)	(16,966)	(30,437)	223,049
Gross transfers between funds	14	(80,837)	180,000	(99,163)	-	-	-
Net movement in funds		100,752	(231,025)	110,435	(103,579)	(123,417)	1,109,051
Funds 1 April 2017		1,025,097	3,812,812	4,463,993	1,785,054	11,086,956	9,977,905
Funds 31 March 2018	13	1,125,849	3,581,787	4,574,428	1,681,475	10,963,539	11,086,956

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 26-39 form part of these financial statements.

Balance sheets

as at 31 March 2018

	Note	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Tangible fixed assets	8	5,203,467	5,203,467	5,453,299	5,453,299
Investments	9	2,449,790	2,450,790	2,454,288	2,455,288
Current assets					
Debtors	10	1,438,638	1,655,721	2,384,791	2,447,116
Stock		5,547	-	5,016	-
Cash on deposit		7,611,069	7,611,069	5,298,009	5,298,009
Cash at bank and in hand		451,430	86,515	172,280	10,996
		9,506,684	9,353,305	7,860,096	7,756,121
Current liabilities					
Creditors: amounts falling due within one year	11	(6,067,817)	(5,915,438)	(4,532,495)	(4,429,520)
Net current assets		3,438,867	3,437,867	3,327,601	3,326,601
Creditors: amounts falling due after one year	11	(128,585)	(128,585)	(148,232)	(148,232)
Net assets	15	10,963,539	10,963,539	11,086,956	11,086,956
Represented by:					
Permanent endowment funds		1,681,475	1,681,475	1,785,054	1,785,054
Restricted funds		4,574,428	4,574,428	4,463,993	4,463,993
Unrestricted funds:					
General fund		1,125,849	1,125,849	1,025,097	1,025,097
Designated funds		3,581,787	3,581,787	3,812,812	3,812,812
Total funds	13	10,963,539	10,963,539	11,086,956	11,086,956

Approved by the Council and authorised for issue on 21 June 2018, and signed on its behalf by:



President
Professor Sir Robert Lechler PMedSci



Treasurer
Professor Anne Dell CBE FRS FMedSci

The notes on pages 26-39 form part of these financial statements.
Company Number 3520281

Statement of Cash Flows

for the year ended 31 March 2018

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Cash from operating activities	2,567,948	2,364,317	1,060,665	1,046,021
Cash used in investing activities				
Interest from investments	111,017	111,017	116,191	116,191
Purchase of fixed assets	(41,865)	(41,865)	(133,810)	(133,810)
Proceeds from sale of fixed assets	-	-	-	-
Proceeds from sale of investments	18,643	18,643	17,320	17,320
Purchase of investments	(44,582)	(44,582)	(41,743)	(41,743)
	<u>43,213</u>	<u>43,213</u>	<u>(42,042)</u>	<u>(42,042)</u>
Cash used in financing activities				
Repayment of borrowings	(18,951)	(18,951)	(17,447)	(17,447)
Increase in cash in the year	2,592,210	2,388,579	1,001,176	986,532
Cash at the beginning of the year	5,470,289	5,309,005	4,469,113	4,322,473
Cash at the end of the year	8,062,499	7,697,584	5,470,289	5,309,005
Note (a)				
Net movement in funds per the statement of financial activities	(123,417)	(123,417)	1,109,051	1,109,051
Add back depreciation charge	291,697	291,697	289,167	289,167
Add back loss on sale of fixed assets	-	-	5,735	5,735
Add losses / (deduct gains) on investments	30,437	30,437	(223,049)	(223,049)
Deduct interest from investments	(111,017)	(111,017)	(116,191)	(116,191)
Decrease / (increase) in stock	(531)	-	260	-
Decrease / (increase) in debtors	946,153	791,395	(218,381)	(248,771)
Increase / (decrease) in creditors	1,534,626	1,485,222	214,073	230,079
Net cash provided by operating activities	2,567,948	2,364,317	1,060,665	1,046,021

Notes to the financial statements

for the year ended 31 March 2018

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, Global Challenge 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 £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%
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.

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 £189,827 (2017: £195,238) 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 2018 are shown below.

	2018 £	2017 £
Profit & loss account		
Turnover	840,451	973,069
Costs of sales	<u>(528,765)</u>	<u>(574,595)</u>
Gross profit	311,686	398,474
Administrative expenses	<u>(295,025)</u>	<u>(273,137)</u>
Operating profit for the year	16,661	125,337
Interest receivable	-	-
Interest payable	(3,500)	(3,500)
Donation to the charity	<u>(13,161)</u>	<u>(121,837)</u>
Profit for the year	<u><u>-</u></u>	<u><u>-</u></u>
Balance sheet		
Current assets	566,885	308,275
Current liabilities	<u>(465,885)</u>	<u>(207,275)</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 £668,339 and expenditure £567,330 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:

	2018 £	2017 £
Income	11,451,728	10,546,626
Net movement in funds for the year	(123,417)	1,109,051

3. Income from:

	General Fund £	Designated Funds £	Restricted Funds £	Endowed Funds £	Total 2018 £	Total 2017 £
Donations						
Fellows' subscriptions and contributions	320,927	-	-	-	320,927	313,075
Department of Health	478,000	-	-	-	478,000	478,000
Other donations	24,294	-	-	88,628	112,922	663,892
Donated services	-	-	66,000	-	66,000	96,000
	823,221	-	66,000	88,628	977,849	1,550,967
Charitable activities						
Promoting excellence	-	-	-	-	-	-
Developing talented researchers	-	-	8,712,857	40,000	8,752,857	7,323,010
Influencing research & policy	186,750	-	902,551	-	1,089,301	1,004,994
Engaging patients, the public & professionals	2,862	-	126,061	-	128,923	149,232
	189,612	-	9,741,469	40,000	9,971,081	8,477,235
Trading activities						
Trading subsidiary income	668,339	-	-	-	668,339	808,818
Other rental income	120,510	-	-	-	120,510	124,203
	788,849	-	-	-	788,849	933,021
Investments						
Income on investments	19,016	-	10,409	54,158	83,583	79,664
Short term deposits	26,853	-	581	-	27,434	36,527
	45,869	-	10,990	54,158	111,017	116,191
Total Income	1,847,551	-	9,818,459	182,786	11,848,796	11,077,414

4. Expenditure on:

	Direct Costs £	Grant Funding £	Support Costs £	Total 2018 £	Total 2017 £
Raising Funds					
Fundraising costs	107,401	-	42,862	150,263	104,322
Property management	-	-	-	-	-
Trading subsidiary expenditure	567,330	-	-	567,330	596,689
	<u>674,731</u>	<u>-</u>	<u>42,862</u>	<u>717,593</u>	<u>701,011</u>
Charitable activities					
Promoting excellence	182,653	-	58,653	241,306	252,917
Developing talented researchers	796,389	7,418,757	630,408	8,845,554	7,660,078
Influencing research & policy	1,063,954	-	639,264	1,703,218	1,230,777
Engaging patients, the public & professionals	318,643	-	115,462	434,105	346,628
	<u>2,361,639</u>	<u>7,418,757</u>	<u>1,443,787</u>	<u>11,224,183</u>	<u>9,490,400</u>
Total expenditure	<u>3,036,370</u>	<u>7,418,757</u>	<u>1,486,649</u>	<u>11,941,776</u>	<u>10,191,412</u>

Total expenditure in the year to 31 March 2017 was £10,191,412 comprising expenditure under General Funds; £1,254,451, Designated Funds; £298,258, Restricted Funds; £8,491,085 and Endowed Funds; £147,618.

Analysis of support costs

	Cost of Premises £	Office & IT Costs £	Staff & Related Costs £	Governance Costs £	Total 2018 £	Total 2017 £
Raising Funds	17,847	6,823	16,700	1,492	42,862	27,440
Charitable activities						
Promoting excellence	24,421	9,337	22,853	2,042	58,653	64,554
Developing talented researchers	262,478	100,353	245,627	21,950	630,408	567,352
Influencing research & policy	266,167	101,762	249,077	22,258	639,264	300,237
Engaging patients, the public & professionals	48,075	18,380	44,987	4,020	115,462	255,891
Total support costs	<u>618,988</u>	<u>236,655</u>	<u>579,244</u>	<u>51,762</u>	<u>1,486,649</u>	<u>1,366,010</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 13 Council members (2017: 11) received reimbursed travel expenses of £14,692 (2017: £17,457).

The Academy received donations during the year from 7 Council members (2017: 10) of £1,777 (2017: £2,364).

b. Employee information

	2018 £	2017 £
Salaries	1,609,780	1,292,460
Employer's national insurance	124,982	134,817
Employer's pension contributions	107,685	90,875
Donated staff services	66,000	66,000
	<u>1,908,447</u>	<u>1,584,152</u>

The average number of salaried staff employed during the year was 43.17 (2017 34.41).

The full-time average equivalent for salaried staff during the year was 39.30 (2017: 32.40).

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

	2018	2017
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1

Pension contributions paid by the Academy relating to the higher paid employees as defined above amounted to £16,685 (2017: £16,247).

The total salaries of the five directors constituting the Senior Management Team, including pension contributions, was £402,005 (2017 £354,060).

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

	2018 £	2017 £
Auditor's fees:		
Audit – charity	11,822	11,500
Audit – trading subsidiary	1,850	1,800
Other services	360	3,350
Investment management fees	18,643	17,418
Depreciation of tangible fixed assets	291,697	289,167

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; 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)); 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 2018 £
Grants at 1 April	158,355	118,456	2,737,236	111,000	-	-	3,125,047
Grants awarded	674,020	1,194,927	3,026,742	1,371,650	913,503	237,915	7,418,757
Grants paid	(603,901)	(1,226,247)	(2,737,236)	(825,303)	(768,807)	(128,950)	(6,290,444)
Grants at 31 March	228,474	87,136	3,026,742	657,347	144,696	108,965	4,253,360
Grants to institutions							
Developing talented researchers	674,020	1,194,927	3,026,742	1,371,650	913,503	-	7,180,842
	674,020	1,194,927	3,026,742	1,371,650	913,503	-	7,180,842
Grants to individuals							
Developing talented researchers	-	-	-	-	-	237,915	237,915
Grants awarded	674,020	1,194,927	3,026,742	1,371,650	913,503	237,915	7,418,757

Grants payable of £4,253,360 are shown under creditors amounts falling due within one year at note 11 page 34.

Grants awarded are shown as grant funding expenditure in note 4 on page 30.

Grants to 47 institutions were awarded in the year to a total value of £7,180,842. (2017 £6,065,984 to 36 institutions). The principal institutions benefiting from the grants were:

	£
University of Oxford	750,241
King's College, London	656,643
University of Cambridge	633,798
University College, London	602,361
University of Bristol	353,962
University of Newcastle	292,153
University of Birmingham	268,587
University of Sheffield	255,003
University of Lancaster	211,456
University of Exeter	200,000

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	476,340	264,701	-	7,234,887
Additions	-	-	6,115	19,823	15,927	41,865
Disposals	-	-	-	(10,005)	-	(10,005)
At 31 March	2,300,000	4,193,846	482,455	274,519	15,927	7,266,747
Depreciation						
At 1 April	538,740	947,667	117,285	177,896	-	1,781,588
Charge for the year	82,883	152,761	25,839	27,689	2,525	291,697
Disposals	-	-	-	(10,005)	-	(10,005)
At 31 March	621,623	1,100,428	143,124	195,580	2,525	2,063,280
Net book value						
31 March 2018	1,678,377	3,093,418	339,331	78,939	13,402	5,203,467
31 March 2017	1,761,260	3,246,179	359,055	86,805	-	5,453,299

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

	2018 £	2017 £
At 1 April	2,454,287	2,162,805
Additions	44,582	95,163
Disposals	-	(9,312)
Management fees	(18,643)	(17,418)
Increase/(decrease) in market value	(30,437)	223,049
	<u>2,449,789</u>	<u>2,454,287</u>
Cash held for investment	1	1
Market Value at 31 March	<u>2,449,790</u>	<u>2,454,288</u>
Cost at 31 March	<u>2,048,739</u>	<u>2,004,155</u>

Investments to the value of £321,188 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 £1,327,208 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 £801,394 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 £2,450,790 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 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Amounts falling due within one year::				
Trade debtors	310,008	416,492	241,780	139,637
Prepayments	91,417	91,417	80,236	80,236
Accrued income	974,576	987,737	2,000,303	2,000,303
Other debtors	61,321	26,319	62,472	27,475
VAT receivable	1,316	-	-	-
Amount due from subsidiary	-	33,756	-	99,465
Amount falling due after more than one year:				
Loan to subsidiary	-	100,000	-	100,000
	<u>1,438,638</u>	<u>1,655,721</u>	<u>2,384,791</u>	<u>2,447,116</u>

11. Creditors

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Amounts falling due within one year:				
Grants payable	4,253,360	4,253,360	3,125,047	3,125,047
Trade creditors	488,558	412,191	257,733	167,921
Accruals	113,464	111,114	103,680	101,532
Provision for doubtful debts	24,906	-	-	-
Deferred income	1,011,677	962,921	907,135	891,288
Rent deposit	73,835	73,835	73,835	73,835
PAYE/NIC Liability	45,528	45,528	39,397	39,397
VAT payable	36,823	36,823	6,698	11,530
Bank loan	19,666	19,666	18,970	18,970
	<u>6,067,817</u>	<u>5,915,438</u>	<u>4,532,495</u>	<u>4,429,520</u>
Amounts falling due beyond one year:				
Bank loan				
Due within two to five years	63,636	63,636	84,430	84,430
Due after five years	64,949	64,949	63,802	63,802
	<u>128,585</u>	<u>128,585</u>	<u>148,232</u>	<u>148,232</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 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Deferred income brought forward	907,135	891,288	1,058,962	1,018,050
Less: Amount used in the year	(907,135)	(891,288)	(1,058,962)	(1,018,050)
<i>Income accrued within the year:</i>				
Grants from institutions	962,922	962,921	891,288	891,288
Rent in advance	34,890	-	-	-
Conferencing deposits	13,865	-	15,847	-
Deferred income carried forward	<u>976,787</u>	<u>962,921</u>	<u>907,135</u>	<u>891,288</u>

13. Movement on group funds

	Balance 1 April £	Income £	Expenditure £	Transfers £	Revaluation £	Balance 31 March £
Permanent endowment						
Jean Shanks Memorial Fund	242,031	7,182	(5,288)	-	175	244,100
Sackler Fund	80,679	2,394	(4,268)	-	59	78,863
Daniel Turnberg Memorial Fund	1,462,344	173,210	(259,843)	-	(17,200)	1,358,512
Total permanent endowment	1,785,054	182,786	(269,399)	-	(16,966)	1,681,475
Restricted funds						
BEIS funding						
Newton grant scheme	-	1,629,739	(1,531,765)	(4,884)	-	93,090
National Academies allocation	-	471,000	(429,764)	(41,236)	-	-
FEAM	-	193,250	(192,049)	(1,061)	-	140
Research Talent Fund	-	1,063,500	(1,063,500)	-	-	-
Global Challenges Research Fund:						
<i>Workshops</i>	-	280,668	(280,668)	-	-	-
<i>Networking grant scheme</i>	-	1,113,750	(1,053,354)	(1,649)	-	58,747
<i>Springboard awards</i>	-	552,451	(552,451)	-	-	-
Other grant schemes	588,723	4,043,226	(3,872,875)	(34,349)	-	724,725
Project/meeting contributions	30,000	170,143	(165,627)	(6,452)	-	28,064
Mentoring & career development	-	280,358	(271,534)	(8,824)	-	-
Medical Research Society	742,871	10,374	(19,216)	-	(6,742)	727,287
Income on endowed funds	-	10,000	(9,292)	(708)	-	-
Restricted Asset Fund	3,102,399	-	(160,024)	-	-	2,942,375
Total restricted funds	4,463,993	9,818,459	(9,602,119)	(99,163)	(6,742)	4,574,428
Unrestricted funds						
General Fund	1,025,097	1,847,551	(1,659,233)	(80,837)	(6,729)	1,125,849
Designated funds						
Business Fund	200,422	-	-	-	-	200,422
Asset Fund	1,941,848	-	(117,794)	-	-	1,824,054
Building Repair Fund	510,372	-	(152,541)	180,000	-	537,831
Development Fund	1,160,170	-	(140,690)	-	-	1,019,480
Total designated funds	3,812,812	-	(411,025)	180,000	-	3,581,787
Total unrestricted funds	4,837,909	1,847,551	(2,070,258)	99,163	(6,729)	4,707,636
Total funds	11,086,956	11,848,796	(11,941,776)	-	(30,437)	10,963,539

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 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 £1,464,739 of grant funding and £165,000 contribution for the running of the scheme was received. Of this, £1,531,765 was expended; £1,371,650 of which was awarded as grants. The remaining £93,090 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 2017/18 to the National Academies. The grant was expended on the Academy's strategic objectives centred around policy and public dialogue.

Research Talent Fund – The Academy was awarded £1,000,000 of grant funding for 10 Springboard awards, £30,000 towards career mentoring and £33,500 towards the costs of running the scheme. This funding was expended in full during the year.

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. Funding received under the GCRF in 2017/18 was split into the following grants received:

Workshops – The Academy was awarded £280,668 to hold three global workshops and this was expended in full during the year.

Networking – The Academy was awarded £972,250 of grant funding and £141,500 contribution for the running of the scheme. Of this £1,053,354 was expended; £913,503 of which was awarded as grants. The remaining £58,747 was held for grants to be paid after the year end.

Springboard – In 2017/18 the Academy was awarded £500,000 for 5 awards and £30,000 towards career mentoring for 4 years to 2021. This funding was expended in full during 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 2017 with the remaining £193,500 being provided in the current year. Of this £192,600 was expended in the year.

Other 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.

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.

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	(180,000)	180,000	-	-
Transfer of project meeting costs	99,163	-	(99,163)	-
	<u>(80,837)</u>	<u>180,000</u>	<u>(99,163)</u>	<u>-</u>

15. Analysis of group net assets

	General funds £	Designated funds £	Restricted funds £	Permanent endowment funds £	Total £
Fixed assets	149,690	2,107,088	2,946,689	-	5,203,467
Investments	254,780	-	546,616	1,648,394	2,449,790
Cash on deposit and at bank	924,906	1,632,147	5,363,399	142,047	8,062,499
Other net current liabilities	(203,527)	(28,863)	(4,282,276)	(108,966)	(4,623,632)
Liabilities due after one year	-	(128,585)	-	-	(128,585)
	<u>1,125,849</u>	<u>3,581,787</u>	<u>4,574,428</u>	<u>1,681,475</u>	<u>10,963,539</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 2018 there were 1,236 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.



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