



Annual Report and Financial Statements

31 March 2009

Registered Charity No: 1070618
Registered Company No: 3520281

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Administrative Details

Name of Charity: The Academy of Medical Sciences

Registered Charity No: 1070618

Registered Company No: 3520281

Principal Address: 10 Carlton House Terrace
(and Registered Office) London
SW1Y 5AH

Principal Bankers: Lloyds TSB Bank Plc
2nd Floor
25 St George Street
Mayfair
London
W1S 1FS

Auditors: Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Honorary Officers of the Academy of Medical Sciences:

President: Professor Sir John Bell FRS PMedSci

Regius Professor of Medicine, University of Oxford

Vice-President: Professor Sir Michael Rutter CBE FRS FBA FMedSci

Professor of Developmental Psychopathology, King's College London

Vice-President: Professor Ronald Laskey FRS FMedSci

Honorary Director MRC Cancer Cell Unit, University of Cambridge

Treasurer: Professor Ian Lauder FMedSci

Honorary Professor, Leicester Medical School

Registrar: Professor Patrick Maxwell FMedSci

Head of Division of Medicine, University College London

Foreign Secretary: Professor Robert Souhami CBE FMedSci (elected 20 November 2008)

Formerly Director of Clinical Research and Training, Cancer Research UK

Ordinary Members of Council:

Professor Frances Balkwill FMedSci	
Professor Peter Barnes FRS FMedSci	
Professor Yvonne Carter OBE FMedSci	
Professor John Connell FMedSci	
Professor Christopher Day FMedSci	appointed 20 November 2008
Professor Marc Feldmann FRS FMedSci	
Professor Stephen Holgate FMedSci	appointed 20 November 2008
Professor Martin Humphries FMedSci	retired 20 November 2008
Professor Robert Lechler FMedSci	retired 20 November 2008
Professor Irene Leigh OBE FMedSci	appointed 20 November 2008
Dr Robin Lovell-Badge FRS FMedSci	
Professor Peter McGuffin FMedSci	retired 20 November 2008
Professor Paul Morgan FMedSci	retired 20 November 2008
Professor David Neal FMedSci	
Professor Linda Partridge CBE FRS FRSE FMedSci	retired 20 November 2008
Dr Terence Rabbitts FRS FMedSci	appointed 20 November 2008
Professor Jonathan Seckl FMedSci	appointed 20 November 2008
Professor Patrick Sissons FMedSci	
Professor Stephen Smith FMedSci	retired 20 November 2008
Professor Veronica van Heyningen FRS FRSE FMedSci	
Professor Simon Wessely FMedSci	appointed 20 November 2008
Professor Moira Whyte FMedSci	

Co-opted members of Council:

Professor John Aggleton FMedSci	
Professor Jeffrey Almond FMedSci	
Professor Peter Brophy FMedSci	appointed 1 January 2009
Professor Rosalind Smyth FMedSci	appointed 1 January 2009

The Honorary Officers and Members of Council are the trustees of the charity and the directors of the company.

The Executive Director during the period of audit was Mrs Mary Manning and from 1 April 2009 is Dr Helen Munn.

Report of the Council for the year ending 31 March 2009

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.

Organisation

The Academy is one of the five learned academies of the UK, alongside the Royal Society, the Royal Academy of Engineering, the British Academy and the Royal Society of Edinburgh. The Academy elects Fellows on the basis of sustained and outstanding contributions to the breadth of medical research, including biomedical, clinical and population sciences. Veterinary medicine, dentistry, nursing, medical law, health economics and bioethics are also included in its remit.

The Academy is governed by a Council of 23 Fellows, who meet five times per year. All members of Council are elected from the Fellowship, with nominees confirmed by a ballot of the Fellowship. Council may, from time to time, co-opt 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. New Council members are provided with information relating to their responsibilities as trustees of the charity and are invited to join newly elected Fellows at an Academy induction seminar, held during the annual Admission Ceremony in June. Fellows elected to Council hold office for three years before retiring at the Annual General Meeting in November/December; five Council members retire each year.

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 five years, with one (or two) of the six retiring each year. Following approval by the Fellowship for the creation of the new post of Foreign Secretary in November 2007, Council elected Professor Robert Souhami CBE FMedSci to this position with effect from November 2008.

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 several committees, including the group of Honorary Officers, who meet seven 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. Other committees advise Council on: the election of new Fellows, clinical and non-clinical careers, communications, fundraising, international affairs and the relocation of the Academy to new headquarters at 41 Portland Place.

Fellowship

Candidates are elected to the Fellowship each year for their outstanding contribution to the advancement of medical science, for their innovative application of existing knowledge, or for their conspicuous service to medical science and healthcare through their leadership or administrative prowess. It is the unique diversity of talent amongst the Fellowship, and their collective experience and professionalism, which enables the Academy to address complex issues in science and healthcare with expertise and authority. In this way, the Fellowship is a national, public resource of independent, expert advice on medical science and healthcare.

Fellows of the Academy are elected for life and designate themselves with the suffix 'FMedSci'. Forty new Fellows are elected each year from a pool of over 350 candidates through a rigorous process of peer review that involves referee reports from existing Fellows, recommendations from seven Sectional Committees and final election by Council in April. New Fellows are admitted to the Academy at a ceremony in June.

Volunteers

The Academy is grateful for the valuable contribution to its work that is made voluntarily by both Fellows and non-Fellows. Fellows and external advisers serve the Academy without compensation in a range of activities: as Officers, 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 medical trainees, and in many more ways. Fellows also act as Academy representatives on external bodies, including the UK Clinical Research Collaboration, the Association of Medical Research Charities, and the National Information Governance Board, amongst others.

Risk assessment

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.

Management and staffing

The Executive Director is responsible for the day-to-day management of the Academy and its activities, and is supported by a Senior Management Team of three Directors responsible for Finance, Grants and Careers, and Medical Science Policy. The Executive Director leads a permanent staff of 19.

Summary of aims and objectives

The Academy's 1998 Memorandum and Articles of Association set out the Academy's four aims: 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.

In 2006, Council adopted a new Strategic Plan for the Academy to cover its work from 2006-2010. In brief, the six priority programmes of the Academy are in:

- **Recognising excellence**
- **Influencing medical science policy**
- **Developing the leaders of tomorrow**
- **Linking academia and industry**
- **Improving global health**
- **Engaging the public**

Public benefit

Council has discussed the implications of the provisions of the Charities Act 2006, 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 aims to ensure that advances in medical science are translated into healthcare benefits to the public.

Although membership of the Academy is necessarily restricted to those who have made outstanding contributions to the advancement of medical science, most of the Academy's outputs are freely accessible to the public. For example, the Academy's prize lectures are free to attend and open to members of the public. The policy reports that are produced by the Academy are open access and available without charge on the Academy's website. Members of the public have been consulted by Academy working groups to ensure public views are properly represented in policy reports as discussed under '**Engaging the public**'. In addition, all of the Academy's major policy reports are now accompanied by a synopsis written specifically for audiences who do not have specialist medical or scientific knowledge.

Achievements for the year

Major achievements and performance against the six priority programmes during the year were as follows.

Recognising excellence

The Academy's public lecture programme provides opportunities to celebrate outstanding achievement in medical science and to highlight major scientific breakthroughs. In 2008, the Raymond and Beverly Sackler Distinguished Lecture in the Medical Sciences was delivered by Professor Peter St George Hyslop FRS from the University of Cambridge on the topic '*Molecular mechanisms of neurodegeneration in Alzheimer's Disease*'. The Jean Shanks Lecture, held on 20 November 2008, was given by Professor David Baulcombe FRS, Professor of Botany at the University of Cambridge on '*RNA silencing: lessons from plants*'. The Keynote Lecture at the 2008 New Fellows' Admissions Day was given by Professor Stephen O'Rahilly FRS FMedSci.

In 2008/09 we have built on our goal to increase the regional reach of our public events to recognise excellence in medical science. Professor Paul Grasby FMedSci delivered a lecture on '*The Organic Basis of Psychiatry and Lessons Learned from Functional Imaging*' as part of our Visiting Lecture Programme at the Peninsula Medical School. We also held a successful one day symposium at the University of Southampton on '*Translating new research into clinical practice*' in February 2009.

Our annual election of new Fellows is a cornerstone of our work in recognising excellence in medical science. In 2008 we elected 40 new Fellows, who represent the UK's leaders in medical research and healthcare. 'FMedSci' continues to grow in recognition as a badge of excellence amongst the UK and international research community, and amongst the media, policymakers and beyond. The Academy also bestows Honorary Fellowships to celebrate the outstanding achievements of individuals who have transformed the scientific and healthcare environment, or who have played a pivotal role in inspiring the next generation of medical scientists. In 2008, the following individuals were elected as Honorary Fellows of the Academy: Sir Martin Evans FRS FMedSci, Nobel Laureate; Lord Sainsbury of Turville FMedSci, former UK Minister for Science & Innovation; and Professor Chen Zhu FMedSci, Minister of Health, People's Republic of China. All three Honorary Fellows were admitted to the Academy in person at the Annual General Meeting on 20 November 2008.

The Annual General Meeting in November 2008 represented the culmination of the Academy's 10th anniversary celebrations and provided an excellent opportunity to recognise outstanding UK and international medical science. The presence of Professor Chen Zhu, who accepted his Honorary Fellowship to the Academy, provided an opportunity to host a delegation of officials from the Government of China. The Academy hosted a series of high-level meetings to coincide with Professor Chen's visit, including with the Secretary of State of Health, the Rt Hon Alan Johnson MP, the Chair of the Food Standards Agency and the Chair of the Health Protection Agency, amongst others.

Influencing medical science policy

Our medical science policy programme continued to address a diverse range of topics, broadly divided into two categories: public policy issues *involving* medical science and policy issues *affecting* medical science. Throughout the year 2008/09 the Academy produced over 20 written and oral submissions to consultations from Government, Parliament and other bodies, thus ensuring that medical science is at the heart of UK public policy development. Academy submissions were made to the Department of Innovation, Universities and Skills in preparation for Budget 2009; the House of Lords Science and Technology inquiry into Genomic Medicine, the Department of Health's consultation on the NHS Constitution, and the Royal Society's study into innovation in the service sector, amongst others.

Much of 2008 was spent participating in debates around the Human Tissue and Embryology Bill. Working with the Wellcome Trust and Medical Research Council, the Academy provided numerous written and oral briefings to Parliamentarians on the use of inter-species embryos in research, ensuring that measures set out in the Human Tissue and Embryology Act, passed in December 2008, allow important research on human embryos to take place in the UK within a robust regulatory framework. From late 2008 onwards, we have collaborated with a wide range of partners from across the UK bioscience sector to provide input into the European Directive on the use of animals in research, and have seen the influence of our work in shaping the development of this draft legislation. We have also continued to liaise with Government and related agencies in debates around the use of non-human primates in research, regulation of clinical trials, and research involving human tissues.

In 2008 the Academy also initiated a group to promote collaborative policy work across the national academies: the Royal Society, British Academy and Royal Academy of Engineering. This is an important step to ensuring that the national academies can speak with one voice where appropriate, so increasing the impact and influence of our policy advice.

Ensuring that the fruits of medical research are translated into benefits for patients has continued to be a key theme in our policy work. A flagship activity in this area involved a one-day symposium, held in December 2008, on '*Research and General Practice*', supported by a donation from the Kohn Foundation. This meeting brought together a diverse audience of GPs, healthcare practitioners, academics, policy makers, journal editors and others to discuss the challenges and opportunities of research in primary care. The meeting was described as 'seminal' by a British Medical Journal editorial and provided an important platform for debate about the role of research in this key healthcare sector.

Our major report '*Brain Science, Addiction and Drugs*' was published in May 2008. This report was commissioned in 2006 by the Department of Health for England. The publication of the final report was marked with a media launch, meetings of the Chair, Sir Gabriel Horn FRS, with key officials in Government, and wide dissemination of the report to an extensive network of scientists, research funders, policymakers and healthcare professionals. The report's impact has already been seen through the

publication of the UK Medical Research Council's strategy for addiction, which explicitly invited research proposals addressing the recommendations in the report. Following publication, we continued to work with Government, research funders, the Medicines & Healthcare Regulatory Authority and others to follow up the report's findings; a formal response from Government is expected in November 2009.

The outcome of a study commissioned by the Academy, MRC and Wellcome Trust into evaluating the socio-economic benefits of research was published in November 2008 in a report '*Medical research: what's it worth?*'. This work was undertaken in follow up to a 2006 Academy report '*Medical research: assessing the benefits to society*' and represented the first UK study to take a systematic approach to evaluating the impacts of medical research. Publication of the report was accompanied by a short briefing paper, prepared by the Academy, which summarised the study findings for a non-expert audience. Publication was also marked by a two day international symposium of researchers, health economists, charitable and public research funders, industry and other stakeholders. The work has been widely cited, including by the Prime Minister Gordon Brown and by the Conservative Party Science Spokesman, Adam Afriyie MP, in supporting the case for investment in research.

Developing the leaders of tomorrow

Clinical medicine draws on discoveries, innovations and developments pioneered and implemented by doctors who not only treat patients, but who also carry out research into all aspects of health and disease. For the NHS to thrive, it requires a medical workforce and leadership trained to undertake and utilise research and innovation for patient benefit. The Academy plays a central role in developing sustainable training programmes and career pathways designed to develop the next generation of research leaders. We achieve this through the policy work of the Academy's Careers Committees and by providing direct support to aspiring clinical academics. In 2008/09 the Academy continued to strengthen existing partnerships with other organisations to and to develop new ones, which led to increased funding for schemes.

Influencing policy on training and career pathways

The Academy continues to play a major role in advising UK policy makers on issues relating to clinical training and research careers. In 2008/09 the Academy initiated work on two reports; '*Building clinical academic capacity and the allocation of resources across academic specialties*' and '*The role of teaching in academic careers*'. In March 2009 we hosted a symposium on the Bologna Process and the impact this may have on the mobility of medical researchers in Europe. We maintain a watching brief on policy developments and have responded to the Department of Health's '*Next Stage Review*' and to proposed reforms around the revalidation of doctors.

Clinician Scientist Fellowships

The Academy's prestigious research and training fellowships are offered to clinical researchers of exceptional ability who have the potential to become leaders in their field. The fellowships are widely publicised and candidates are scrutinised by Fellows and external referees. The final appointments are made by an expert panel of academic clinicians. Grant holders are required to submit annual reports and these are reviewed by experts in the field.

The Academy developed the prestigious Clinician Scientist Fellow (CSF) scheme following the Savill report of 2000, with the aim to develop cohorts of future academic leaders. The Academy has administered and managed a CSF scheme in partnership with The Health Foundation since 2002 and in 2007/08 The Health Foundation committed a further £3.2 million to fund another award round. Five new fellowships were awarded in June 2008.

Research support grants

In partnership with the Daniel Turnberg Memorial Fund, the 'Daniel Turnberg UK/Middle East Travel Fellowship Scheme' was launched in October 2008. The scheme is designed to encourage collaboration between medical researchers in the UK and the Middle East. Short-term fellowships are awarded to early and mid-career clinical academics and biomedical scientists, offering them the opportunity to gain additional research experience, learn new techniques and further develop their collaborative links. In March 2009 20 fellowship awards were made, funded by the Daniel Turnberg Memorial Fund with generous support from the Wellcome Trust, the Royal College of Physicians and The Wolfson Foundation. The scheme is managed by the Academy and will operate on an annual basis for the foreseeable future.

In October 2008 the Academy launched a new £5 million 'Starter Grants for Clinical Lecturers' scheme in collaboration with the Wellcome Trust. The grants will enable awardees to seek preliminary research data to strengthen their further applications for longer-term research fellowships and funding. The scheme is managed by the Academy through a funded Grants Officer. The first round of awards was made in April 2009.

Mentoring and outreach programmes

The Academy's National Mentoring and Outreach Scheme continued to grow and gain both national and international recognition in 2008/09. The programme offers support and guidance to medical trainees throughout the UK as they embark on the pathway to become clinical academics, by offering one-to-one mentoring, peer-to-peer mentoring, and regional workshops and events. The regional activities link to local mentoring schemes, and provide opportunities for trainees to network with senior colleagues and to discuss issues around training, funding and professional development. The programme is actively supported by the Academy's Fellows who act as mentors and speakers at events, inspiring and guiding trainees who are embarking on an academic career. In 2008/09, events were held in Coventry, Taunton, York, London, Liverpool, Cambridge and Leeds. We also held a series of smaller workshops designed to develop mentorship skills. A funded Mentoring and Outreach Officer post supports the administration of these activities.

The Academy's National Mentoring and Outreach Scheme continues to be supported by the Department of Health for England and the NHS National Institute for Health Research. In the year under review, the Academy made significant progress in expanding the scheme across the UK. NHS Education Scotland has agreed to provide support to allow further activities to take place in Scotland and in 2009/10 we will seek to expand the scheme to Northern Ireland.

Inspiring medical students to undertake research

The Academy continues to deliver two schemes to promote research as an attractive career route to medical students and Foundation Year doctors. In partnership with the Medical Research Society, the Academy runs the Clinical Research Champions scheme. Champions are selected from among the Academy's Fellows and other eminent UK senior clinical academics; their role is to host regional meetings and social events, where trainees and clinical academics discuss pertinent issues and developments. In the past year, two new Champions were appointed, in Birmingham and Belfast, bringing the total number of Champions to eight. The second scheme, the Visiting Lecturer Programme enables Academy Fellows to present inspirational keynote lectures to medical students and postgraduate researchers as discussed under '**Recognising Excellence**'.

Linking academia and industry

The Academy's FORUM with industry was established in 2003 as a mechanism for bringing together biomedical scientists from academia and industry. The FORUM currently has 26 active members, including representatives from the UK's major pharmaceutical and biotechnology companies. Members contribute around £65,000 per year in membership fees towards the programme. 2008 saw an increased focus on FORUM activities, overseen by a new high-level FORUM steering committee chaired by Academy President Sir John Bell. Improved links were forged with FORUM members through more meetings, more frequent updates, and increased visibility amongst the industrial and academic communities. This will provide an important platform for a further growth in FORUM activities in 2009 and thereafter.

The 2008 Annual FORUM lecture was delivered by Andrew Witty, CEO of GlaxoSmithKline, on '*The UK pharmaceutical industry: what does the future hold?*'. The lecture was the first public appearance by the new CEO of one of the world's largest pharmaceutical companies and an audience of over 200 stakeholders, journalists and members of the public heard Mr Witty describe his vision for improving links between GSK and the UK academic sector. A report of the lecture was published and widely disseminated, and was covered in the Financial Times and elsewhere.

FORUM members and others were invited to a one-day workshop on '*Benefits and harms of new medicines*' in September 2008, supported by donations from GSK and The Lancet. This meeting hosted senior figures in industry, academia, healthcare and the regulatory agencies to discuss how the benefits and potential harms of new medicines can be communicated in journal articles and elsewhere - an important issue of public interest that followed up the FORUM's 2005 report '*Safer Medicines*'. In October 2008, a two-day symposium on '*Genome wide association studies*' provided an opportunity for academic and industry researchers to discuss how the revolution in genomic sequencing technologies can be translated into healthcare benefits. This meeting also provided input into the ongoing House of Lords Science & Technology Committee inquiry into genomic medicine.

In March 2009, a FORUM roundtable on '*Biotechnology innovation: opportunities & challenges*' was held to discuss the steps needed to stimulate the biotechnology industry and the Government's 2009 Budget included a number of initiatives which took forward proposals made at the meeting. This meeting was followed by the 2009 FORUM Annual Lecture delivered by Lord Drayson, Minister of State for Science & Innovation. Created to promote interaction between biomedical scientists from across industrial and academic sectors, the FORUM operates at the intersect where Lord Drayson has spent much of his working life. Lord Drayson's lecture picked up on the importance of collaboration - getting industry, venture capital, the research base and government pulling in the same direction - a theme which is central to many FORUM activities.

Improving global health

2008/09 saw a considerable expansion in our work in global health, following the inclusion of this new programme in our 2006-10 Strategic Plan. It signified an important re-focusing of the Academy's efforts, and recognition that the expertise of the Fellowship should be put to work towards achieving public benefits not just in the UK, but across the world. The Academy elected its first Foreign Secretary, Professor Robert Souhami CBE FMedSci, who will provide leadership and oversight of our programmes in international affairs and global health. We gained more understanding of our Fellows' global links through a survey of the Fellowship, and developed a draft international strategy that will be published in 2009.

The Academy has worked to increase its links with key UK bodies in global health through one-to-one meetings, attendances at relevant meetings and conferences, and representation on bodies such as the UK Government's Global Science Information Forum. We have also enhanced links with global multi-lateral bodies, including the Federation of European Academies of Medicine (FEAM), the European Academies Science Advisory Council (EASAC), and the Inter-Academy Panel, through which we will be able to increase our contribution to debates and policy developments in global health. We continued our links with the US Institute of Medicine (IOM), specifically through the African Science Academies Development Initiative (ASADI); staff and Fellows gave presentations at the ASADI conference in London in November 2008 on how small, young science academies can contribute to improvements in global health.

The Academy's sixth International Health Lecture was given by Professor Hans Rosling, Professor of International Health at the Karolinska Institute in Sweden, in October 2008. This lecture series has earned a well-respected place in the UK calendar of global health events and provides a platform for UK public audiences to engage with internationally renowned speakers.

A one-day symposium in September 2008 looked at '*Challenges and priorities for mental health research in low and middle-income countries*', supported by a donation from the MRC. A report of the workshop was published and disseminated in December 2008. This event was followed in December 2008 by a workshop on '*Global health diagnostics: research, development and regulation*', which highlighted the challenges and opportunities for developing diagnostics pertinent to low and middle-income countries. Both of these events demonstrated the Academy's commitment to addressing important global health issues, particularly in neglected areas where we can add most value to the research and policy agenda. In addition to these events, we submitted responses to the EASAC call for evidence on drug-resistant tuberculosis, and to the House of Lords Ad Hoc Committee on Intergovernmental Organisations' inquiry into '*Acting through Intergovernmental Organisations to Control the Spread of Communicable Diseases*'.

In 2008 we initiated discussions with organisations including the Wellcome Trust, Tropical Health Education Trust and London School of Hygiene and Tropical Medicine on how the Academy can contribute to building medical research capacity in low and middle income countries. In this way, we hope to build on our scheme of Middle East Exchange Fellowships to develop new overseas programmes of mentoring and career support in the future.

Engaging the public

Led by the Academy's Communications Group, we continued to promote effective and appropriate public communications of all our activities and to increase the reach of our work to public audiences. An important part of this work is to contribute to wider debates about the role of science and society, and in September 2008 we held a meeting of Fellows and FORUM members to develop a detailed response to the Department for Innovation, Universities and Skills' consultation on '*Science and society*'.

Drugsfutures, which was undertaken as part of our '*Brain science, addiction and drugs*' report, was the Academy's first major piece of public engagement. It involved a series of workshops around the country in which over 400 members of the public were asked to share their thoughts on the future of drugs in society. The results were fed into the discussions and recommendations of our expert working group. An independent evaluation praised the success of the *drugsfutures* programme and concluded that it could 'be seen as a making a significant contribution to the future of public and stakeholder engagement on issues

of public policy'. Following our commitment to promote access to our policy reports, we published a lay summary of the final brain sciences report, which was widely disseminated, including to participants in the public engagement work. The final report was covered as a feature item on the BBC Radio 4 Today programme and used as a discussion point on several radio phone-in shows, as well as reported on the Channel 4 News and the BBC's Politics Show. We see the outcomes of this work as an important achievement in engaging the public on the difficult issue of drugs in society and ensuring that policy development in this area is informed by public views and attitudes.

More broadly, our work with the media increased in 2008/09; Academy projects were covered in scientific journals including the British Medical Journal, The Lancet and Science, as well as the daily broadsheets, tabloids and online news media. In particular, we devoted considerable efforts to working with media colleagues around the Human Fertilisation and Embryology Bill, ensuring that journalists had timely access to the independent and expert advice and that coverage was accurately informed. We also worked with the Science Media Centre on background briefings for journalists, including the impact of the EU Clinical Trials Directive.

Our website continued to be an important medium for engaging the public in our work and in medical science more generally. New pages have been added to reflect the development of new areas of work. The website attracted an increased number of visitors in 2008/09 and there is scope to increase the number of hits even further.

A further stream of our work in engaging the public consisted of providing platforms for Academy Fellows to share the value and excitement of their research directly with members of the public. For example, in 2008, three of our most distinguished Fellows gave talks at major science festivals: Sir David Weatherall FRS FMedSci and Professor Ray Tallis FMedSci at the Cheltenham Science Festival; and Professor Neil Ferguson OBE FMedSci at the British Association for the Advancement of Science Annual Festival.

A new Academy headquarters

A major area of work in 2008/09 involved the project to develop the Academy's new headquarters at 41 Portland Place. The merger with the Novartis Foundation was completed on 31 July 2008, following which the Academy took over the lease and assets at 41 Portland Place and 8 Weymouth Mews. The business at 41 Portland Place and 8 Weymouth Mews was closed in December 2008 in preparation for a major programme of refurbishment.

Following detailed analysis, investigations and surveys, the Academy's Council approved a refurbishment programme for 41 Portland Place totalling £5 million. External appointments were made to manage the design and implementation of the programme, including a lead architect, relocation project manager and construction project manager. A Steering Group, comprising the Academy President, Treasurer, Executive Director and Professor Chris Edwards FMedSci (Finance Committee member) was appointed to oversee the project. A major campaign to raise the £5 million necessary for the refurbishment was launched in November 2008, supported by a dedicated Fundraising Committee chaired by the Treasurer.

A detailed programme of design, development and construction for the project at 41 Portland Place was initiated in 2008, to be completed in Autumn 2010. The design for the accommodation at 41 Portland Place includes larger and enhanced accommodation for Academy staff, dedicated space for Academy Fellows, and a variety of meeting and conference rooms.

Future plans

The Academy's biennial Council offsite meeting will be held in October 2009, at which Council members and staff will discuss the development of our next 5 Year Corporate Strategic Plan (2010-2015). This meeting will provide an important opportunity for Council to review our work programmes and to discuss our future objectives, including the opportunities presented by the move to 41 Portland Place.

The refurbishment of 41 Portland Place will be a major undertaking in 2009/10, leading up to our planned relocation in Autumn 2010. Fundraising, both for the capital appeal and for our core operational needs, will be an important element in our ongoing activity, as will setting up the trading subsidiary to manage the conference venue hire business at 41 Portland Place.

Notwithstanding the outcomes of the Council offsite meeting and the next 5 Year Corporate Strategic Plan, we will be working in 2009/10 to secure further development in the following key areas:

- Enhancing our policy influence on issues of medical science and academic careers
- Securing new policy commissions from UK Government
- Making connections between NHS, universities and the pharmaceutical industry
- Growing our reputation as a leader of best practice in mentoring aspiring medical researchers
- Ensuring steady growth in our global health and international programme
- Improving the impact and reach of our communications

Financial review

The financial statements for the year ended 31 March 2009 are shown on pages 19-33.

Funding Sources

The Academy receives income from a variety of sources and is not dependent on one principal source of funding. This ensures that The Academy retains its independence in its advisory work. Income is received from the Academy's Fellows in annual subscriptions, from organisations and individuals as donations or grants for specific projects, from interest arising on short term cash deposits and for a five month period during 2008, from income arising from primary purpose trading at 41 Portland Place.

Expenditure

The Academy has applied the funds it receives as shown in the analysis of expenditure in the Statement of Financial Activities on page 19. Spending on charitable activities amounted to 90% of the total resources expended. The remaining 10% was applied to generating funds (4%) and covering the costs of the preliminary design stages of the refurbishment work at 41 Portland Place. These last costs are shown as Other Resources Expended on page 19.

Reserves

The Academy's reserves at 31 March 2009 were £5.083 million, significantly increased from the previous year due to the transfer of donated assets valued at £2.995 million from the Novartis Foundation. The reserves were made up as follows:

	£
Permanent Endowment Funds	651,552
Restricted Funds	895,339
Unrestricted Funds – comprised of:	
Designated Funds	2,883,121
General Funds	653,101
Total Funds at 31 March 2009	5,083,113

The Finance Committee reviews the level of reserves regularly to ensure that they are appropriate for the purposes for which they are retained. The nature of the Academy's programmes and grant funding activities requires that a significant amount of the Academy's reserves are held in cash. In October 2008 the Committee reviewed this policy against the background of the world wide banking crisis and confirmed that it was still appropriate and recommended that deposits should be diversified across banking institutions to reduce risk. The Academy's cash management policy therefore requires operational cash balances to be kept at a minimum and for the majority of cash reserves to be held in pooled cash deposit funds.

The Committee also confirmed that the reserves representing the permanent endowment funds need not be held in cash and approved the appointment of Sarasin & Partners LLP as investment managers. The Committee arranged for cash to be transferred to Sarasin for phased investment in the Alpha Common Investment Funds having regard to market conditions. At 31 March 2009 £651,552 representing the Jean Shanks Endowment, the Raymond and Beverly Sackler Endowment and the Daniel Turnberg Memorial Fund was held in cash awaiting investment.

Unrestricted Funds

Details of unrestricted funds at 31 March 2009 are:

	£
General Fund	653,101
Designated Relocation Fund	111,200
Designated 41 Portland Place Fund	58,471
Designated Asset Fund	2,713,450
Total Unrestricted Funds	3,536,222

The General Fund is held to safeguard the Academy's core programmes against potential shortfalls in funding and to support strategic plans for the future. The Finance Committee recognised the risk to the General Fund of increased costs associated with securing a new headquarters for the Academy in 2006 and designated some of the unrestricted reserves to a Relocation Fund. This fund has been used to cover the professional fees associated with the transfer of assets from the Novartis Foundation during 2007 and 2008 and the feasibility and design stages of the refurbishment work at 41 Portland Place. The balance of £111,200 will be expended by the end of 2010 in support of the relocation project.

The 41 Portland Place fund was designated in the year to separate the Academy's core programmes from the costs of continuing the science meetings and accommodation activities at 41 Portland Place between 1 August and 31 December 2008. The balance of £58,471 at 31 March 2009 will be used to cover the running costs of the building during 2009 prior to refurbishment work commencing.

The Designated Asset Fund is made up of the assets that were transferred from the Novartis Foundation on 31 July 2008. They are the leasehold property at 41 Portland Place/8 Weymouth Mews valued at £2.3 million in September 2008 by Knight Frank LLP, the antiques valued at £253,280 by Christies in early 2009, and a small amount of office equipment with a minimal value. The capital costs of design for the refurbishment of 41 Portland Place amounting to £156,516 have also been designated to this fund and once the construction is complete, the associated depreciation will be charged so as to write off the cost of the building over the remaining term of the lease. It is intended that the antiques will be sold during 2009 to support the fundraising appeal for the refurbishment.

The Finance Committee regularly reviews the level of reserves retained in the General Fund with particular reference to 3-year income and expenditure forecasts. The Finance Committee confirmed at their meetings in 2008/2009 that the policy of retaining a minimum of six months expenditure on core activities as free reserves was still appropriate.

The level of free reserves (General Fund less the net book value of fixed assets in that Fund) at 31 March 2009 was £644,372. This compares to a minimum level of some £460,000 based on the budgeted operational expenditure for 2009/10. The Committee is satisfied that the balance on the General Fund is appropriate and provides a suitable operational platform from which the Academy can develop a new strategic plan for 2010 onwards. This will incorporate the business activities to be run from the newly refurbished 41 Portland Place and will address the challenge of obtaining core funding from government and other organisations likely to have been affected adversely by the economic downturn.

Fundraising

The Academy gratefully acknowledges the many trust, corporate and personal contributions it has received. The Academy is particularly indebted to the generous support from the Foulkes Foundation, The Kohn Foundation, The Health Foundation, the Lister Institute of Preventive Medicine, the Medical Research Society, the Primary Immunodeficiency Association, the University Hospitals Association, the Wellcome Trust, GE Healthcare, GlaxoSmithKline, Roche and the Lancet. We would also like to thank all the donors to the Academy's Daniel Turnberg Memorial Fund.

We are most grateful for the continued support from government - the Department of Health for England, the Department of Innovation Universities and Skills, the Scottish Funding Council, the NHS Education for Scotland, the Medical Research Council, the National Institute for Health Research and Sciencewise-ERC.

We are grateful for the ongoing support of the Jean Shanks Foundation and the Raymond and Beverly Sackler Foundation, whose endowments underpin our annual lecture programme.

The acquisition of 41 Portland Place, the former home of the Novartis Foundation, represents a most generous gift on the part of the Foundation Trustees and launches the Academy on a new chapter in its history. Plans for refurbishing the property are underway and our fundraising efforts received a wonderful boost this year with substantial donations from The Welton Foundation, in memory of Professor John Newsom-Davis FRS FMedSci, Founder Fellow of the Academy, from The Wellcome Trust, the Wolfson Foundation and from many of our Fellows.

Statement of Council's Responsibilities

The trustees (Council) who are also directors of the Academy of Medical Sciences for the purposes of company law are responsible for preparing the Trustee's (Council) Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law required the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 business.

The Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enables it to ensure that the financial statements comply with the Companies Act 1985. Council is 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. The charitable company provides trustee indemnity insurance for members of Council during their term of office.

In so far as the Council is aware:

- there is no relevant audit information of which the charitable company's auditors are unaware.
- the Council has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

Small company rules

These accounts have been prepared in accordance with the special provision of part VII of the Companies Act 1985 relating to small companies.

Approved by the Council on 8 October 2009 and signed on its behalf by:



Professor Sir John Bell FRS PMedSci
President

Independent Auditors' Report to the 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 2009, which comprise the Statement of Financial Activities (incorporating the Summary Income and Expenditure Account), the Balance Sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the charity's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The responsibilities of the Council (who are trustees of the charity and also the directors of The Academy of Medical Sciences for the purposes of company law) for preparing the Council's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Council's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Council's Annual Report is consistent with those financial statements.

We also report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Council members' remuneration and other transactions with the charity is not disclosed.

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

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or

error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- The financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charity's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- The financial statements have been properly prepared in accordance with the Companies Act 1985.
- The information proved in the Council's Annual Report is consistent with the financial statements.

A large, stylized handwritten signature in black ink, which appears to read "Kingston Smith LLP". The signature is written in a cursive, flowing style.

Devonshire House
60 Goswell Road
London EC1M 7AD

Kingston Smith LLP
Chartered Accountants
and Registered Auditors

Date:

9/10/09

Statement of Financial Activities (Incorporating the Summary Income and Expenditure Account) for the year ended 31 March 2009

	Note	General Fund £	Other Unrestricted Funds £	Restricted Funds £	Permanent Endowment Fund £	Total 2009 £	Total 2008 £
Incoming Resources							
Incoming resources from generated funds							
Voluntary income		749,342	2,845,863	455,158	457,152	4,507,515	627,636
Activities for generating funds		-	17,250	-	-	17,250	-
Investment income		62,158	-	72,284	-	134,442	129,560
Incoming resources from charitable activities							
Grants and donations		72,075	-	842,134	-	914,209	1,383,419
Trading to further charitable objects		-	272,579	-	-	272,579	-
Total Incoming Resources	2	<u>883,575</u>	<u>3,135,692</u>	<u>1,369,576</u>	<u>457,152</u>	<u>5,845,995</u>	<u>2,140,615</u>
Resources Expended							
Costs of generating funds		102,788	-	-	-	102,788	85,913
Charitable activities							
Recognising excellence		97,627	-	15,856	-	113,483	130,409
Developing the leaders of tomorrow		98,029	-	1,095,897	5,600	1,199,526	1,072,160
Influencing medical science policy		206,894	-	59,352	-	266,246	429,559
Improving global health		69,218	-	12,322	-	81,540	-
Linking academia and industry		75,761	-	18,766	-	94,527	117,564
Engaging the public		93,478	-	17,000	-	110,478	70,902
Trading to further charitable objects		-	520,287	-	-	520,287	-
Governance costs		75,836	-	-	-	75,836	94,438
Other resources expended		-	184,499	-	-	184,499	158,550
Total Resources Expended	3	<u>819,631</u>	<u>704,786</u>	<u>1,219,193</u>	<u>5,600</u>	<u>2,749,210</u>	<u>2,159,495</u>
Net movement in funds	10	63,944	2,430,906	150,383	451,552	3,096,785	(18,880)
Funds b/f 1 April 2008		589,157	452,215	744,956	200,000	1,986,328	2,005,208
Funds c/f 31 March 2009		<u>653,101</u>	<u>2,883,121</u>	<u>895,339</u>	<u>651,552</u>	<u>5,083,113</u>	<u>1,986,328</u>

All amounts relate to continuing operations.

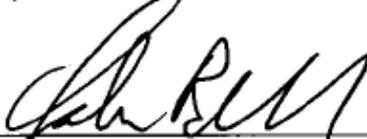
The charitable company has no gains or losses other than the result for the year.

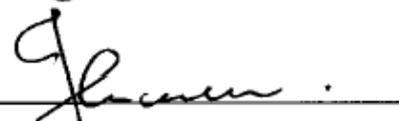
The notes on pages 21-33 form part of these financial statements.

Balance Sheet as at 31 March 2009

	Note	2009 £	2008 £
Tangible Fixed Assets	6	2,719,344	16,587
Current Assets			
Debtors	8	120,970	67,146
Cash on deposit		3,092,211	2,140,096
Cash at bank and in hand		69,164	71,678
		3,282,345	2,278,920
Current Liabilities			
Creditors: amounts falling due within one year	9	(918,576)	(309,179)
Net Current Assets		2,363,769	1,969,741
Net Assets	11	5,083,113	1,986,328
Represented by:			
Permanent Endowment Fund		651,552	200,000
Restricted Funds		895,339	744,956
Unrestricted Funds:			
General Fund		653,101	589,157
Designated Fund		2,883,121	452,215
Total Funds	10	5,083,113	1,986,328

Approved by the Council and authorised for issue on 8 October 2009, and signed on its behalf by:

X 
 _____ President
Professor Sir John Bell FRS PMedSci

X 
 _____ Treasurer
Professor Ian Lauder FMedSci

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The notes on pages 21-33 form part of these financial statements.

Notes to the Financial Statements for the year ending 31 March 2009

1 Accounting policies

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

a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention with the exception of leasehold premises and antiques from the Novartis Foundation that have been included at fair value to the Academy. The financial statements comply with the Companies Act 1985 and have been prepared in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (revised March 2005).

b) Incoming resources

All income is accounted for as soon as the Academy has entitlement to the income and there is certainty of receipt and the amount is quantifiable.

Grants Receivable – a change has been made to the accounting policy relating to grant income so that the proportion of any grant that relates to periods beyond 31 March 2009 has been treated as deferred income and not included in incoming resources for the year.

c) Resources expended

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key areas of activity. Overheads and other salaries, described as **support costs**, are allocated between expense headings 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.

Governance costs are those 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.

Costs of generating funds are support costs expended in seeking new sources of funding for the Academy.

Other resources expended relate to professional fees incurred in the design stages of the refurbishment of 41 Portland Place and other expenses relating to the relocation of the Academy.

Clinical Research Training Fellowships are charged in the year when the conditions for each award are fulfilled.

Grants awarded by the Daniel Turnberg Memorial Fund Awards Panel are treated as payable only when funding is in place.

d) Tangible fixed assets

All capital expenditure greater than £500 is capitalised on the balance sheet. Depreciation is provided on a straight-line basis on all 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 equipment	25%
Leasehold premises	in equal instalments over the remaining term of the lease

Leasehold refurbishment costs - depreciation is not provided until construction is completed. At the year end, no depreciation charge had been made.

Antiques – those included in the financial statements are held at fair market value for resale (see note 6) and no depreciation has been charged as a consequence. The Academy also holds some selected antiques and paintings that will form the Academy's artefacts at 41 Portland Place and are therefore held for the long term. The value of these items has not been included in the accounts, nor depreciation provided for them.

e) Funds

Unrestricted funds comprise a General Fund, held for the general objects of the Academy's work, and Designated Funds connected with the 41 Portland Place assets and relocation costs. Restricted income funds are funds used for specific purposes as laid down by the donor. Expenditure that meets these criteria is identified to the specific fund. Permanent endowment funds are restricted funds that the donor has stated are to be held as capital.

f) Tax status

The charitable company is a registered charity and is not subject to corporation tax on its current activities.

g) 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.

h) 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 £54,129 (2008: £58,940) has been included in support costs and allocated to the relevant cost headings on the basis described at (c) above.

2 Incoming Resources

	2009 £	2008 £
a) Incoming resources from generated funds		
<i>Voluntary income</i>		
Fellows' subscriptions and contributions	187,068	174,485
Donations – capital appeal	455,158	-
Donations – core funds	412,274	453,151
Donated assets on transfer from the Novartis Foundation	2,995,863	-
Donations – Daniel Turnberg Memorial Fund	457,152	-
	<hr/> 4,507,515 <hr/>	<hr/> 627,636 <hr/>
<i>Activities for generating funds</i>		
Rental income	17,250	-
	<hr/>	<hr/>
<i>Investment income</i>		
Short term deposit interest	124,935	121,887
Bank deposit interest	9,507	7,673
	<hr/> 134,442 <hr/>	<hr/> 129,560 <hr/>
	<hr/>	<hr/>
Total incoming resources from generated funds	4,659,207 <hr/>	757,196 <hr/>
b) Incoming resources from charitable activities		
<i>Grants and donations for specific purposes</i>		
Leaders of tomorrow - careers	313,400	116,781
Leaders of tomorrow - fellowships	416,834	1,007,197
Medical science policy	97,000	108,426
Academia and industry	86,975	151,015
	<hr/> 914,209 <hr/>	<hr/> 1,383,419 <hr/>
<i>Trading to further charitable objects</i>		
41 Portland Place – science meetings and accommodation	272,579	-
	<hr/>	<hr/>
Total incoming resources from charitable activities	1,186,788 <hr/>	1,383,419 <hr/>
	<hr/>	<hr/>
Total incoming resources	5,845,995 <hr/>	2,140,615 <hr/>

3 Resources expended

a) Analysis of total resources expended

	Direct Costs £	Grant Funding £	Support Costs £	Total 2009 £	Total 2008 £
Costs of generating funds	80,007	-	22,781	102,788	85,913
Charitable activities					
Recognising excellence	82,283	-	31,200	113,483	130,409
Developing the leaders of tomorrow	314,335	724,036	161,155	1,199,526	1,072,160
Influencing medical science policy	199,906	-	66,340	266,246	429,559
Improving global health	62,557	-	18,983	81,540	-
Linking academia and industry	71,160	-	23,367	94,527	117,564
Engaging the public	91,493	-	18,985	110,478	70,902
Trading to further charitable objects	520,287	-	-	520,287	-
Governance	61,123	-	14,713	75,836	94,438
Other resources expended	184,499	-	-	184,499	158,550
Total resources expended	1,667,650	724,036	357,524	2,749,210	2,159,495

b) Analysis of support costs

	Cost of Premises £	Office & IT costs £	Staff & related costs £	Total 2009 £	Total 2008 £
Costs of generating funds	6,813	7,589	8,379	22,781	16,184
Charitable activities					
Recognising excellence	9,331	10,393	11,476	31,200	28,205
Developing the leaders of tomorrow	48,196	53,682	59,277	161,155	84,028
Influencing medical science policy	19,840	22,098	24,402	66,340	73,940
Improving global health	5,677	6,324	6,982	18,983	-
Linking academia and industry	6,988	7,784	8,595	23,367	27,997
Engaging the public	5,677	6,324	6,984	18,985	13,487
Governance	4,400	4,901	5,412	14,713	8,767
Total support costs	106,922	119,095	131,507	357,524	252,608

Support costs are allocated on the basis of average staff time except where the terms of restricted funding specify a particular overhead recovery.

3 Resources expended (continued)**c) Analysis of governance costs**

	2009	2008
	£	£
Audit fees	11,200	6,200
Audit fees – previous year	810	-
Costs of AGM and Council meetings	10,080	13,088
Staff and related costs	39,033	41,758
Strategy planning days	-	24,625
Allocated support costs	14,713	8,767
	<hr/>	<hr/>
Total governance costs	75,836	94,438
	<hr/> <hr/>	<hr/> <hr/>

The auditors also provided VAT advice relating to the refurbishment project at 41 Portland Place. The amount of £1,385 is included as part of Other Resources Expended.

4 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 18 Council members (2008: 15) received reimbursed expenses of £7,591 (2008: £4,081).

b) Employee information

	2009	2008
	£	£
Salaries	819,848	446,217
Employer's national insurance	71,483	47,938
Employer's pension contributions	106,421	29,868
	<hr/>	<hr/>
	997,752	524,023
	<hr/> <hr/>	<hr/> <hr/>

Included in salaries is an amount of £363,178 relating to the transferred staff from the Novartis Foundation for the period from 1 August to 31 December 2008, including employer pension and redundancy costs.

4 Trustee and employee information (continued)

The full-time average equivalent for staff during the year was 19.3 (2008: 12.7). Staff were engaged across the Academy's activities as follows:

	2009	2008
Generating funds	1.00	1.00
Recognising excellence	2.00	2.00
Developing the leaders of tomorrow	4.68	2.85
Impacting on medical science policy	2.92	4.00
Improving global health	1.00	-
Linking academia and industry	1.00	0.17
Engaging the public	1.00	1.00
Trading to further charitable objectives	3.88	-
Support	1.82	1.68
	<hr/> 19.30 <hr/>	<hr/> 12.70 <hr/>

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

	2009 Number	2008 Number
£70,001 - £80,000	1	1

Pension contributions paid by the Academy relating to higher paid employees as defined above amounted to £9,225 (2008: £7,500).

5 Grants payable

a) Clinical Research Training Fellowships

The funding of £4.4 million from The Health Foundation (THF) for the first cohort of 10 Clinician Research Training Fellowships terminates in 2009 with the completion of the final two projects. One Senior Surgical Fellow has received additional funding of £1.25 million for a renewal period of five years from 1 January 2008. A new round of funding was agreed with the Health Foundation in 2008 with £3.21 million being awarded over five years to 5 Fellowships commencing Autumn 2008 onwards.

Grants totalling £726,933 were received from The Health Foundation during the year, £354,993 of which relates to periods beyond 31 March 2009 and has been included in creditors as deferred income at Note 9.

A Fellowship was agreed in 2004 with the Primary Immunodeficiency Association (PiA) to fund the research expenses and part of the salary of a Clinician Scientist Fellowship in clinical immunology. The total of the grant over five years is £307,008 to be paid in annual instalments subject to a formal review process. A contribution of £56,996 was received in 2008 from the PiA towards year 5 salary and expenses, £12,102 of which relates to periods beyond 31 March 2009. This is included in creditors as deferred income at Note 9.

5 Grants payable (continued)**a) Clinical Research Training Fellowships (continued)**

During the year the Academy expended £724,036 on research salaries and expenses to participating institutions in the areas of research shown below.

Fellowship	Grants to Individuals £	Area of research
The Health Foundation Fellowships	358,086 96,375 64,632 150,418	Surgery Anaesthesia Radiology General medicine
	<hr/> 669,511	
Primary Immunodeficiency Association Fellowship	54,525	Clinical immunology
	<hr/> 724,036 <hr/> <hr/>	

The income and expenditure received and paid under these Fellowships is shown as part of restricted income and expenditure and the balances retained appear in Note 10 to these financial statements.

	£
Grants outstanding 1 April 2008	131,521
Grants falling due in year	724,036
Grants paid in year	(715,123)
	<hr/> 140,434 <hr/> <hr/>

The amount of grants outstanding at 31 March 2009 is shown as a creditor in Note 9.

c) Daniel Turnberg Memorial Fund

An amount of £18,555 was awarded on 31 March 2009 to seven researchers (six from countries in the Middle East) to a maximum of £4,000 per award to cover the costs of subsistence and travel to the UK in accordance with the charitable objects of the Fund. The total is shown as a creditor in Note 9.

Additional awards amounting to £42,885 were made on 31 March 2009 to be funded by donations from the Wellcome Trust (£22,500) and the Royal College of Physicians (£20,330). Since the awards will be paid from future income they have not been included in these financial statements.

6 Tangible Fixed Assets

	Leasehold Premises £	Antiques £	Furniture, Fixtures & Equipment £	Computer Equipment £	Total £
Cost					
At 1 April 2008	-	-	66,019	22,792	88,811
Additions	156,516	-	-	509	157,025
Donated assets	2,300,000	253,280	32,786	20,432	2,606,498
Disposals	-	-	(8,060)	-	(8,060)
At 31 March 2009	2,456,516	253,280	90,745	43,733	2,844,274
Depreciation					
At 1 April 2008	-	-	54,446	17,778	72,224
Donated assets	-	-	30,907	18,657	49,564
Charge for the year	-	-	3,100	4,556	7,656
Disposals	-	-	(4,514)	-	(4,514)
At 31 March 2009	-	-	83,939	40,991	124,930
Net Book Value					
At 31 March 2009	2,456,516	253,280	6,806	2,742	2,719,344
At 31 March 2008	-	-	11,573	5,014	16,587

The donated assets transferred from the Novartis Foundation on 31 July 2008 have been included at their estimated value to the Academy. The property at 41 Portland Place was valued by Knight Frank LLP at £2.3 million to reflect the length of the lease remaining (expires July 2038) and the current condition of the buildings. The antiques were valued by Christies and an amount of £253,280 representing the average estimated sales value has been included in the accounts. The office equipment transferred was included at the net book value at the time of £3,257. It is intended that major refurbishment will commence on the leasehold at the end of 2009 and, once completed, the property will be revalued and written off over the remaining term of the lease.

7 Capital Commitments

The Academy has approved the refurbishment of 41 Portland Place and has a fundraising target of £5 million to cover the full costs of construction, professional fees, fitting out and relocation. At the Balance Sheet date there were contractual obligations with professional firms to a total of £522,485 that can be terminated at short notice if the fundraising target is not met.

8 Debtors

	2009	2008
	£	£
Trade debtors	31,447	20,018
Prepayments	55,694	33,242
Accrued income	13,770	13,389
VAT recoverable	8,195	115
Other debtors	11,864	382
	<hr/>	<hr/>
	120,970	67,146
	<hr/> <hr/>	<hr/> <hr/>

9 Creditors

	2009	2008
	£	£
Amounts falling due within one year:		
Grants payable – Clinician Research Training Fellowships	140,434	131,521
Grants payable – Daniel Turnberg Memorial Fund	18,555	-
Trade creditors	304,661	130,942
Accruals and deferred income	434,711	32,437
PAYE/NIC Liability	20,215	14,280
	<hr/>	<hr/>
	918,576	309,180
	<hr/> <hr/>	<hr/> <hr/>

Grants payable are detailed in Note 5. They are transferred to creditors once invoice claims from host institutions have been received. Trade creditors include £193,200 relating to six Fellowships.

10 Movement on Funds

	Balance 1 April 2008 £	Income £	Expenditure £	Transfers £	Balance 31 March 2009 £
Permanent Endowment					
Jean Shanks Memorial Fund	150,000	-	-	-	150,000
Sackler Fund	50,000	-	-	-	50,000
Daniel Turnberg Memorial Fund	-	457,152	(5,600)	-	451,552
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Permanent Endowment	200,000	457,152	(5,600)	-	651,552
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Restricted Funds					
The Health Foundation:					
Fellowships	540,867	391,705	(689,276)	-	243,296
Administration	89,082	80,681	(111,668)	-	58,095
Wellcome Trust Clinical Lecturers	-	87,601	(76,788)	-	10,813
UHA Fund	35,467	1,838	(1,838)	-	35,467
DOH Mentoring Scheme	27,243	101,573	(101,523)	-	27,293
Other Mentoring Schemes	-	10,000	-	-	10,000
Scottish Peer Review	-	10,000	(10,000)	-	-
OSI/DOH Project	13,673	185	(13,858)	-	-
Project/meeting contributions	-	119,136	(91,744)	-	27,392
Jean Shanks Memorial Fund	2,855	9,751	(12,606)	-	-
Sackler Fund	-	3,250	(3,250)	-	-
Daniel Turnberg Memorial Fund	-	25,143	(22,408)	-	2,735
PiA Fellowship	14,009	46,155	(55,786)	-	4,378
Foulkes Foundation	3,695	150	(2,340)	-	1,505
Lister Awards	5,417	215	(5,632)	-	-
Medical Research Society	12,648	27,035	(20,476)	-	19,207
Capital Appeal	-	455,158	-	-	455,158
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Total Restricted Funds	744,956	1,369,576	(1,219,193)	-	895,339
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted Funds					
General Fund	589,157	883,575	(819,631)	-	653,101
Designated Relocation Fund	452,215	-	(184,499)	(156,516)	111,200
Designated 41 Portland Place Fund	-	578,758	(520,287)	-	58,471
Designated Asset Fund	-	2,556,934	-	156,516	2,713,450
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Total Unrestricted Funds	1,041,372	4,019,267	(1,524,417)	-	3,536,222
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Total Funds	1,986,328	5,845,995	(2,749,210)	-	5,083,113
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10 Movement on Funds (continued)

The Jean Shanks Memorial Fund: the sum of £150,000 is to be held in perpetuity to fund an annual Jean Shanks Memorial Lecture. Income arising from the investment of the donation is treated as a restricted fund.

The Sackler Fund: the sum of £50,000 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 a restricted fund.

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. The balance of £451,552 represents the capital of the fund at 31 March 2009. Income arising on the fund is treated as restricted income from which annual grants will be paid in the future.

The Health Foundation

Fellowships: The Health Foundation (THF) provides funding to cover salaries and research expenses for the clinical scientist fellowships. THF sends funding for each year in advance and this is held by the Academy to pay grant claims from host institutions, received on a quarterly basis. The balance of this fund represents the amounts still to be claimed from the current year's funding.

Administration: At the outset of the Fellowship Scheme, The Health Foundation provided funding to cover the Academy's administrative costs for the first round of Awards. In 2007 THF agreed to support a new round of Awards and granted an additional £500,000 to the Academy over six years to cover the costs of a new Grants Officer and administration costs for the entire Scheme.

The Wellcome Trust Clinical Lecturer Scheme: the Wellcome Trust will provide £450,000 over five years in annual instalments for the Academy to set up and administer a new £5 million Starter Grant scheme to clinical lecturers to help in the early stages of their research careers.

The UHA Fund represents the funds of the University Hospitals Association (England and Wales) following its removal from the Central Register of Charities. The Fund is restricted to use on projects that advance education, study, research and communication in University Hospitals, Medical and Dental Schools and Faculties of Medicine and Dentistry in England and Wales.

The DOH Mentoring Scheme: Department of Health funding for the design and implementation of a mentoring scheme to support researchers in receipt of Clinician Scientist Awards and other young researchers who are developing a career in academic medicine.

Other Mentoring Schemes: NHS Education for Scotland contributed £10,000 to assist with expanding the Academy's mentoring and outreach scheme to activities in Scotland.

Scottish SCF Scheme Peer Review: £10,000 was provided by the Scottish Funding Council to cover the costs of the Academy's co-ordination of the peer review of applications to the Scottish Senior Clinical Fellowship scheme during 2008.

10 Movement on Funds (continued)

OSI/DOH Project: this represents funding received from the Department of Health (DOH) and the Office of Science and Innovation (OSI), to be used for the Academy's work on a joint DOH/OSI project on Brain Science, Addiction & Drugs that was completed in 2008.

Project/meeting contributions: specific donations to support meetings and other activities.

PiA Fellowship: this represents the balance remaining from the fourth year funding from the Primary Immunodeficiency Association (PiA) to support a Clinician Scientist Fellowship in clinical immunology over five years.

Foulkes Foundation: this represents unexpended amounts from an annual donation to be used for bursaries to young researchers.

Lister Awards: this donation funded the Academy's feasibility study for the design and delivery of a prestigious international research award in collaboration with The Lister Institute.

Medical Research Society: this fund supports the Clinical Research Champions Scheme set up to enable young doctors to network with senior clinical academics to promote academic medicine as a career pathway.

Capital Appeal: donations received in response to the Academy's fundraising appeal to support the refurbishment of 41 Portland Place to establish it as the Academy's new headquarters.

Designated Relocation Fund: this fund was set up by the Finance Committee to support the establishment of a new headquarters for the Academy. It has been used to cover the costs of professional fees incurred in arranging the transfer of the leasehold premises and other assets at 41 Portland Place from The Novartis Foundation during 2008, together with those professional fees associated with the refurbishment and design of the premises. At 31 March 2009 £156,516 of professional fees relating directly to the refurbishment work was capitalised and transferred to the Designated Asset Fund. The £156,516 is shown as leasehold additions in Note 6.

Designated 41 Portland Place Fund: this fund represents the working capital remaining after termination of the business activities at 41 Portland Place. The fund will be used to cover the running costs of the building until construction starts in late 2009.

Designation Asset Fund: comprises the leasehold premises at 41 Portland Place/8 Weymouth Mews, the antiques for resale and a small amount of office equipment transferred from the Novartis Foundation in 2008.

11 Analysis of Net Assets

	General Fund £	Designated Funds £	Restricted Funds £	Permanent Endowment Fund £	Total £
Fixed assets	8,729	2,710,615	-	-	2,719,344
Cash on deposit, at bank and on hand	1,218,358	198,712	1,087,295	657,010	3,161,375
Other net current assets/(liabilities)	(573,986)	(26,206)	(191,956)	(5,458)	(797,606)
	653,101	2,883,121	895,339	651,552	5,083,113

12 Company Status and Membership

The company is a 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 2009 there were 907 members.

13 Related Party Transactions

Sir Michael Rutter CBE FRS FBA FMedSci was a trustee of The Novartis Foundation until its dissolution in December 2008. The value of net assets transferred from the Foundation to the Academy on 31 July 2008 was £2,995,863.

Professor Yvonne Carter OBE FMedSci is a trustee of The Health Foundation and £726,933 was received as Fellowship grants from this organisation during the year. A further amount of £74,868 was received from The Health Foundation as a second instalment of a grant for the administration of a new round of Fellowships for 2008.

During the year a donation of £500 for Forum membership was received from the British Heart Foundation, a charity for which one member of Council, Professor Patrick Sissons FMedSci, acted as trustee.

14 Subsidiary Charity

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 II and VI of the Charities Act 1993. The Daniel Turnberg Memorial Fund is shown as a separate endowed fund of the Academy at Note 9 and income arising from the investment of the fund is shown as restricted income in that note.