



Annual report and financial statements

31 March 2014

Registered Charity No: 1070618
Registered Company No: 3520281

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Mission

The Academy of Medical Sciences is an independent organisation that represents the spectrum of medical science – from basic research through clinical application to healthcare delivery. Our mission is to achieve better healthcare through the application of research to the practice of medicine.

We achieve this by:

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

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

Administrative details

Name of charity:	The Academy of Medical Sciences
Registered charity no:	1070618
Registered company no:	3520281
Principal address: (and Registered Office)	41 Portland Place London, W1B 1QH
Principal bankers:	Lloyds Bank PLC 12 Cavendish Place London, W1G 9DJ
Auditors:	BDO LLP 55 Baker Street London, W1U 7EU
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 John Tooke PMedSci Vice Provost of UCL and Head of the UCL School of Life and Medical Sciences
Vice-President:	Professor Martin Humphries FMedSci Vice – President & Dean, Faculty of Life Sciences, University of Manchester
Vice-President:	Professor Sir Patrick Sissons FMedSci Emeritus Regius Professor of Physic, University of Cambridge
Treasurer:	Professor Susan Iversen CBE FMedSci, Emeritus Professor of Psychology, University of Oxford
Registrar:	Professor Moira Whyte FMedSci, Professor of Respiratory Medicine and Head of Department of Infection and Immunity, University of Sheffield
Foreign Secretary:	Professor Robert Souhami CBE FMedSci Emeritus Professor of Medicine, University College London

Ordinary Members of Council

Professor David Adams FMedSci	retired November 2013
Sir Alasdair Breckenridge CBE FRSE FMedSci	
Professor Alastair Buchan FMedSci	retired November 2013
Professor Edwin Chilvers FMedSci	
Professor Carol Dezateux CBE FMedSci	
Professor Stephen Dunnett FMedSci	appointed November 2013
Professor Alan Fairlamb CBE FRSE FMedSci	retired November 2013
Professor Maria Fitzgerald FMedSci	
Professor Jayne Franklyn FMedSci	
Professor Graham Hart FMedSci	appointed November 2013
Professor John Iredale FMedSci	
Professor Fiona Karet FMedSci	
Professor Sir Robert Lechler FMedSci	retired November 2013
Professor Andrew Lees FMedSci	
Professor Roger Lemon FMedSci	
Professor Jonathan Shepherd CBE FMedSci	
Professor Simon Tavaré FRS FMedSci	
Professor Veronica van Heyningen CBE FRS FRSE FMedSci	appointed November 2013
Professor Joanna Wardlaw FMedSci	retired November 2013
Professor Jonathan Weber FMedSci	retired November 2013
Professor Peter Weissberg FMedSci	

Co-opted members 2013

Professor Anna Dominiczak FMedSci	re-appointed December 2013
Professor Raymond Hill FMedSci	retired November 2013
Professor Shitij Kapur FMedSci	re-appointed December 2013
Dr Melanie Lee CBE FMedSci	appointed December 2013
Professor Martin Roland FMedSci	re-appointed December 2013
Professor Victor Tybulewicz FMedSci	re-appointed December 2013

Principal Employed Officers

Executive Director	Dr Helen Munn
Director of Biomedical Grants and Careers Policy (maternity cover)	Dr Simon Vincent (until Nov 2013)
Director of Biomedical Grants and Careers Policy	Dr Suzanne Candy (from Jan 2014)
Director of Medical Science Policy	Dr Rachel Quinn
Director of Finance and Resources	Mrs Chris Straw

Aims and objectives

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

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

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

In delivering our strategy we will:

- Demonstrate to decision makers through the information and advice we provide:
 - The advantages of evidence-based health policy.
 - How the UK and the EU can remain a supportive environment for excellent medical research and researchers.
 - The ways to maximise the translation of the knowledge generated for public good.
- Strengthen connections with the medical research ecosystem and the building of mutual recognition that industry, academia and the NHS are credible and crucial partners in delivering healthcare benefits to society.
- Inspire, and nurture excellence in, the next generation of medical science researchers, ensuring that they can maximise scientific discoveries for health and wealth benefits.
- Position the Academy as a receptive, innovative and future-orientated organisation with an engaged Fellowship that reflects the diversity of the life sciences sector.

Promoting excellence

Strategic aims

The heart of the Academy of Medical Sciences is our Fellowship – over 1000 of the most eminent UK researchers who have made transformative contributions to medical science. The excellence of the Fellows' science, their contribution to medicine and society and the range of their achievements are reflected throughout the Academy's work. Through our prize lectures, awards and election of Fellows, we seek to recognise the best talent in medical science – in all its diverse forms - and to champion new knowledge and its translation into patient benefits.

Significant activities

- **Recognising outstanding individuals.** Our annual election of Fellows continues to be the cornerstone of our work. FMedSci is internationally known as a mark of esteem and achievement in medical science. Investment in our new website, with a much improved directory of Fellows, ensures that Fellows are show-cased in a modern and accessible 'shop window' for the Academy. In June 2013 we admitted 44 new Fellows, who represent the UK's leaders in medical research and healthcare. In November 2013 we admitted Her Royal Highness The Princess Royal as our first Royal Fellow and Sir John Walker FRS FMedSci as an Honorary Fellow. The Fellowship Committee and Sectional Committees continued to review diversity – in all its forms - amongst the candidates and elected Fellows.
- **Promoting scientific debate.** We expanded our programme of Fellows' discussion dinners with seven events taking place over the course of the year. Topics included: cholesterol modification and risk; killer T cells; and suicide prevention measures. We opened up attendance at discussion dinners to early career researchers to enable them to meet Fellows, engage in discussion and identify potential mentors. A regional Fellows' dinner was held in Manchester with a talk given by Professor Dan Davis FMedSci.
- **Celebrating medical science.** Our named lectures provide opportunities to celebrate outstanding achievements in medical science and to highlight major scientific breakthroughs. In July 2013 the Raymond and Beverly Sackler Distinguished Lecture in the Medical Sciences was given by Dr Richard Lifton, Yale University on '*Genes, genomes and the future of medicine*'. In November 2013 the Jean Shanks Lecture was given by Professor Sir Michael Stratton FRS FMedSci on '*Secrets within the genomes of cancer cells*'. Full length and summary films of Sir Michael's talk were recorded and have been accessed by an audience many times larger than was present in the room.
- **Recognising excellence at all career stages.** Dr Akhilesh Reddy, a circadian neuroscientist at the University of Cambridge, was awarded the 2013 *Foulkes Foundation Medal*, which recognises an outstanding researcher within 10 years of completing their PhD. The Academy's *Lancet Prize*, which recognises a postdoctoral clinical academic trainee for excellence in research, was awarded to Dr Paul Brennan, Clinical Lecturer, University of Edinburgh. In December 2013 we

awarded our first prize for excellence in communicating research to Dr Karin Straathof, Institute of Child Health, University College London.

Future plans

- **Improving diversity in the Fellowship.** We will continue to build a Fellowship that fully represents excellence in medical science irrespective of gender, age, ethnicity, discipline, geographic location or workplace and we will work to see how we can improve industry representation amongst candidates and elected Fellows.
- **Modernising our Fellowship election system.** We will seek to develop and implement a new electronic system to support our Fellowship election that will streamline the process and provide a more user-friendly interface for nominators, reviewers and Sectional Committee members.
- **Engaging the Fellowship and beyond.** We will implement plans developed in 2013-4 for a Regional Champions scheme, building a network of Fellows across the UK tasked with undertaking activities to increase connectivity amongst Fellows, raise awareness of the Academy's work amongst the broader biomedical community, and to catalyse engagement.
- **Championing knowledge.** We will continue to build the reputation of our prestigious annual lectures and prizes, and increase their reach through our website and online tools.

Influencing policy to improve health and wealth

Strategic aims

One of the Academy's greatest strengths is its ability to convene the best medical scientists to address some of the most significant challenges facing society. We aim to be the UK's leading source of independent advice for those making decisions about medical research and to provide evidence from medical science to underpin policy development in the public, private and charitable sectors. As outlined in our Strategy, our key themes are: tackling major challenges; maximising our impact; engaging policymakers; and looking ahead. With the Fellowship at the core, we have continued to set, and respond to, the policy agenda.

Significant activities

- **Securing a sustainable science and innovation base.** Alongside the Royal Society, British Academy and Royal Academy of Engineering, we published two statements outlining the importance of the research base for the UK's prosperity. These provided the narrative case and evidence base that helped deliver a successful settlement for science and innovation in the 2013 Government spending review. The Academy's engagement with HM Treasury and other key decision makers was instrumental in ensuring that medical science and education remained an integral part of the overall research base.
- **Ensuring appropriate regulation around laboratory animals.** We have continued to advise the Home Office during the process of transposing the EU Directive on the protection of animals used for scientific purposes into UK law, drawing on the recommendations of the Academy's 2011 policy report '*Animals Containing Human Material*'. Together with the Society of Biology, we facilitated engagement between the Chair of the new Animals in Science Committee and researchers who use animals in their work. Recognising the importance of transparency in this area, we have supported the development of a concordat on openness in animal research, led by Academy Fellow Dr Geoff Watts FMedSci.
- **Putting research at the heart of Public Health England.** Convening Fellows and other experts, we held two workshops with Public Health England to inform its research strategy and to discuss how the new public health service can be underpinned by evidence and evaluated against its research aims.
- **Promoting engagement with policy makers.** We continued to provide opportunities to connect our Fellows and other senior researchers with policymakers. Engaging Parliamentarians was prioritised in 2013-4, and as part of the All Party Parliamentary Group on Medical Research, we addressed topics including research on children and young people, personalised medicines, and research in the NHS. The Academy also contributed to Parliamentary select committee inquiries and government consultations including health screening, antimicrobial resistance and reforms to the national census. Our competitive three month policy internship schemes funded by MRC and the Wellcome Trust continue to train a new generation of researchers who are confident in engaging in policy debates, with six interns graduating from the scheme in 2013-4.

- **Maximising the impact of our policy work.** We held high-level meetings with stakeholders following the launch of policy reports on academic psychiatry and stratified medicine in 2013 to discuss implementation, securing agreements from policy targets to action recommendations as appropriate. Following up recommendations of previous reports is an explicit commitment in the 2012-16 strategy. In 2013-4 we engaged successfully with decision makers in Government and elsewhere to implement recommendations from previous reports on animals containing human material and the regulation and governance of health research. Our 2012 roundtable and discussion paper on team science led to a working group study to be launched in Spring 2014.

Future plans

- **New study on public health.** We will launch a major working group study that identifies the research and human capacity required to meet the public health needs of the UK in 2040.
- **Ensuring an effective science and innovation landscape.** We will work with the other National Academies and the wider biomedical community to shape the Government's strategy of science and innovation, including its roadmap for capital expenditure. We will engage with the political parties in the approach to the 2015 General Election, to stress the importance of policies to support science and innovation.
- **Following up policy reports.** We will continue to exploit opportunities to bring the recommendations of our previous reports to the attention of relevant decision makers.

Nurturing the next generation of medical researchers

Strategic aims

The Academy is an authoritative voice on the development of sustainable training and career pathways, and a source of inspiration, information and personal support for medical researchers. We provide direct financial support to early career researchers through our funding schemes. Our aims under this objective include networking researchers across boundaries, fostering research independence and remaining connected. Key to the success of these aims is the support and work of the Fellowship. Academy Fellows act as mentors and speakers at events, as well as serving as reviewers and panel members for our grants schemes.

Significant activities

- **Maintaining our innovative support schemes.** Our funding schemes target key points in the academic training pathway to encourage career development. Schemes are run in partnership with other funders, leveraging considerable financial resource and allowing us to reach across the breadth of the medical research community. In 2013-4, the Medical Research Council joined the consortium supporting the **Starter Grants for Clinical Lecturers** scheme, providing £415,000 in annual funding and the five existing funders all renewed their commitment for the next 2-4 years. The Panel made 46 awards in 2013-14, totalling £1,282,869. Our current cohort of clinical academics supported through the **Clinician Scientist Fellowship** programme, run in conjunction with The Health Foundation, finished their research projects in summer 2013 and funding for a new cohort was approved and awards made in late 2013 and early 2014. This re-phasing of the scheme is reflected in a decrease in the amount of grant funding received and awarded in the year, as shown in the Accounts.
- **Inspiring medical students with research.** The INSPIRE scheme moved into its second year. As planned, no further awards were made in the year, but we continued to monitor the activities of the UK medical schools that were funded by the small grants dispensed in 2012, ready to launch the second round of grants in 2014/5.
- **Increasing our mentoring reach.** In 2013-4 we were delighted to extend our mentoring provision to include postdoctoral non-clinical fellows, through a two-year pilot scheme, supported by the Medical Research Council, and we initiated a new partnership with GlaxoSmithKline to provide mentors for a small number of clinical trainees seconded to industry.
- **Delivering a range of career development events across the UK.** Events in Cambridge, Manchester, Sheffield, Southampton and London allowed clinical academic trainees to network with peers and senior colleagues, to develop a better understanding of career pathways and to access information from both local and national funders and other stakeholders. Additional workshops provided training in some of the 'soft' skills needed to excel in a research career, for example 'pitching ideas', presentation skills and writing grant proposals.
- We provided **opportunities for PhD and post-doctoral clinical academics to present their research.** Our annual Spring Meeting for Clinician Scientists in

Training increased in popularity, with twice as many abstract submissions for the February 2014 meeting compared to 2013. The meeting drew an even wider mix of early career clinical scientists, from laboratory science to epidemiological and qualitative research. Short films and interviews with the scientists taking part were made available on our website. We also held our first Winter Science Meeting for Starter Grant Holders in December, showcasing the work of these award holders, and facilitating networking with peers, Fellows and funders.

- We **re-established our Academic Careers Committee**, comprising Academy Fellows and researchers at a range of career stages, to enable us to respond proactively and reactively to opportunities and challenges in career pathways, as well as ongoing changes in the NHS. In follow up to a 2012 roundtable meeting, the committee has established a working group to consider the impacts of 'Team Science', in particular on the career progression of early career researchers. Work was also undertaken to follow up our 2010 report on the status and valuation of teaching, in order to assess implementation of the recommendations in biomedical science departments in the UK – a report will be released in summer 2014.

Future plans

- We will pilot a **programme of support for women in research**, through partnership with other organisations. Our events will continue to support individuals embarking on a research career and encourage flexible career paths.
- We will scope the development of a **small grants scheme for non-clinical early biomedical researchers**, an emerging niche in the funding landscape that the Academy could be well-placed to address.
- We will make use of our new **online grant holders' reporting system** to keep us informed of successes and connected with our researchers beyond their awards.
- INSPIRE will provide a **second round of small grant funding to medical schools**, and a small number of grants will be made available for particularly innovative projects; a sharing conference will allow medical schools to share ideas and best practice around engaging medical students with research.
- We will continue to **catalyse the development of mentoring schemes in other organisations**, for example, through supporting training leads in the NIHR Infrastructure.
- We will conduct a full external **evaluation of our Starter Grant scheme** to monitor its success and inform its future design.
- We will **monitor implementation of the Shape of Medical Training review** and continue our project on 'Team Science'.

Linking academia, industry and the NHS

Strategic aims

Meeting patient needs through biomedical discovery in an economically and socially sustainable manner requires a holistic approach. Facilitating strong and equitable partnerships between academia, industry and the NHS, along with effective engagement with regulators, has been a major focus of the Academy's activities and underpins our FORUM. Our ability to connect researchers, research funders and users from across government, academia, industry, the charity sector and the NHS enables us to deliver our aims of: promoting sustainable models of translation; supporting a vibrant innovation ecosystem; and ensuring a strong UK life science industry.

Significant activities

- **Stratified medicine.** Following a successful symposium in October 2012 we published our report, *'Realising the potential of stratified medicine'* in July 2013. The report was the culmination of a project to facilitate progress in stratified medicine research and development, and implementation of this approach to the delivery of healthcare. The report addressed barriers in clinical and research infrastructure, regulation, pricing and reimbursement. At a stakeholder meeting in November 2013 to discuss implementation of the report's recommendations, several agents agreed to take actions forward.
- **Streamlining research regulation and governance.** Throughout 2013-4 we engaged with policy makers and Parliamentarians around the establishment of the Health Research Authority (HRA) in primary legislation. The Academy is represented on the HRA 'collaboration and steering group', and an event we hosted in October 2013 provided a valuable opportunity for Fellows and the academic community to feed in directly to the HRA's future directions and programme of work. The success of the HRA's feasibility study into central assessment and approval for NHS research, and subsequent funding for full implementation by the Department of Health, constitutes a major impact of our 2011 report *'A new pathway for the regulation and governance of health research'*.
- **Ensuring effective regulation of clinical trials.** Working with partner organisations, the Academy engaged with the Medicines and Healthcare products Regulatory Agency (MHRA) to successfully inform the UK government's negotiating position on the European Clinical Trials Regulation, including incorporation of greater risk adaption, with lower risk trials subject to a proportionate reduction in regulatory requirements.
- **Use of patient data for medical research.** We were actively involved in the debates around the use of patient data in research throughout 2013-4. We held a discussion dinner in November 2013 on *'Clinical trial data sharing: privacy, ethics and good science'*, bringing together experts in clinical trials, ethics and data privacy, as well as patient representatives. We also hosted a workshop in March 2014 around the theme of data 'safe havens' to identify the next steps in their development. The outputs of these meetings will feed into ongoing discussions around: the importance of data transparency; need for clarity about who can

access patient data for what purpose; and system controls and governance required. Our work will continue to relate closely to the *care.data* programme and the Government's proposed amendments to the Care Bill to strengthen the safeguards surrounding access to patient data.

- **Horizon scanning to 2025.** For the 2014 FORUM Annual Lecture, a panel of speakers was asked to consider the opportunities and challenges facing biomedical research in their sector over the next 10 years. The panel included Sir Gordon Duff FRSE FMedSci (Chairman, MHRA), Professor Sir Malcolm Grant CBE (Chair, NHS England), Professor Dame Nancy Rothwell FRS FMedSci (President and Vice-Chancellor, University of Manchester), and Professor Patrick Vallance FMedSci (President, Pharmaceuticals R&D, GSK). The excellent talks and lively discussion were filmed and made available on our YouTube channel.
- **Embedding research in health service.** In October 2013 we hosted the Chair of NHS England for a discussion with Fellows on research in the NHS. Our response to the consultation on NHS England's draft R&D strategy emphasised the need to make research 'everybody's business' and to build a culture that values and promotes research and innovation across the NHS. The Academy is also represented on the Board of NICE Implementation Collaborative, established to support consistent and prompt uptake of NICE guidance.
- **Ensuring a sustainable medical science workforce.** Highly skilled individuals are UK medical science's most valuable resource. Throughout 2013-4 we engaged with the learned societies and industry around the skills agenda and continued to stress the importance of facilitating mobility of medical researchers between industry, academia and the healthcare sector in our policy work and at our career development events.

Future plans

- Following up our report on **stratified medicine** and ensuring that its conclusions influence the development of policy in the UK and beyond, and have an impact on the awareness and future adoption of this approach to therapy by healthcare professionals.
- Continuing to explore and facilitate **new relationships between academia, industry and the healthcare sector** in the innovation and development pipeline, particularly through our programme of FORUM events. Engaging patients, practitioners and the NHS in the development, adoption and diffusion of new treatments will be a priority area of work.
- Delivering a four-year follow up meeting on the **regulation and governance of health research** to see how the landscape has altered since the publication of our report and the next steps required, as well as exploration of new modes of regulation including adaptive licensing. Contributing to the development of UK legislation and secondary EU legislation, as well as the IT infrastructure, to support the implementation of the European Clinical Trials Regulation.
- Engaging with the ongoing discussions around the **use of patient data** and highlighting the benefits of access to this data by medical researchers.
- Encouraging **collaboration and mobility** of researchers between sectors and across disciplines by drawing the different groups together at events and through structured networks.

Seizing international opportunities

Strategic aims

Medical science is an increasingly international endeavour and many major health challenges are now global in nature. The Academy strives to ensure that the UK takes a leadership role in tackling these challenges and in enabling excellent researchers to move and collaborate across national boundaries. Our key themes are: influencing European policy for health and research; responding to global health challenges; and promoting international mobility, connections and capacity building. In delivering these aims we draw on the expertise of our Fellows working in the UK and overseas and on our partnerships, particularly with our sister Academies across the world.

Significant activities

- **Informing European medical science policy.** Our international work in 2013-4 was dominated by the need to influence developments in the European legislation on data protection and clinical trials. We also worked with the Association of Medical Research Charities on a campaign to ask MEP candidates for the 2014 European elections to *'pledge to help every patient in the EU by improving biomedical research and maintaining the UK's global leadership in this field'*. A cohort of MEPs who support biomedical research will be an important component of future efforts to influence European legislation. We collaborated with the UK National Academies to respond to the Government's review of the balance of competences between the UK and the EU, noting that the current system creates significant positive overall benefit for UK researchers and institutions.
- **Securing the future of research using patient data.** Working with the Wellcome Trust and the Federation of European Academies of Medicine (FEAM) we continued to alert policymakers and parliamentarians across Europe to the negative impact of amendments to the EU Data Protection Regulation. If passed, this legislation could hinder, or even prevent, research that is vital to public health. This will continue to be a priority area for activity in 2014-5.
- **Influencing the EU Clinical Trials Regulation.** The Academy worked with FEAM to support liaison of member academies with their national governments around effective adoption of the new EU Clinical Trials Regulation. Whilst the final text of the Regulation does not address all issues raised in the Academy's 2011 report on regulation and governance of health research, it represents a significant improvement on the previous legislation.
- **Building relationships with international networks.** In August 2013, the Academy's Foreign Secretary was elected to the Executive Committee of the InterAcademy Medical Panel (IAMP). We also continued to play a leadership role in FEAM, where our Foreign Secretary has been an Officer and has supported FEAM's work to establish long-term governance structures by creating a representative Council for the first time.
- **Developing bilateral relationships with international Academies.** In March 2014, we signed our first Memorandum of Understanding with an international Academy, the US Institute of Medicine, at a meeting attended by joint Academy Fellows/IOM members, other Fellows and senior academics, and government

representatives including the Chief Medical Officer and Chief Scientific Adviser. The President also met with the Presidents of the Chinese Academy of Medical Sciences and the Israel Academy of Humanities and Sciences.

- **Encouraging international exchanges.** The Daniel Turnberg UK/Middle East Travel Fellowship Scheme continued to flourish, with an expanding consortium of donors now supporting the scheme. During 2013-14, 25 grants (totalling £69,050) were made to early career biomedical researchers, giving them the opportunity for short-term exchanges between institutions in the UK and the Middle East.

Future plans

- Continuing to **engage with European medical science policy**, particularly to influence European legislation in data protection. We will also follow up work initiated in March 2014 to engage UK MEPs on biomedical research issues.
- Supporting the Government's work to engage emerging scientific powers by working with the other National Academies to deliver a major programme of international fellowships as part of the newly established **Newton Fund**.
- Strengthening our links with the US IOM by jointly delivering an international workshop on **improving reproducibility and robustness of medical research**.
- Continuing to work with **networks such as FEAM, the IAMP and the UK Government's Global Science and Innovation Forum** to extend the reach of the Academy's policy influence and impact.
- Developing our relationships with international Academies and global health stakeholders in the UK and overseas.
- Developing the **Daniel Turnberg UK/Middle East Travel Fellowships** to ensure it continues to diversify and remains fit for purpose.

Encouraging dialogue about medical sciences

Strategic aims

To fulfil our mission the Academy must maintain effective dialogue with a range of stakeholders, particularly patients and the public. We aim to ensure that our policy advice is shaped by the views of wider society, and we provide public platforms for our Fellows to share their knowledge and expertise with non-scientific audiences. The Academy is a highly valued source of comment on medical science in the media and we continue to work to increase the Academy's profile through traditional broadcast and print media. We embrace social media and are responsive to changes in online communication to increase public accessibility to our outputs.

Significant activities

- **A new online face of the Academy.** After an extensive programme of redevelopment and financial investment the Academy's new website launched in December 2013. Since its launch the number of page views has increased by 32% and the average time spent on the site has increased by 17%. Our social media activities have continued to increase with Twitter followers doubled to 2,400 over the year, and we have explored ways to use social media to listen as well as communicate, including a Twitter chat for early career researchers to feed into our study on team science.
- **Remaining a trusted voice in the media.** Our ongoing programme of proactive and reactive media liaison has ensured that the Academy's views reach the public through a variety of media outlets. In 2013-14 our work to brief journalists on the impact of personalised medicines on healthcare resulted in packages on BBC Radio 4's *Today* programme and BBC *Newsnight*. We also provided a consistent voice in the high profile media debates on the challenges and benefits of sharing patient data thorough the controversial care.data initiative. Working with our partner National Academies we highlighted the importance of a stable investment framework for research and innovation in national broadsheets including *The Financial Times* and *The Daily Telegraph*.
- **Rewarding good communication.** The Academy awarded its first Communications Prize at the Winter Science Meeting for Starter Grant Awardees. The prize, which was judged by a panel that included Academy Fellows, patients, and media representatives, was awarded to Dr Karin Straathof, UCL Institute of Child Health.
- **Addressing the lack of women experts on TV.** Following calls to increase the number of women experts in the media we initiated new activities to promote our women Fellows as media spokespeople. We supported nearly 50 women Fellows to sign up to the Science Media Centre's expert database and offered intensive media training to seven women Fellows to build their media skills and confidence.
- **Opening up medical science.** We were successful in expanding our programme of public events in 2013-14 with over 500 people registering. In July 2013, Sir Stephen O'Rahilly FRS FMedSci and Professor Maria Zambon FMedSci delved into the archive of public health films to explore the past, present and future of public health messaging. In December 2013 we debated whether laughter really is the

best medicine with Professor Sophie Scott FMedSci and in March 2014 we opened 41 Portland Place for a festival of music and medicine where attendees heard about the use of medicine in the NHS and explored the physiology of speech and hearing.

- **Connecting with patients.** Our communications activities have benefited from an increased involvement of patients. Throughout 2013-4 our headquarters has housed an exhibition of images 'The emotional cancer journey', donated by The MAP Foundation to promote expression, communication and understanding for people affected by life threatening illness. In December 2013, members of the INVOLVE patients network helped to judge our first ever Communications Prize and in March children from Kennel Lane School, a school for children with special education needs, contributed to our public event on the impact of music on children with autism.

Future plans

- **Inspiring others with medical research.** We will support a culture in which scientists are encouraged to communicate their work. We will provide opportunities for the early career researchers with whom we interact to increase their communications skills and to engage in public dialogue about their work. We will seek funding to expand our programme of media training and support to increase the number of women Fellows commenting in the media.
- **Sharing science.** We will continue to provide opportunities for Fellows to share their passion for medical science through events at 41 Portland Place and at various science, art, music and literature festivals.
- **Involving the views of the public to shape our advice.** The public, particularly as patients, play an important role in research, health and healthcare. We will seek funding and develop partnerships that will enable us to deliver a programme of public dialogue that feeds into a major working group study on public health.
- **Interacting in accessible and innovative ways.** We will develop our new website and our social media presence to increase the accessibility of our work and the work of our Fellowship for all audiences. We will undertake a major review of the Academy's visual brand and how it is applied across all print and online media, and explore ways to translate our projects into formats easily shared via social media such as infographics, videos and podcasts.

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, 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, 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'. 44 new Fellows were elected in 2013-4 from a pool of over 350 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.

Organisation

The Academy is governed by a Council of 26 Fellows, who meet five times per year. 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.

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

The Honorary Officers and Council set the strategic direction of the Academy and oversee the work of the secretariat. Academy activities are selected by Council for the contribution they make towards the Academy's strategic goals, and are informed by the independent opinion, experience and expertise of the Fellowship. Council is advised by 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.

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 many external bodies.

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. The key strategic risks of the Academy are the risk to its reputation and its need for continued earned income.

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 and Resource, Grants and Careers, and Medical Science Policy. The Executive Director leads a permanent staff of 23.

Public benefit

Council has discussed the implications of the provisions of the Charities Act 2011, which states that all charities must demonstrate that they are established for public benefit and have had due regard to the public benefit guidance issued by the Charity Commission. Council is confident that activities planned under the six priority programmes fulfil the Academy's aims 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.

Financial Review

The Consolidated Statement of Financial Activities (SOFA) and Balance Sheet, together with the Notes to the Accounts set out on pages 29-39, 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 Academy's Strategic Plan 2012-16 set out the importance of ensuring the Academy's financial sustainability and we have made substantial progress during the year in this regard. Not only have we increased significantly the amount of income generated from the trading company, thus improving the income we can use for our core activities, but we have also secured a major new funder from April 2015, that will help maintain the activity around our policy and international work.

The improvement in the income generated from the trading company was as a result of a very busy year for the conference business at 41 Portland Place. Income from this source increased by 55% to £932,876 and enabled us to deliver a surplus on the General Fund for the first time since 2009.

In addition we received confirmation from the Department of Business, Innovation and Skills (BIS) of support of £471,000 to start in April 2015 as part of the allocation of science and research funding in 2015/16. This amount is matched to the level of support the Academy receives from the Department of Health via the NIHR and is seen as important recognition of the Academy as part of the National Academies group. Although initially for one year, there is every indication that the Academy will continue to be included in the BIS allocations to science and research from 2016 onwards.

Our strategy for 2012-16 also included a commitment to safeguard 41 Portland Place for the future by pursuing options to extend the current lease, which terminates in 2038. Negotiations with the landlords continued during the year and culminated in the successful completion of a new lease in April 2014. The new arrangement allows the Academy to remain at 41 Portland Place to 2137, but has been negotiated with flexible terms that would enable early withdrawal if circumstances required. The costs for professional advice relating to the negotiations have been included in the Accounts under *Other resources expended*.

Funding sources

Total incoming resources for the year were £4,329,442 compared to £4,641,728 in the previous year and although reduced, the mix of income was very encouraging. The income received from core activities under the General Fund increased to £1.72 million compared to £1.38 million in 2012/13 as a result of the successful year in the trading company. The results of the company are shown in Note 2 and show that activity levels were high enough to pay both a management charge to the Academy for the use of its building and staff, but also a donation under gift aid for the first time since the commencement of the business in 2010.

Although the income from core activities increased, the majority of the total income continued to be received for specific programmes and activities; £2.61 million in total. This was reduced from the previous year because of the funding cycles of two of our major schemes. The INSPIRE scheme is phased on a biennial cycle, with no funding received during 2013/14 and the Clinician Scientist Fellowship scheme was renewed part way through the year resulting in a small gap in grant funding.

Expenditure

Total expenditure for the year was £4,432,289 and, as would be expected, a significant part of this was paid in support of our charitable activities; £3,553,804 in total. The allocation of resources in support of the Academy's charitable activities can be seen in note 4a of the Accounts.

The majority of the expenditure not used for the charitable activities of the Academy was incurred as costs of generating funds; £729,166 in the year. The trading costs of the conferencing activities and office rentals accounted for £638,637, an increase on the previous year because of the increased activity in the conference business.

Cash and investment management

Following a Finance Committee review of the cash reserves in June 2013 and the purposes for which they were being held, an amount of £750,000 was identified as being suitable for investment on a medium term strategy. These monies were transferred to Sarasin & Partners LLP during the year and were invested in two new portfolios to match the risk profile of the reserves. The new funds, the Medical Research Society Fund and the General Fund, are shown as part of the total investments of £2,020,265 at Note 9.

The June 2013 Finance Committee review also confirmed the cash management policy; the diversification of deposits should continue 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 2014 were £9.44 million, a decrease of £80,262 from 31 March 2013. The reserves were made up as follows:

	£
Permanent Endowment	1,405,637
Restricted Funds	4,968,315
Unrestricted Funds	
Designated Funds	2,557,455
General Fund	509,362
Total Funds at 31 March 2014	9,440,769

The Finance Committee reviews the level of reserves regularly to ensure that they are appropriate for the purposes for which they are retained. The purposes of the permanent endowment and restricted funds are outlined in Note 13 to the Accounts.

The General Fund is held to protect the Academy's core activities against potential shortfalls in funding. The Finance Committee recognised the risk to the General Fund of increased costs associated with the new headquarters at 41 Portland Place and provided against specific risks in three designated funds.

The first is a fund to cover the risk of the trading subsidiary not being able to repay its start up loan, currently £100,000. The loan facility allows for a maximum amount of £200,000 and a balance of £200,422 was retained at 31 March 2014 in the Business Designated Fund. The second fund, the Building Repair Fund, was established by the Finance Committee in February 2012 to provide for the long term repair and renewal costs of the building up until the termination of the lease. The balance at 31 March 2014 was £222,924 after a transfer of £80,000 was made from the General Fund. It is planned that payments will continue to be made regularly from the core budget into the Building Repair Fund. The final designated fund is an asset fund of £2.13 million against which depreciation of the leasehold at 41 Portland Place / 8 Weymouth Mews is charged over the remaining term of the lease.

Reserves Policy

The Finance Committee regularly reviews the level of reserves retained in the General Fund with reference to the income sources and assets of the Academy. At its meeting in June 2014 the Finance Committee confirmed that the target level of free reserves was in the range of £225,000 to £250,000.

The level of free reserves (General Fund less the net book value of fixed assets in that Fund) at 31 March 2014 was £479,433. The surplus of £150,123 generated on the General Fund in the year resulted in the free reserves being well above the range required, but the Finance Committee considered the amount appropriate given the continuing constraints on unrestricted income in 2014/15 coupled with the need to increase the operational platform in order to support the commitments agreed in funding secured for 2015/16.

Statement of Trustees' 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 Council report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charity and of the outgoing resources and application of resources, including its income and expenditure, of the group for the year. In preparing those 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;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate and sufficient accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder and with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to the auditors

The trustees who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Academy's auditors are unaware; and each trustee has taken all the steps that he / she ought to have taken as a trustee to make himself / herself aware of any relevant audit information and to establish that the Academy's auditors are aware of that information.

Small company rules

These accounts have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006, relating to small companies.

Approved by the Council on 19 June 2014 and signed on its behalf by:

Professor Sir John Tooke PMedSci

President



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

We have audited the financial statements of the Academy of Medical Sciences for the year ended 31 March 2014 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees and 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 charity and the charity's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2014 and of the group's outgoing resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies exemption in preparing the directors' report or the exemption from the requirements to prepare a strategic report.

BDO LLP

BDO LLP, statutory auditor

London
United Kingdom
24 June 2014

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of financial activities for the year ended 31 March 2014

(Incorporating an income and expenditure account)

	Note	General Fund £	Designated Funds £	Restricted Funds £	Permanent endowment Funds £	Total 2014 £	Total 2013 £
Incoming resources							
Incoming resources from generated funds							
Voluntary income		729,582	-	122,648	99,983	952,213	933,082
Activities for generating funds		932,876	-	-	-	932,876	603,482
Investment income		22,276	-	23,748	32,135	78,159	108,779
Incoming resources from charitable activities							
Grants and donations		36,000	-	2,330,194	-	2,366,194	2,996,385
Total incoming resources	3	1,720,734	-	2,476,590	132,118	4,329,442	4,641,728
Resources expended							
Costs of generating funds							
Fundraising costs		71,321	2,879	7,166	9,163	90,529	101,983
Conferencing and office rentals		638,637	-	-	-	638,637	468,518
Charitable activities							
Promoting excellence		256,992	11,665	38,445	-	307,102	258,864
Nurturing the next generation		63,341	42,703	2,415,306	10,251	2,531,601	3,114,058
Influencing policy		197,603	12,638	73,259	-	283,500	309,366
Seizing international opportunities		69,075	1,764	73,441	-	144,280	171,712
Linking academia, industry & NHS		37,356	5,645	121,311	-	164,312	148,002
Encouraging dialogue		107,646	4,403	10,960	-	123,009	102,072
Governance costs		59,855	1,187	2,951	-	63,993	55,952
Other resources expended		-	17,076	68,250	-	85,326	107,857
Total resources expended	4	1,501,826	99,960	2,811,089	19,414	4,432,289	4,838,384
Net (outgoing) / incoming resources before transfers	13	218,908	(99,960)	(334,499)	112,704	(102,847)	(196,656)
Gross transfers between Funds	14	(70,460)	80,000	(9,540)	-	-	-
Gains on investment assets	9	1,675	-	4,580	16,330	22,585	109,184
Net movement in funds		150,123	(19,960)	(339,459)	129,034	(80,262)	(87,472)
Funds 1 April 2013		359,239	2,577,415	5,307,774	1,276,603	9,521,031	9,608,503
Funds 31 March 2014	13	509,362	2,557,455	4,968,315	1,405,637	9,440,769	9,521,031

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 29 - 39 form part of these financial statements.

Balance sheets as at 31 March 2014

	Note	Group 2014 £	Charity 2014 £	Group 2013 £	Charity 2013 £
Tangible fixed assets	8	<u>5,790,932</u>	<u>5,790,932</u>	6,076,606	6,076,606
Investments	9	<u>2,020,265</u>	<u>2,021,265</u>	1,136,102	1,137,102
Current assets					
Debtors	10	199,226	377,305	421,962	505,624
Stock		4,094	-	5,229	-
Cash on deposit		2,095,023	1,995,023	2,958,760	2,958,760
Cash at bank and in hand		<u>210,365</u>	<u>42,237</u>	319,589	65,918
		<u>2,508,708</u>	<u>2,414,565</u>	3,705,540	3,530,302
Current liabilities					
Creditors: amounts falling due within one year	11	<u>(879,136)</u>	<u>(785,993)</u>	<u>(1,397,217)</u>	<u>(1,222,979)</u>
Net current assets		<u>1,629,572</u>	<u>1,628,572</u>	2,308,323	2,307,323
Net assets	15	<u>9,440,769</u>	<u>9,440,769</u>	9,521,031	9,521,031
Represented by:					
Permanent endowment funds		1,405,637	1,405,637	1,276,603	1,276,603
Restricted funds		4,968,315	4,968,315	5,307,774	5,307,774
Unrestricted funds:					
General fund		509,362	509,362	359,239	359,239
Designated fund		2,557,455	2,557,455	2,577,415	2,577,415
Total funds	13	<u>9,440,769</u>	<u>9,440,769</u>	9,521,031	9,521,031

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Council and authorised for issue on 19 June 2014, and signed on its behalf by:



President

Professor Sir John Tooke PMedSci



Treasurer

Professor Susan Iversen CBE FMedSci

The notes on pages 29 - 39 form part of these financial statements.
Company Number 3520281

Notes to the financial statements for the year ended 31 March 2014

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 under the historical cost convention and comply with the Companies Act 2006. They have been prepared in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005).

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 and paragraph 397 of the SORP.

b. Incoming resources

Voluntary income received by way of donations and gifts is included in full in the statement of financial activities when receivable.

Activities for generating funds – 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.

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 (support costs) 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.

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 include fundraising costs expended in seeking new sources of funding for the Academy, along with the costs of conferencing and office rentals in the trading company.

Other resources expended relate to costs associated with non routine building improvements and property management advice.

Grants payable - Clinical Research Training Fellowships and Starter Grants for Clinical Lecturers 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.

d. Tangible fixed assets

Tangible fixed assets are included at cost except for the leasehold premises, which are held at market value, and antiques, which are shown at their insurance value. Because of the long term nature of their use, the Academy does not consider it appropriate to charge annual depreciation.

Fixed assets costing more than £500 are capitalised and included on the balance sheet. Depreciation is provided on a straight-line basis on tangible fixed assets so as to write them off over their anticipated useful economic lives at the following annual rates:

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

e. Operating leases

The charity classifies the lease of photocopying equipment as an operating lease. Rental charges are charged on a straight line basis over the term of the 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 and a Building Repair Fund to provide for the future maintenance of the property. 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 £85,655 (2013: £60,350) has been included in resources expended and allocated to the relevant cost headings on the basis described at (c) above.

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 2014 are shown below.

Profit & loss account

	2014	2013
	£	£
Turnover	989,186	652,320
Costs of sales	(606,674)	(446,423)
Gross profit	382,512	205,897
Administrative expenses	(281,739)	(202,397)
Operating profit for the year	100,773	3,500
Interest receivable	771	-
Interest payable	(3,500)	(3,500)
Donation to the charity	(98,044)	-
Profit for the year	-	-

Balance sheet

Current assets	377,938	360,672
Current liabilities	(276,938)	(259,672)
Net current assets	101,000	101,000
Loan from the charity	(100,000)	(100,000)
Net assets / (liabilities)	1,000	1,000

Share capital and reserves

Share capital	1,000	1,000
Profit & loss account	-	-
Shareholders' funds	1,000	1,000

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 in the SOFA at page 27 as income £932,876 and expenditure £638,637.

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

	2014	2013
	£	£
Income	3,666,741	4,138,378
Net movement in funds for the year	(80,262)	(87,472)

3 Incoming resources

a. Incoming resources from generated funds

	General Fund 2014	Other Funds 2014	Total Funds 2014	Total Funds 2013
	£	£	£	£
<i>Voluntary income</i>				
Fellows' subscriptions and contributions	246,510	-	246,510	229,687
Donations – capital appeal	-	41,858	41,858	47,431
Donations – Department of Health	457,000	-	457,000	450,000
Donations – core funds	26,072	-	26,072	17,122
Donations – Daniel Turnberg Memorial Fund	-	99,983	99,983	111,808
Donated staff	-	80,790	80,790	77,034
	729,582	222,631	952,213	933,082
<i>Activities for generating funds</i>				
Conferencing and office rentals	929,959	-	929,959	598,482
Other rental income	2,917	-	2,917	5,000
	932,876	-	932,876	603,482
<i>Investment income</i>				
Income on investments	774	43,052	43,826	39,147
Short term deposit interest	21,237	12,831	34,068	69,425
Bank deposit interest	265	-	265	207
	22,276	55,883	78,159	108,779
Total incoming resources from generated funds	1,684,734	278,514	1,963,248	1,645,343

b. Incoming resources from charitable activities

	General Fund 2014	Other Funds 2014	Total Funds 2014	Total Funds 2013
	£	£	£	£
<i>Grants and donations for specific purposes</i>				
Nurturing the next generation - careers	-	559,080	559,080	728,115
Nurturing the next generation - fellowships	-	1,709,614	1,709,614	2,092,779
Influencing policy	-	-	-	110,491
Linking academia, industry & NHS	36,000	61,500	97,500	65,000
Total incoming resources from charitable activities	36,000	2,330,194	2,366,194	2,996,385
Total incoming resources	1,720,734	2,608,708	4,329,442	4,641,728

4 Resources expended

a. Analysis of total resources expended

	Direct Costs £	Grant funding £	Support costs £	Total 2014 £	Total 2013 £
<i>Costs of generating funds</i>					
Fundraising costs	61,286	-	29,243	90,529	101,983
Conferencing and office rentals	638,637	-	-	638,637	468,518
<i>Charitable activities</i>					
Promoting excellence	188,618	-	118,484	307,102	258,864
Nurturing the next generation	442,681	1,655,156	433,764	2,531,601	3,114,058
Influencing policy	155,127	-	128,373	283,500	309,366
Seizing international opportunities	57,311	69,050	17,919	144,280	171,712
Linking academia, industry & NHS	106,972	-	57,340	164,312	148,002
Encouraging dialogue	78,284	-	44,725	123,009	102,072
<i>Governance</i>	51,952	-	12,041	63,993	55,952
<i>Other resources expended</i>	85,326	-	-	85,326	107,857
Total resources expended	1,866,194	1,724,206	841,889	4,432,289	4,838,384

b. Analysis of support costs

	Cost of premises £	Office & IT costs £	Staff & related costs £	Total 2014 £	Total 2013 £
<i>Costs of generating funds</i>	14,186	5,770	9,287	29,243	43,100
<i>Charitable activities</i>					
Promoting excellence	57,479	23,377	37,628	118,484	115,450
Nurturing the next generation	210,427	85,581	137,756	433,764	396,724
Influencing policy	62,276	25,328	40,769	128,373	142,250
Seizing international opportunities	8,693	3,535	5,691	17,919	48,762
Linking academia, industry & NHS	27,817	11,313	18,210	57,340	44,699
Encouraging dialogue	21,697	8,824	14,204	44,725	39,782
<i>Governance</i>	5,842	2,375	3,824	12,041	13,653
Total support costs	408,417	166,103	267,369	841,889	844,420

Support costs, which include the depreciation charge for the year, are allocated on the basis of average staff time except where the terms of restricted funding specify a particular overhead recovery.

c. Analysis of governance costs

	2014 £	2013 £
Audit fees - charity	12,120	11,742
Audit fees – trading subsidiary	2,500	2,420
Costs of AGM and Council meetings	18,005	13,821
Staff and related costs	13,768	14,316
Strategy planning days	5,559	-
Allocated support costs	12,041	13,653
Total governance costs	63,993	55,952

The auditors also provided professional advice in the year of £5,850 (2013: £6,840) which is included in office costs.

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 21 Council members (2013: 19) received reimbursed travel expenses of £13,362 (2013: £10,538).

b. Employee information

	2014 £	2013 £
Salaries	777,195	780,661
Employer's national insurance	80,263	82,007
Employer's pension contributions	53,883	45,111
Donated staff services	80,790	77,034
	<u>992,131</u>	<u>984,813</u>

The full-time average equivalent for salaried staff during the year was 20.2 (2013: 20.2).

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

	2014	2013
£60,001 - £70,000	-	1
£70,001 - £80,000	<u>1</u>	<u>-</u>

Pension contributions paid by the Academy relating to the higher paid employee as defined above amounted to £5,850 (2013: £5,158)

6 Net (outgoing)/incoming resources after charging:

	2014 £	2013 £
Audit fees - charity	12,120	11,742
Audit fees – trading subsidiary	2,500	2,420
Investment management fees	10,563	7,693
Depreciation of tangible fixed assets	293,465	294,066
Operating lease charges	3,736	3,736
	<u>322,384</u>	<u>329,657</u>

7 Grants payable

The Academy administers three 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 and the Medical Research Council; and the Daniel Turnberg UK/Middle East Travel Fellowship Scheme (DTMF). Details of the Schemes are as follows:

	CSFS £	CLS £	DTMF £	Total 2014 £
Grants outstanding 1 April	121,971	-	-	121,971
Grants falling due in the year	372,286	1,282,869	69,050	1,724,205
Grants paid in the year	(457,299)	(1,282,869)	(69,050)	(1,809,218)
Grants outstanding 31 March	<u>36,958</u>	<u>-</u>	<u>-</u>	<u>36,958</u>
Grants to institutions <i>to nurture the next generation</i>	372,286	1,282,869	-	1,655,155
Grants to individuals <i>to seize international opportunities</i>	-	-	69,050	69,050
Grants awarded in the year	<u>372,286</u>	<u>1,282,869</u>	<u>69,050</u>	<u>1,724,205</u>

Grants to 21 institutions were made in the year to a total value of £1,740,168. The principal institutions benefiting from the grants were:

	£
University of Edinburgh	219,940
Imperial College London	208,877
University of Cambridge	203,947
University College London	196,500

8 Tangible fixed assets – Group and Charity

	Leasehold Premises £	Refurbished Property £	Furniture, fixtures & equipment £	Computer equipment £	Total £
Cost					
At 1 April	2,300,000	3,974,596	345,285	210,052	6,829,933
Additions	-	-	-	7,791	7,791
Disposals	-	-	-	(8,886)	(8,886)
At 31 March	2,300,000	3,974,596	345,285	208,957	6,828,838
Depreciation					
At 1 April	207,207	358,072	51,248	136,800	753,327
Charge for the year	82,884	143,228	20,663	46,690	293,465
Disposals	-	-	-	(8,886)	(8,886)
At 31 March	290,091	501,300	71,911	174,604	1,037,906
Net book value					
31 March 2014	2,009,909	3,473,296	273,374	34,353	5,790,932
31 March 2013	2,092,793	3,616,524	294,037	73,252	6,076,606

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. Depreciation has been charged on *leasehold premises* and *refurbished property* from October 2010 so as to write off the value over the remaining term of the original lease to July 2038.

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

	2014 £	2013 £
At 1 April	1,121,034	976,898
Additions	866,994	47,273
Disposals	(10,563)	(12,321)
Net gain in market value	22,585	109,184
	2,000,050	1,121,034
Cash held for investment	20,215	15,068
Market Value at 31 March 2014	2,020,265	1,136,102
Cost at 31 March 2014	1,799,152	938,272

Investments to the value of £283,118 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 £982,307 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 were made in the year comprising balances held in the General Fund and Restricted Funds that were identified as suitable for retention in the medium term. Investments to the value of £754,840 are split across the two Sarasin Funds as previously mentioned.

Investments of £2,021,265 as 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 2014 £	Charity 2014 £	Group 2013 £	Charity 2013 £
Amounts falling due within one year:				
Trade debtors	82,423	38,649	78,262	16,700
Prepayments	59,651	59,651	43,846	43,012
Accrued income	3,932	3,932	255,969	255,969
VAT recoverable	3,670	-	-	-
Other debtors	49,550	14,550	43,885	8,884
Amount due from subsidiary	-	160,523	-	81,059
Amount falling due after more than one year:				
Loan to subsidiary	-	100,000	-	100,000
	<u>199,226</u>	<u>377,305</u>	<u>421,962</u>	<u>505,624</u>

11 Creditors

	Group 2014 £	Charity 2014 £	Group 2013 £	Charity 2013 £
Amounts falling due within one year:				
Grants payable	36,958	36,958	121,971	121,971
Trade creditors	322,708	227,399	666,652	609,314
Accruals	20,948	18,449	42,615	39,507
Deferred income	474,923	460,935	526,576	416,335
PAYE/NIC Liability	23,599	23,599	19,170	19,170
VAT payable	-	18,653	20,233	16,682
	<u>879,136</u>	<u>785,993</u>	<u>1,397,217</u>	<u>1,222,979</u>

12 Deferred Income

	Group 2014 £	Charity 2014 £	Group 2013 £	Charity 2013 £
Deferred income brought forward	526,576	416,335	333,706	309,092
Less: Amount used in the year	(526,576)	(416,335)	(333,706)	(309,092)
<i>Income accrued within the year:</i>				
Grants from institutions	460,935	460,935	416,335	416,335
Conferencing deposits	13,988	-	110,241	-
Deferred income carried forward	<u>474,923</u>	<u>460,935</u>	<u>526,576</u>	<u>416,335</u>

NOTES TO THE FINANCIAL STATEMENTS

13 Movement on group funds	Balance 1 April £	Income £	Expenditure £	Transfers £	Revaluation £	Balance 31 March £
Permanent endowment						
Jean Shanks Memorial Fund	204,277	-	(1,566)	-	9,569	212,280
Sackler Fund	68,095	-	(522)	-	3,190	70,763
Daniel Turnberg Memorial Fund	1,004,231	132,118	(17,326)	-	3,571	1,122,594
Total permanent endowment	1,276,603	132,118	(19,414)	-	16,330	1,405,637
Restricted funds						
Grant schemes	353,018	2,022,827	(2,047,222)	(4,612)	-	324,011
Mentoring & career development	42,311	264,952	(252,022)	(4,915)	-	50,326
Project & meeting contributions	39,363	134,041	(158,467)	-	-	14,937
Medical Research Society	958,393	11,870	(78,806)	(13)	4,580	896,024
Capital Appeal	81,480	42,900	(68,257)	-	-	56,123
Restricted Asset Fund	3,833,209	-	(206,315)	-	-	3,626,894
Total restricted funds	5,307,774	2,476,590	(2,811,089)	(9,540)	4,580	4,968,315
Unrestricted funds						
General Fund	359,239	1,720,734	(1,501,826)	(70,460)	1,675	509,362
Designated funds						
Business Fund	200,422	-	-	-	-	200,422
Asset Fund	2,216,993	-	(82,884)	-	-	2,134,109
Building Repair Fund	160,000	-	(17,076)	80,000	-	222,924
Total designated funds	2,577,415	-	(99,960)	80,000	-	2,557,455
Total unrestricted funds	2,936,654	1,720,734	(1,601,786)	9,540	1,675	3,066,817
Total funds	9,521,031	4,329,442	(4,432,289)	-	22,585	9,440,769

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 a restricted fund.

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 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.

RESTRICTED FUNDS

Grant Schemes

The Academy's three grant schemes are funded by external organisations as detailed in note 7. Balances held at the end of the year, representing grant monies received awaiting payments to institutions comprise £324,011 payable for the Clinician Scientist Fellowship Scheme (CSFS)

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 NHS Education for Scotland, Queen's University, Belfast and the National Institute for Social Care and Health Research in Wales. Balances held at the year end include £22,543 from the NIHR and £27,783 from other funders.

Project/meeting contributions

Specific donations to support meetings and other activities.

Medical Research Society

The Medical Research Society merged with the Academy on 31st October 2011 and the monies transferred on merger have been retained by the Academy to fulfil the charitable objectives of the Society and particularly to support the Annual Spring Meeting for Clinician Scientists in Training.

Capital appeal

The balance remaining from donations received in response to the Academy's fundraising appeal to support the refurbishment of 41 Portland Place. This has been used to support the costs of securing a long term future for the Academy at 41 Portland Place via lease negotiations with the landlord.

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 being used to support the trading subsidiary during the first years of its operation.

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.

Designated Building Repair Fund

This fund provides for future building repairs and major equipment purchases at 41 Portland Place over the length of the lease.

14 Transfer between funds

	General Fund £	Designated Funds £	Restricted Funds £	Total £
Elimination of inter-company room hire	9,540	-	(9,540)	-
Transfer to building repair fund	(80,000)	80,000	-	-
	<u>(70,460)</u>	<u>80,000</u>	<u>(9,540)</u>	<u>-</u>

15 Analysis of group net assets

	General funds £	Designated funds £	Restricted funds £	Permanent endowment funds £	Total £
Fixed assets	29,929	2,134,111	3,626,892	-	5,790,932
Investments	251,203	-	503,636	1,265,426	2,020,265
Cash on deposit and at bank	300,033	423,344	1,441,800	140,211	2,305,388
Other net current (liabilities)/assets	(71,803)	-	(604,013)	-	(675,816)
	<u>509,362</u>	<u>2,557,455</u>	<u>4,968,315</u>	<u>1,405,637</u>	<u>9,440,769</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 2014 there were 1,090 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 2015.

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.

18 Operating lease commitments

The charity has annual commitments under an operating lease for photocopying equipment as follows:

	2014	2013
2-5 years	<u>3,736</u>	<u>3,736</u>

19 Post Balance Sheet Event

On 22 April 2014 the Academy completed on a new over-riding lease with the immediate landlords OAS 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 will therefore continue to be calculated on the original lease term. The terms of the over-riding lease are flexible and favourable to the Academy should it wish to terminate the over-riding lease early.