

Annual Report and Financial Statements 2013

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Academy of Medical Sciences

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.

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.**

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 TSB Bank PLC
12 Cavendish Place
London, W1G 9DJ

Auditors:

BDO LLP
20 Farringdon Road
London, EC1M 3AP

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 FMedSci Vice Provost (Health)
Head of UCL School of Life and Medical Sciences

Vice-President:

Professor Ronald Laskey CBE FRS FMedSci (until November 2012)
Emeritus Professor of Embryology, University of Cambridge

Professor Martin Humphries FMedSci (from November 2012)
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 Patrick Maxwell FMedSci (until June 2012)
Regius Professor of Physic, University of Cambridge

Professor Moira Whyte FMedSci (from June 2012)
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
Sir Alasdair Breckenridge CBE FRSE FMedSci *appointed November 2012*
Professor Alastair Buchan FMedSci
Professor Edwin Chilvers FMedSci *appointed November 2012*
Professor Carol Dezateux CBE FMedSci
Professor Alan Fairlamb CBE FRSE FMedSci
Professor Maria Fitzgerald FMedSci *appointed November 2012*
Professor Jayne Franklyn FMedSci *appointed November 2012*
Dr Richard Horton FMedSci *retired November 2012*
Professor John Iredale FMedSci
Professor Fiona Karet FMedSci *appointed November 2012*
Professor Kay-Teo Khaw CBE FMedSci *retired November 2012*
Professor Sir Robert Lechler FMedSci
Professor Andrew Lees FMedSci *appointed November 2012*
Professor Nicholas Lemoine FMedSci *retired November 2012*
Professor Roger Lemon FMedSci
Professor Ian McConnell FRSE FMedSci *retired November 2012*
Professor Caroline Savage FMedSci *retired November 2012*
Professor Jonathan Shepherd CBE FMedSci
Professor Simon Tavare FRS FMedSci
Professor Joanna Wardlaw FMedSci
Professor Jonathan Weber FMedSci
Professor Peter Weissberg FMedSci *retired November 2012*
Professor Susan Wray FMedSci *retired November 2012*

Co-opted Members 2012

Professor Anna Dominiczak FMedSci *re-appointed February 2013*
Professor Raymond Hill FMedSci *re-appointed February 2013*
Professor Shitij Kapur FMedSci *appointed April 2012*
Professor Martin Roland FMedSci *re-appointed February 2013*
Professor Victor Tybulewicz FMedSci *re-appointed February 2013*

Principal Employed Officers

Executive Director	Dr Helen Munn
Interim Executive Director	Mrs Lesley Sims <i>(until July 2012)</i>
Director of Biomedical Grants and Careers Policy	Dr Suzanne Candy <i>(until November 2012)</i>
Director of Biomedical Grants and Careers Policy <i>(maternity cover)</i>	Dr Simon Vincent <i>(from November 2012)</i>
Director of Medical Science Policy	Dr Rachel Quinn
Director of Finance and Resources	Mrs Chris Straw

Promoting excellence

Strategic aims

The heart of the Academy of Medical Sciences is the Fellowship - 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. In June 2012 we elected 46 new Fellows, who represent the UK's leaders in medical research and healthcare. FMedSci is internationally known as a mark of esteem and achievement in medical science, and is recognised by research funders, journals, and higher education institutions, as well as by policymakers, the media and the public.
- **Improving diversity in the Fellowship.** A key priority of 2012-13 was our work to ensure that the annual election of new Fellows identifies talent and achievement across the breadth of medical science and healthcare, and builds a Fellowship that is representative of the diversity of the UK's medical research strengths. Specifically, a report of a taskforce on women in the Fellowship was published in Feb 2013 and made recommendations for how the Academy could increase its number of female Fellows. A new Fellowship Committee has been established, outside of the election process, to ensure that the pool of candidates proposed for election is as diverse as possible with regard to age, gender, ethnicity and geography. The Academy has become an active participant in the work of the Athena Forum and is collaborating with the Royal Society on its diversity in science initiative.
- **Championing knowledge.** Our named lectures provide opportunities to celebrate outstanding achievements in medical science and to highlight major scientific breakthroughs. In June 2012 the Raymond and Beverly Sackler Distinguished Lecture in the Medical Sciences was given by Professor Dame Linda Partridge DBE FRS FRSE FMedSci on *'The new*

science of ageing' and in November 2012 the Jean Shanks Lecture was given by Professor Adrian Bird CBE FRS FRSE FMedSci on *'Genetics, epigenetics and Rett syndrome'*. We extended the reach of the Sackler lecture by recording full length and summary films of Dame Linda's talk, which were made available on our YouTube channel, and accessed by an audience many times larger than was present in the room.

- **Promoting collegiality and engagement of the Fellowship.** In 2012-13 we expanded our programme of Fellows' discussion dinners, with talks from Dr Robin Lovell-Badge FRS FMedSci, Professor Terrie Moffitt FBA FMedSci and Professor Dorothy Bishop FMedSci, held in London. Fellows' dinners were also held in Liverpool and Glasgow where attendees benefitted from a talk from Professor Eddie Liew FRS FMedSci. Overall, approximately 25% of our Fellowship attended Academy events in person over the course of the year.

Future plans

- **Increasing engagement with the Fellowship and wider medical science community,** by implementing the recommendations of Professor Martin Humphries' report regarding engaging early career researchers. This will include identifying regional ambassadors who can extend the reach of the Academy across the UK, helping to facilitate collaboration across disciplines, sectors and career stages.
- **Increasing our activities to promote scholarship and scientific debate,** through seeking enhanced funding for an expanded programme of lectures, meetings and symposia.
- **Extending the reach of the Academy's physical events,** by increasing the number of meetings that are recorded for video or audio, and driving online traffic to our website and YouTube channel.
- **Recognising excellence in early career researchers,** through our revised Foulkes Foundation Medal, which will now be awarded to a researcher within 10 years of the completion of his or her PhD.

Influencing policy to improve health and wealth

Strategic aims

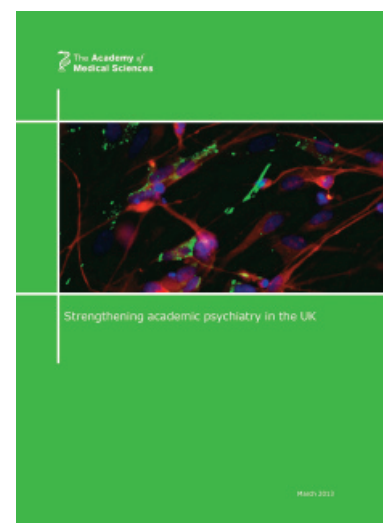
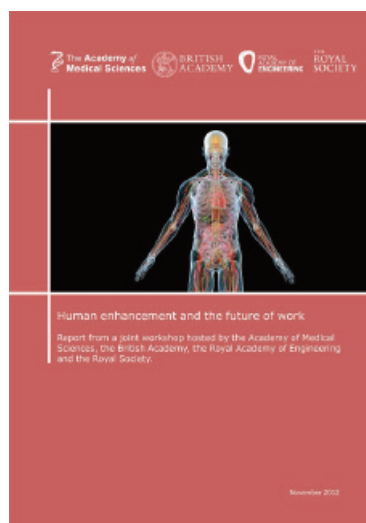
One of the Academy's greatest strengths is its ability to convene the best medical scientists to address some of the most significant challenges facing society. We aim to be the UK's leading source of independent advice for those making decisions about medical research and to provide evidence from medical 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

- **'Strengthening academic psychiatry in the UK'** was launched at a media briefing in March 2013. This important policy report made recommendations to: enhance recruitment and retention of academic psychiatrists; increase their research opportunities; and integrate psychiatry and its training programmes with other disciplines. The report was welcomed by stakeholders and received good coverage in specialist publications. The chair and working group members have engaged constructively with those organisations targeted for action and a full programme of follow up will be implemented over the coming year.
- **Supporting team science** was the subject of a discussion paper launched by the Academy in November 2012, following a consultation with Fellows and a small workshop. The proposals outlined in the paper aimed to encourage a culture that is more supportive of trans-disciplinary teams and to ensure that researchers have the skills and resources required to support functional team-working. Furthermore, it provides a means to increase the impact of research without necessarily increasing cost. Responses were solicited from a range of individuals and organisations and are guiding our ongoing activities to promote a pro-team science culture, particularly with scientific journals.
- **Ensuring appropriate regulation around laboratory animals** is vital to medical research. As part of the Biosciences Coalition, the Academy has provided advice to the Home Office during the process of transposing the EU Directive on the protection of animals used for scientific purposes into UK law. We have continued to draw attention to the recommendations of the Academy's 2011 policy report on '*Animals Containing Human Material*'. Recognising the importance of transparency in the use of animals in research, we have supported the development of a concordat on openness in animal research, led by Academy Fellow Dr Geoff Watts FMedSci.
- **Looking ahead: human enhancement in the workplace.** In March 2012, the Academy - along with the British Academy, the Royal Academy of Engineering and the Royal Society - launched the report of its workshop to explore the likely impact and implications of human enhancement technologies on the future of work. The report received positive feedback from decision makers in the UK and Europe, as well as extensive print and broadcast coverage. As part of our wider horizon scanning activities, the Academy is a member of the Department of Health's Emerging Science and Bioethics Advisory Committee, the main UK advisory body on emerging healthcare / scientific developments and their implications.
- **Securing an effective science base.** The Academy contributed to the Triennial Review of the Research Councils, stressing the need for a long-term investment framework for research that will provide clarity about Government's expectations of the research councils, while respecting their independence. We also began work with the other three national Academies and the biomedical community to prepare for the 2013 Government spending review.
- **Promoting engagement with policy makers.** We continue to provide opportunities to connect our Fellows and other senior researchers with policymakers through workshops, roundtables, briefings and networking events. Engaging Parliamentarians has continued to be a priority, including through our participation in the All Party Parliamentary Group on Medical Research. The Academy has also contributed to Parliamentary select committee inquiries in a number of areas. This year we expanded our competitive three month policy internship scheme to add MRC-funded PhD students to the existing Wellcome Trust funded interns, enabling us to train a new generation of researchers who are confident in engaging in policy debates.

Future plans

- **Following up recommendations** of previous reports is an explicit commitment in the 2012-16 strategy. We will convene funders, regulators and educators to agree how the recommendations in our report on **academic psychiatry** will be implemented to strengthen this discipline for the ultimate benefit of patients.
- Working with industry, academia and medical research charities to continue to prepare the evidence and arguments required to secure **sustainable funding for medical research** in the next government spending review and beyond.
- Engaging the new Public Health England to ensure that new **public health services** encourage research and innovation, and are underpinned and evaluated by a sound evidence base.



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 young 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.

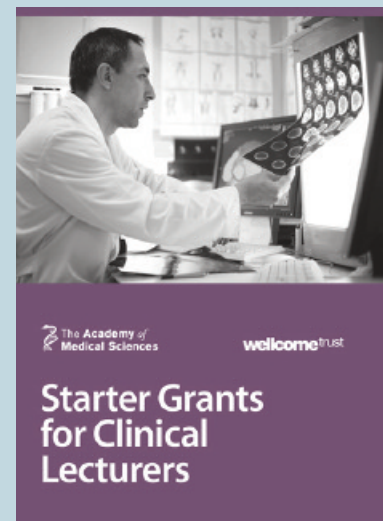
Significant activities

- **The INSPIRE programme**, a five-year, £1 million scheme funded by the Wellcome Trust, was officially launched in June 2012. Its aims are to give all students at medical schools a chance to learn about and get involved in research, and to encourage them to consider a career in academic medicine. This year we completed the first phase of the programme by awarding small grants to all 32 medical schools to support the development of local activities. Over the next few years we will bring the INSPIRE leads from each medical school together to share best practice, and we will provide additional funding for a small number of innovative activities.
- We continued to **support best practice in mentoring**. The Academy's mentoring scheme is widely recognised for the effective support it provides to early-career clinical academics. In 2012-13 we produced several short films to add to our existing resources. Two films are targeted at mentors and at mentees, highlighting the benefits and value of the scheme from each of those perspectives. A third film shows how other organisations might use the Academy's model of mentoring. In July 2013 we will be hosting our first workshop to support other organisations seeking to develop a mentoring scheme, which has generated interest from organisations as diverse as the London Transport Museum, Cancer Research UK and the British Ecological Society.
- **Expanding our range of career development events**, with meetings in Dundee, Liverpool, Manchester and Sheffield. These provided opportunities for trainee researchers to network with Fellows, research funders and senior colleagues, as well as to discuss issues around training, funding and professional development. The meeting in Manchester focussed on moving between academic and industrial research posts, and the meeting in Liverpool included skills training workshops in communication and grant writing. We have also introduced Supper Clubs that bring together our Fellows and early-career researchers, to promote greater engagement between the different communities that the Academy supports.
- **Maintaining innovative support schemes**. Our funding schemes target key points in the academic training pathway and encourage international collaboration and career development. In all cases, our 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. Many organisations recognise the value of working with the Academy, thanks to our strong links to the clinical academic community. This year, the Medical Research Council and Prostate Cancer UK joined the consortium supporting the **Starter Grants for Clinical Lecturers** scheme. We also agreed a new partnership with the Health Foundation to provide up to £3.25 million to support **Clinician Scientist Fellows**. In the coming year this scheme will provide up to five grants to support aspiring clinical academics as they develop independent research careers.
- We continued to **influence UK policies on academic training and career structures for biomedical researchers**. With so many changes to the structures and career paths in the NHS expected in the coming year, it is crucial that the views of the academic community are heard clearly. We submitted detailed responses to consultations about two major changes: we influenced the establishment of Health Education England in primary legislation by responding to the Department of Health's consultation on its draft Care and Support Bill; and we also gave our views on Professor David Greenaway's review on the Shape of Medical Training in the UK. As part of our response, we coordinated a brief joint statement about the importance of clinical academic training, for which we gathered support from 33 other funders, learned societies and research organisations.

- **We provided opportunities for PhD and post-doctoral clinical academics to present their research.** This year, the Academy assumed full responsibility for the Spring Meeting for Clinician Scientists in Training, which was run in collaboration with the Royal College of Physicians and *The Lancet*. It provided a setting for early career researchers to present and discuss their work with peers and senior colleagues. We introduced a number of new initiatives, including a new prize which recognised both the excellence of a young investigator's research, but also their skill in communicating its wider implications.

Future plans

- We will work with the Department of Health and the National Institute for Health Research to **extend our mentoring and career development programme for clinical academics.**
- We will work with the MRC and other partners to **provide mentoring support for researchers across a wider spectrum of the biomedical sciences,** including non-clinical biomedical scientists, and those working in industry.
- We will fund up to five new researchers as part of the Health Foundation **Clinician Scientist Fellowship** programme.
- Through a new Careers Committee, we will be able to respond to changes in the landscape of biomedical careers and take a more pro-active look at opportunities and challenges. A priority for the committee will be following up our 2010 report, **'Redressing the balance: the status and valuation of teaching in academic careers,'** by analysing the impact that it has had on biomedical science departments in the UK.
- We will encourage **greater links between academia and industry,** by providing advice, information and mentoring support for researchers that wish to move between these fields.



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

- **Streamlining research regulation and governance.** Following the publication of the Academy's 2011 report '*A new pathway for the regulation and governance of health research*', we have continued to engage with decision-makers and Parliamentarians to guide the implementation of its recommendations. We have contributed extensively to consultations about the establishment of the Health Regulatory Authority (HRA) in primary legislation and the Academy is represented on its collaboration and development steering group. The success of the HRA's feasibility study into a central assessment for research in the NHS is a positive step towards the implementation of the main recommendation of our 2011 report. We have also played an influential role in deliberations about the future of the Human Fertilisation and Embryology Authority and the Human Tissue Authority.
- **Ensuring effective regulation and transparency of clinical trials.** This is an important part of our work on regulation and, as discussions about the draft Clinical Trials Regulation have moved to the national arena, the Academy has facilitated meetings between the academic community and the Medicines and Healthcare products Regulatory Agency (MHRA) to inform the UK's negotiating position in Europe. We have provided written and oral evidence to the House of Commons consultation on clinical trials and played an active role in the debate about how to improve the transparency of clinical trial data.
- **Shaping innovation policy for the life sciences.** The 2013 FORUM Annual Lecture was given by Dr Ruth McKernan, Senior Vice President at Pfizer, and the associated panel discussion provided a neutral space for representatives from industry, academia, the charity sector, the regulatory agencies and government departments to explore the attributes of good academia-industry-NHS collaboration models.
- **Facilitating stratified medicines.** The Academy is continuing its work to facilitate progress in stratified medicines research and development, and its implementation in healthcare services. A symposium in October 2012, supported by public and private sector organisations, focused on the ongoing regulatory, economic and infrastructure requirements of stratified medicines in the UK and beyond. A major policy report, drawing on the discussions at the symposium and the preparatory papers, will be published in 2013.
- **Providing a platform for discussion with regulators** continues to be a priority for the Academy. We have co-hosted, with funders and industry, a workshop on the regulation of regenerative medicine. With the Royal Academy of Engineering we examined methodologies for the assessment of efficacy and safety of medical devices that informed our response to the MHRA's consultation around the revision of the associated EU Directive.
- **Ensuring a sustainable medical science workforce.** Highly skilled individuals are UK medical science's most valuable resource. We have engaged with the learned societies and industry about the skills agenda and have continued to stress the importance of facilitating mobility of medical researchers between industry, academia and the NHS in our policy work and at our career development events for clinical and non-clinical biomedical researchers.
- **Advancing the implementation agenda.** In 2012-13 the Academy became a founding member of the NICE Implementation Collaborative (NIC) whose members are committed to working together to support a system where patients have faster and more consistent access to NICE-recommended medicines, treatments and technologies. We also responded to an MHRA consultation about proposals for early access to medicines.
- **Embedding research in health service reform.** We have continued to inform these developments and our response to the draft mandate of the NHS Commissioning Board expressed concern at the lack of attention to education and training.

Future plans

- Publishing our report on **stratified medicine** and ensuring that its conclusions influence the development of policy (including the revision of the EU devices directives) by decision-makers across the sectors, in the UK and beyond.
- Ensuring **research is central in new health bodies** by actively engaging with the NHS Commissioning Board and Public Health England.
- Promoting **sustainable models of translation** of medical research. We will explore new relationships between academia, industry and the NHS in the development pipeline, particularly the role of the emerging Academic Health Science Partnerships.
- Continuing to prioritise the **regulation and governance of health research** in our work. A roundtable between the HRA and Fellows will inform the development of the HRA's projects and priorities. Contributing to the development of the EU Clinical Trials Regulation and proposals to increase the transparency of clinical trials data will also be a priority part of our work programme.
- Encouraging **collaboration and mobility** of researchers between academia, industry and the NHS by drawing these groups together at events, including regional events for aspiring clinical academics and a new programme of FORUM workshops.



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.** Working with the Wellcome Trust and the Federation of European Academies of Medicine (FEAM) we alerted policymakers and parliamentarians across Europe to proposed amendments to the Data Protection Directive that would hinder, and in some cases prevent, epidemiological research that is vital to public health. Influencing the EU Clinical Trials Regulation will remain a priority. We continue to play a leadership role in FEAM, where our Foreign Secretary is an Officer, and support its efforts to ensure that Academies across the EU can inform their governments about the impact of European legislation. We have also worked to support the UK Chief Medical Officer (CMO) in briefing the European network of CMOs and equivalents.
- **International capacity building.** In May 2012 we published *Building institutions through equitable partnerships in global health*, the report of a high level conference that brought together over 100 senior figures from 21 different countries representing universities, research institutes, funders, professional societies, charities and industry. The report - published with the Royal College of Physicians, the Wellcome Trust, Universities UK and the Bill and Melinda Gates Foundation - highlighted the challenges and opportunities of different international partnerships and outlined some underpinning principles and priorities for action to ensure that international partnerships between academic institutions in the North and South can tackle the global health challenges of the 21st century.
- **Linking science and international development.** In December 2012 we drew on the considerable global health expertise of our Fellows to respond to the consultation on the role of health in the post-2015 Millennium Development Goal framework. We have continued to support the role of science in

international development through the InterAcademy Medical Panel, the network of medical science academies of the world.

- **Encouraging international exchanges.** The Daniel Turnberg UK/Middle East Travel Fellowship Scheme continues to flourish, with an expanding consortium of donors now supporting the scheme. During 2012-13, 26 grants were made to early career biomedical researchers, giving them the opportunity for short-term exchanges between institutions in the UK and the Middle East.
- **Exchanging knowledge internationally.** The Academy convened a high-level roundtable of some of the UK and Europe's most eminent public health experts to discuss the experiences of the Director of the US Centers for Disease Control and Prevention (CDC), Dr Tom Frieden. The event and the associated report focused on how to strengthen and harness public health research and was particularly timely given the major changes to the UK public health system and the continuing importance of public health in developing countries.
- **Addressing major global health challenges.** The Academy's prestigious annual International Health Lecture was delivered by Professor Janet Hemingway FRS FMedSci, Director of the Liverpool School of Hygiene and Tropical Medicine, in May 2012. The lecture, *'Health Impacts of Product Development Partnerships'*, outlined new strategies to control mosquitoes, the transmitters of malaria.

Future plans

- Continuing to **engage with European medical science policy**, particularly to influence European legislation in areas such as data protection and clinical trials that we expect will have a major impact on medical science.
- Scoping a major **international symposium on infectious diseases** with our sister academies around the world.
- Acting as a **forum for international medical science debate**, for example through the international health lecture that will be delivered by Dr Trevor Mundel President Global Health, Gates Foundation.
- Continuing to work with **networks such as FEAM, the InterAcademy Medical Panel and the UK Government's Global Science and Innovation Forum** to extend the reach of the Academy's policy influence and impact.
- Developing the **Daniel Turnberg UK/Middle East Travel Fellowships** to ensure there is long-term, sustainable support for the scheme.
- **Disseminating our publications to international audiences**, including our policy report on stratified medicine, which will have particular resonance in Europe and the US.

Encouraging dialogue about medical sciences

Strategic aims

To fulfil its 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

- **Engaging the media.** Our ongoing programme of proactive and reactive media liaison has ensured that the Academy's views reached the public through a variety of print, broadcast and online channels. 2012-13 saw the Academy initiate media debate on the future of **human enhancement in the workplace** and the need to **strengthen academic psychiatry** to address the burden of mental illness. We also responded to media calls for **greater openness on research involving animals** and the publication of clinical trial data. Coverage was received in a variety of outlets including broadcast items on BBC Radio 4's Today programme, print pieces in the Guardian, Telegraph and Financial Times and coverage in scientific publications including Nature, New Scientist and the BMJ.
- **Shaping our advice.** The Academy hosted a 'scibar' discussion event on mitochondrial DNA, hosted by Dr Geoff Watts FMedSci, which provided members of the public with an opportunity to discuss an emerging area of science in an informal setting. Comments from the event helped shape the Academy's formal submission to the Human Fertilisation & Embryology Authority (HFEA) consultation on mitochondrial replacement techniques.
- **Seeking new opportunities to engage.** We have linked with several organisations and initiatives to provide opportunities for Fellows to share the findings of their cutting edge research with members of the public. In 2013 we held the first in a series of screenings that use scientific-themed films to engage members of the public with current research. The

event included a screening of the film 'Donor Unknown', and an accompanying discussion session with Professor Ian Tomlinson FMedSci and Professor Ian Cooke FMedSci to explore the science and ethics of sperm donation.

- **Developing our online presence.** We have increased and developed our online activities, to ensure the Academy takes advantage of current trends in social media to interact with the public in innovative and accessible ways. Formal policy and guidelines encouraging the use of social media have been developed for staff and Fellows. These guidelines have already resulted in a steady increase in posts relating to, and followers of, our online comments. We have increased the reach of our events using live streaming and videos uploaded to the Academy's YouTube channel: in the past year our channel has received nearly 2000 video views. More broadly, we continue to encourage and support Fellows in their own use of social media as a way of communicating their expertise and ideas amongst scientific colleagues and the wider public.

Future plans

- **Inspiring others with medical research.** We will support a culture in which scientists are encouraged to communicate their work. We will ensure the early career researchers we interact with through our grants, training and mentoring schemes are given opportunities to increase their communications skills and to engage in public dialogue about their work. As part of a broader initiative, we will be working with the Science Media Centre over the coming years to increase the number of female science experts in the media, including via dedicated media training sessions specifically for female Fellows.
- **Engaging new audiences.** We will continue to provide opportunities for Fellows to share their passion for medical science through events at various art, music and literature festivals, as well as partnering with creative and performance organisations and expanding our film screening programme through collaboration with the British Film Institute and ScienceLondon.

- **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 build on our previous successful dialogue projects and develop new partnerships to help increase public input to our advice and our choice of projects. We will partner with organisations working to promote expression, communication and understanding of people affected by illness to provide opportunities for dialogue between patients and researchers.
- **Interacting in accessible and innovative ways.** Our new website will launch in 2013-14 and will increase the accessibility of our work and the work of our Fellowship for all audiences. We will continue to take advantage of changes in online communications and explore technological developments such as online publishing, to enhance the way we communicate with our audiences. We will continue to connect with our Fellowship via sites such as LinkedIn to promote enhanced networking and collaboration, and we will continue to train and encourage Fellows to use Twitter and other social media to ensure the views and knowledge of the UK's most expert scientists and clinicians are accessible to the public.



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'. 46 new Fellows were elected in 2012-13 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 29 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 five years, with one (or two) of the six retiring each year.

The Honorary Officers and Council set the strategic direction of the Academy and oversee the work of the secretariat. Academy activities are selected by Council for the contribution they make towards the Academy's strategic goals, and are informed by the independent opinion, experience and expertise of the Fellowship. Council is advised by 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 22.

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

Results for the year

The Consolidated Statement of Financial Activities (SOFA) and Balance Sheet, together with the Notes to the Accounts set out on pages 19-30, 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.

Funding sources

Total incoming resources for the year were £4,641,728 with the majority being received for specific programmes and activities. Our work to nurture the next generation of medical researchers continues to be successful in attracting funding and the introduction of the new INSPIRE scheme brought in an additional £357,250 of income for the year. The Academy also benefitted from support from stakeholders in ways other than monetary donations. The staff team was supplemented during the year by interns and secondees from organisations such as the Wellcome Trust, MRC and the Royal College of Physicians. These donated services were material enough to the Academy and its resourcing that they have been included in the financial statements for the first time. An estimated amount of £77,034 (£33,000 in 2011/12) has been included as voluntary income and will continue to be an important source of support going forward.

Income received for the core activities of the Academy was £1,382,195 for the year or 30% of total income, and it was generated mostly from the Academy's own assets. Since 2010 we have used the surplus space in 41 Portland Place for conference and office rentals operated through a trading subsidiary, and in 2012/13 income from this business made up over 40% of the total unrestricted income for the year. The Academy's Fellows continue to make an important contribution to core funding by their annual subscriptions and donations; £229,687 in 2012/13. 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, and bank interest on fixed-term cash deposits generated over £40,000 towards unrestricted income.

Obtaining funds for core activities continues to be a challenge for the Academy and the General Fund showed a small deficit of £15,443 for the year. However our focus on renewing sources of funding that were coming to the end of their current round was rewarded in January 2013 with confirmation from the Department of Health that it will continue its support, via the NIHR, for four years to March 2017 to a total of £1.87 million. Given the constraints on public spending budgets the Academy was delighted to have this confirmation of

renewal as it provides much needed certainty for existing core activities into the future.

Our strategy for 2012-16 also requires us to approach new donors, and we have been interacting with the Department of Business, Innovation and Skills to develop a submission for programmatic funding later in 2013 as part of the Government spending review. We will continue to seek to diversify our sources of income going forward, both to ensure that the Academy is financially sustainable and to maintain our independent voice.

Expenditure

Total expenditure for the year was £4,838,384 and, as in previous years, a significant part of this was paid out as grants under the Academy's three major schemes (£2,015,204 or 42%). The allocation of resources in support of the Academy's other charitable activities can be seen in note 4a of the Accounts.

The majority of the expenditure not deployed on charitable activities was incurred as *costs of generating funds*; £570,501 in the year. The trading costs of the conferencing activities and office rentals accounted for £468,518 of this total.

Other resources expended of £107,857 represent payments associated with 41 Portland Place. The building is a valuable asset for the Academy and an important source of unrestricted income. Our strategy for 2012-16 includes a commitment to safeguard it for the future by considering options to retain it beyond its current lease that terminates in 2038. Costs associated with professional fees relating to property management advice and negotiations around the possible extension of the lease were included in *Other resources expended*, together with the costs of the external redecoration during the year.

Cash and investment management

The Finance Committee reviews the cash management policy regularly and in February 2013, following an assessment of the various risks, confirmed that diversification of deposits should continue with the use of pooled cash deposit funds and the placing of cash with a selected number of UK clearing banks to a maximum limit for each banking group.

The Academy's three endowed funds are invested in two Common Investment Funds (CIFs) that are managed by Sarasin & Partners LLP. The performance of the funds is monitored against the objectives set by the Finance Committee via regular reporting from the investment managers. In February 2013 the Committee confirmed that the funds should continue to be held to maintain their capital value for the long term while generating a target annual income to carry out the purposes of the endowments. At 31 March 2013 the value of funds held by Sarasin & Partners was £1,136,102 with an unrealised gain of £109,184 during the year.

Reserves

The Academy's reserves at 31 March 2013 were £9.52 million, a decrease of £87,472 from 31 March 2012. The reserves were made up as follows:

	£
Permanent Endowment	1,276,603
Restricted Funds	5,307,774
Unrestricted Funds	
Designated Funds	2,577,415
General Fund	359,239
Total Funds at 31 March 2013	9,521,031

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 2013 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 in 2038. The balance at 31 March 2013 was £160,000 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 £2.2 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 2013 the Finance Committee confirmed that the target level of free reserves to be retained 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 2013 was £332,833. This is above the range required, but the Finance Committee considered it appropriate given the continuing constraints on unrestricted income and the need to initiate new activities for 2013-14 from the General Fund in order to leverage external funding.

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 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 Council to prepare financial statements for each financial year. Under company law the Council 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 incoming resources and application of resources, including its income and expenditure, of the group for the year. In preparing those 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 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 Council is 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 it 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. Council is 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 Council is 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.

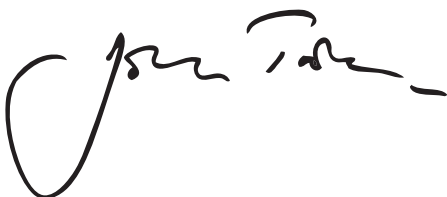
Disclosure of information to the auditors

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 20 June 2013 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 2013 which comprise the Consolidated Statement of Financial Activities, the Group and Charity 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 Auditing Practices Board'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2013 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matters 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 and take advantage of the small companies exemption in preparing the directors' report.

BDO LLP

Ian Mathieson

Senior statutory auditor
for and on behalf of BDO LLP, Statutory Auditor
London, UK

24 June 2013

Consolidated statement of financial activities

for the year ended 31 March 2013

Incorporating an income and expenditure account

	Note	General fund £	Designated funds £	Restricted funds £	Permanent endowment funds £	Total 2013 £	Total 2012 £
Incoming resources							
<i>Incoming resources from generated funds</i>							
Voluntary income		696,809	-	124,465	111,808	933,082	1,955,137
Activities for generating funds		603,482	-	-	-	603,482	622,084
Investment income		41,904	-	57,658	9,217	108,779	72,029
<i>Incoming resources from charitable activities</i>							
Grants and donations		40,000	-	2,956,385	-	2,996,385	2,499,839
Total incoming resources	3	1,382,195	-	3,138,508	121,025	4,641,728	5,149,089
Resources expended							
<i>Costs of generating funds</i>							
Fundraising costs		79,523	4,230	10,531	7,699	101,983	137,927
Conferencing and office rentals		468,518	-	-	-	468,518	481,050
<i>Charitable activities</i>							
Promoting excellence		213,336	11,332	34,196	-	258,864	242,837
Nurturing the next generation		134,906	38,940	2,940,212	-	3,114,058	2,722,774
Influencing policy		144,238	13,963	151,165	-	309,366	306,684
Seizing international opportunities		102,220	4,786	64,706	-	171,712	196,541
Linking academia, industry & NHS		49,939	4,387	93,676	-	148,002	58,647
Encouraging dialogue		88,447	3,905	9,720	-	102,072	96,973
<i>Governance costs</i>							
<i>Other resources expended</i>		51,276	1,340	3,336	-	55,952	64,800
		-	-	107,857	-	107,857	94,754
Total resources expended	4	1,332,403	82,883	3,415,399	7,699	4,838,384	4,402,987
Net (outgoing)/incoming resources before transfers	13	49,792	(82,883)	(276,891)	113,326	(196,656)	746,102
Gross transfers between funds	14	(65,235)	80,000	(14,765)	-	-	-
Gains/(losses) on investment assets	9	-	-	-	109,184	109,184	(21,270)
Net movement in funds		(15,443)	(2,883)	(291,656)	222,510	(87,472)	724,832
Funds 1 April 2012		374,682	2,580,298	5,599,430	1,054,093	9,608,503	8,883,671
Funds 31 March 2013	13	359,239	2,577,415	5,307,774	1,276,603	9,521,031	9,608,503

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 21- 30 form part of these financial statements.

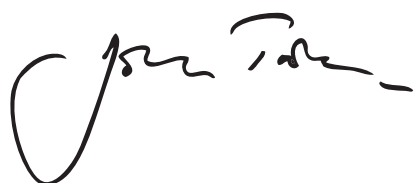
Balance sheets

as at 31 March 2013

	Note	Group 2013 £	Charity 2013 £	Group 2012 £	Charity 2012 £
Tangible fixed assets	8	6,076,606	6,076,606	6,367,585	6,367,585
Investments	9	1,136,102	1,137,102	985,393	986,393
Current assets					
Debtors	10	421,962	505,624	286,571	354,665
Stock		5,229	-	4,833	-
Cash on deposit		2,958,760	2,958,760	2,625,278	2,625,278
Cash at bank and in hand		319,589	65,918	206,654	45,002
		3,705,540	3,530,302	3,123,336	3,024,945
Current liabilities					
Creditors: amounts falling due within one year	11	(1,397,217)	(1,222,979)	(867,811)	(770,420)
Net current assets		2,308,323	2,307,323	2,255,525	2,254,525
Net assets	15	9,521,031	9,521,031	9,608,503	9,608,503
Represented by:					
Permanent endowment funds		1,276,603	1,276,603	1,054,093	1,054,093
Restricted funds		5,307,774	5,307,774	5,599,430	5,599,430
Unrestricted funds:					
General fund		359,239	359,239	374,682	374,682
Designated fund		2,577,415	2,577,415	2,580,298	2,580,298
Total funds	13	9,521,031	9,521,031	9,608,503	9,608,503

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 20 June 2013, and signed on its behalf by:



Professor Sir John Tooke PMedSci
President



Professor Susan Iversen CBE FMedSci
Treasurer

The notes on pages 21 - 30 form part of these financial statements.
Company Number 3520281

Notes to the financial statements

for the year ended 31 March 2013

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 regular 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 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 held by the endowed funds are included at market value at the year end. 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 £60,350 (2012: £81,048) 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 2013 are shown below.

	2013 £	2012 £
Profit & loss account		
Turnover	652,320	672,697
Costs of sales	(446,423)	(455,891)
Gross profit	205,897	216,806
Administrative expenses	(202,397)	(179,846)
Operating profit	3,500	36,960
Interest payable	(3,500)	(3,500)
Profit for the year	-	33,460

	2013 £	2012 £
Balance sheet		
Current assets	360,672	265,858
Current liabilities	(259,672)	(164,858)
Net current assets	101,000	101,000
Loan from the charity	(100,000)	(100,000)
Net assets	1,000	1,000
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 19 as income £598,482 and expenditure £468,518.

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

	2013 £	2012 £
Income	4,138,378	4,654,845
Net movement in funds for the year	(87,472)	691,372

3 Incoming resources

a. Incoming resources from generated funds

	General Fund 2013 £	Other Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Voluntary income				
Fellows' subscriptions and contributions	229,687	-	229,687	221,117
Donations – capital appeal	-	47,431	47,431	56,252
Donations – Department of Health	450,000	-	450,000	435,000
Donations – core funds	17,122	-	17,122	24,556
Donations – Daniel Turnberg Memorial Fund	-	111,808	111,808	120,850
Donated assets on merger with the Medical Research Society	-	-	-	1,064,362
Donated staff	-	77,034	77,034	33,000
	696,809	236,273	933,082	1,955,137
Activities for generating funds				
Conferencing and office rentals	598,482	-	598,482	617,084
Other rental income	5,000	-	5,000	5,000
	603,482	-	603,482	622,084
Investment income				
Income on investments	-	39,147	39,147	34,513
Short term deposit interest	41,697	27,728	69,425	37,088
Bank deposit interest	207	-	207	428
	41,904	66,875	108,779	72,029
Total incoming resources from generated funds	1,342,195	303,148	1,645,343	2,649,250

b. Incoming resources from charitable activities

	General Fund 2013 £	Other Funds 2013 £	Total Funds 2013 £	Total Funds 2012 £
Grants and donations for specific purposes				
Nurturing the next generation - careers	-	728,115	728,115	364,577
Nurturing the next generation - fellowships	-	2,092,779	2,092,779	2,101,262
Influencing policy	-	110,491	110,491	-
Linking academia, industry & NHS	40,000	25,000	65,000	34,000
Total incoming resources from charitable activities	40,000	2,956,385	2,996,385	2,499,839
Total incoming resources	1,382,195	3,259,533	4,641,728	5,149,089

4 Resources expended

a. Analysis of total resources expended

	Direct costs £	Grant funding £	Support costs £	Total 2013 £	Total 2012 £
Costs of generating funds					
Fundraising costs	58,883	-	43,100	101,983	137,927
Conferencing and office rentals	468,518	-	-	468,518	481,050
Charitable activities					
Promoting excellence	143,414	-	115,450	258,864	242,837
Nurturing the next generation	754,922	1,962,412	396,724	3,114,058	2,722,774
Influencing policy	167,116	-	142,250	309,366	306,684
Seizing international opportunities	70,158	52,792	48,762	171,712	196,541
Linking academia, industry & NHS	103,303	-	44,699	148,002	58,647
Encouraging dialogue	62,290	-	39,782	102,072	96,973
Governance	42,299	-	13,653	55,952	64,800
Other resources expended	107,857	-	-	107,857	94,754
Total resources expended	1,978,760	2,015,204	844,420	4,838,384	4,402,987

b. Analysis of support costs

	Cost of premises £	Office & IT costs £	Staff & related costs £	Total 2013 £	Total 2012 £
Costs of generating funds	20,750	8,266	14,084	43,100	64,927
Charitable activities					
Promoting excellence	55,583	22,140	37,727	115,450	111,020
Nurturing the next generation	190,999	76,082	129,643	396,724	344,962
Influencing policy	68,485	27,280	46,485	142,250	145,812
Seizing international opportunities	23,476	9,351	15,935	48,762	51,938
Linking academia, industry & NHS	21,520	8,572	14,607	44,699	25,968
Encouraging dialogue	19,153	7,629	13,000	39,782	31,159
Governance	6,573	2,618	4,462	13,653	16,694
Other resources expended	-	-	-	-	12,888
Total support costs	406,539	161,938	275,943	844,420	805,368

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

	2013 £	2012 £
Audit fees - charity	11,742	11,400
Audit fees – previous year	-	(404)
Audit fees – trading subsidiary	2,420	2,350
Costs of AGM and Council meetings	13,821	12,731
Staff and related costs	14,315	13,362
Strategy planning days	-	8,667
Allocated support costs	13,654	16,694
Total governance costs	55,952	64,800

The auditors also provided professional advice in the year of £6,840 (2012: £3,191) 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 19 Council members (2012: 23) received reimbursed travel expenses of £10,538 (2012: £12,561).

b. Employee information

	2013 £	2012 £
Salaries	780,661	715,443
Employer's national insurance	82,007	79,227
Employer's pension contributions	45,111	47,463
Donated staff services	77,034	33,000
	984,813	875,133

b. Employee information (continued)

The full-time average equivalent for salaried staff during the year was 20.2 (2012: 18.9).

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

	2013	2012
£60,001 - £70,000	1	1

Pension contributions paid by the Academy relating to the higher paid employee as defined above amounted to £5,158 (2012: £5,097)

6 Net (outgoing)/incoming resources after charging:

	2013 £	2012 £
Audit fees - charity	11,742	11,400
Audit fees – previous year	-	(404)
Audit fees – trading subsidiary	2,420	2,350
Investment management fees	7,693	7,054
Depreciation of tangible fixed assets	294,066	290,892
Operating lease charges	3,736	3,736

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 and Arthritis Research UK; and the Daniel Turnberg UK/Middle East Travel Fellowship Scheme (DTMF). Details of the schemes are as follows:

	CSFS £	CLS £	DTMF £	Total 2013 £
Grants outstanding 1 April	122,230	-	35,090	157,320
Grants falling due in the year	625,026	1,337,386	52,792	2,015,204
Grants paid in the year	(625,285)	(1,337,386)	(87,882)	(2,050,553)
Grants outstanding 31 March	121,971	-	-	121,971
Grants to institutions <i>to nurture the next generation</i>	625,026	1,337,386	-	1,962,412
Grants to individuals <i>to seize international opportunities</i>	-	-	52,792	52,792
Grants awarded in the year	625,026	1,337,386	52,792	2,015,204

Grants to 19 institutions were made in the year to a total value of £1,962,412. The principal institutions benefiting from the grants were:

	£
University of Edinburgh	407,483
University College London	270,347
University of Cambridge	209,599
Imperial College London	200,657

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	344,161	208,089	6,826,846
Additions	-	-	1,124	1,963	3,087
At 31 March	2,300,000	3,974,596	345,285	210,052	6,829,933
Depreciation					
At 1 April	124,324	214,843	30,585	89,509	459,261
Charge for the year	82,883	143,229	20,663	47,291	294,066
At 31 March	207,207	358,072	51,248	136,800	753,327
Net book value					
31 March 2013	2,092,793	3,616,524	294,037	73,252	6,076,606
31 March 2012	2,175,676	3,759,753	313,576	118,580	6,367,585

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 lease, expiring in 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

	2013 £	2012 £
At 1 April	976,898	938,716
Additions	47,273	456,560
Disposals	(12,321)	(397,108)
Net gain / (loss) in market value	109,184	(21,270)
	1,121,034	976,898
Cash held for investment	15,068	8,495
Market Value at 31 March 2013	1,136,102	985,393
Cost at 31 March 2013	938,272	886,979

Investments to the value of £271,004 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 £850,030 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.

Investments of £1,137,102 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 2013 £	Charity 2013 £	Group 2012 £	Charity 2012 £
Amounts falling due within one year:				
Trade debtors	78,262	16,700	86,404	44,421
Prepayments	43,846	43,012	71,361	67,164
Accrued income	255,969	255,969	65,382	65,382
VAT recoverable	-	-	13,807	-
Other debtors	43,885	8,884	49,617	14,617
Amount due from subsidiary	-	81,059	-	63,081
Amount falling due after more than one year:				
Loan to subsidiary	-	100,000	-	100,000
	421,962	505,624	286,571	354,665

11 Creditors

	Group 2013 £	Charity 2013 £	Group 2012 £	Charity 2012 £
Amounts falling due within one year:				
Grants payable	121,971	121,971	157,320	157,320
Trade creditors	666,652	609,314	323,861	256,964
Accruals	42,615	39,507	21,340	15,460
Deferred income	526,576	416,335	333,706	309,092
PAYE/NIC Liability	19,170	19,170	22,467	22,467
VAT payable	20,233	16,682	9,117	9,117
	1,397,217	1,222,979	867,811	770,420

12 Deferred Income

	Group 2013 £	Charity 2013 £	Group 2012 £	Charity 2012 £
Deferred income brought forward	333,706	309,092	371,788	349,117
Less: Amount used in the year	(333,706)	(309,092)	(371,788)	(349,117)
Income accrued within the year:				
Grants from institutions	416,335	416,335	309,092	309,092
Conferencing deposits	110,241	-	24,614	-
Deferred income carried forward	526,576	416,335	333,706	309,092

13 Movement on group funds

	Balance 1 Apr £	Income £	Expenditure £	Transfers £	Revaluation £	Balance 31 Mar £
Permanent endowment						
Jean Shanks Memorial Fund	183,969	-	(1,382)	-	21,690	204,277
Sackler Fund	61,325	-	(460)	-	7,230	68,095
Daniel Turnberg Memorial Fund	808,799	121,025	(5,857)	-	80,264	1,004,231
Total permanent endowment	1,054,093	121,025	(7,699)	-	109,184	1,276,603
Restricted funds						
Grant schemes	278,278	2,305,798	(2,228,843)	(2,215)	-	353,018
Mentoring & career development	80,006	537,852	(568,785)	(6,762)	-	42,311
Project & meeting contributions	46,795	223,664	(227,262)	(3,834)	-	39,363
Medical Research Society	1,014,454	21,704	(76,335)	(1,430)	-	958,393
Capital Appeal	140,371	49,490	(107,857)	(524)	-	81,480
Restricted Asset Fund	4,039,526	-	(206,317)	-	-	3,833,209
Total restricted funds	5,599,430	3,138,508	(3,415,399)	(14,765)	-	5,307,774
Unrestricted funds						
General Fund	374,682	1,382,195	(1,332,403)	(65,235)	-	359,239
Designated funds						
Business Fund	200,422	-	-	-	-	200,422
Asset Fund	2,299,876	-	(82,883)	-	-	2,216,993
Building Repair Fund	80,000	-	-	80,000	-	160,000
Total designated funds	2,580,298	-	(82,883)	80,000	-	2,577,415
Total unrestricted funds	2,954,980	1,382,195	(1,415,286)	14,765	-	2,936,654
Total funds	9,608,503	4,641,728	(4,838,384)	-	109,184	9,521,031

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, include £340,920 payable for the Clinician Scientist Fellowship Scheme (CSFS) and £12,098 for the Daniel Turnberg Fellowship Scheme.

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 £26,311 from the NIHR and £16,000 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 will be 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	14,765	-	(14,765)	-
Transfer to building repair fund	(80,000)	80,000	-	-
	(65,235)	80,000	(14,765)	-

15 Analysis of group net assets

	General fund £	Designated funds £	Restricted funds £	Permanent endowment funds £	Total £
Fixed assets	26,406	2,216,993	3,833,207	-	6,076,606
Investments	-	-	-	1,136,102	1,136,102
Cash on deposit and at bank	454,336	360,422	2,323,090	140,501	3,278,349
Other net current (liabilities)/assets	(121,503)	-	(848,523)	-	(970,026)
	359,239	2,577,415	5,307,774	1,276,603	9,521,031

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 2013 there were 1,052 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 2014.

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 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:

	2013	2012
2-5 years	3,736	3,736



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