

# Annual Report and Financial Statements 2012

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## **Report of the Council**

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# Academy of Medical Sciences

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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.

## 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:

- 1. Recognising excellence**
- 2. Influencing medical science policy**
- 3. Developing the leaders of tomorrow**
- 4. Linking academia and industry**
- 5. Improving global health**
- 6. Engaging the public**

The programmes are discussed more fully on the following pages.

### **Strategic plan 2012-16**

During 2011/12 the Academy consulted extensively with Fellows and other key stakeholders to develop its 2012-16 strategic plan: 'Improving health through research'. The strategy, launched in April 2012, builds upon the Academy's previous successes in recognising and supporting excellent medical scientists at key stages of their career, in influencing policy to improve health and wealth, and in providing a forum for debate and consensus building for the medical science community.

The Academy's projects and programmes for the next five years will be determined by the priorities set out in the new strategy.

However, if the Academy's expertise and independence are to be preserved and enhanced it is important that our ability to realise the new strategy is not overly constrained by, and the Academy's activities are not limited to, projects that have been commissioned by third parties. 2011/12 has seen considerable progress in underpinning financial sustainability through self help. The Academy Fellows provide support in line with other National Academy subscriptions; cash deposits are managed actively to optimise bank interest and the space at 41 Portland Place that is not utilised for the Academy's own purposes is beginning to generate income from conference activities and office rentals. The Academy has been particularly grateful to the Department of Health for core support since April 2004 but the output and breadth of activities has expanded since then and unrestricted income has not kept up with core costs. The Academy will be seeking renewal of funding from the Department of Health for 2013 onwards, and work is underway to identify other potential sources of funding to support the work of the Academy.

# 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, EC1M 3AP

**Auditors:**

PKF(UK) LLP  
Farringdon Place  
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 Bell FRS HonFREng PMedSci  
Regius Professor of Medicine, University of Oxford  
(retired November 2011)

Professor Sir John Tooke PMedSci Vice Provost (Health)  
Head of UCL School of Life and Medical Sciences  
(appointed November 2011)

**Vice-President:**

Professor Ronald Laskey CBE FRS FMedSci  
Emeritus Professor of Embryology, University of Cambridge

**Vice-President:**

Professor Patrick Sissons FMedSci  
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  
Head of Division of Medicine, University College London

**Foreign Secretary:**

Professor Robert Souhami CBE FMedSci  
Emeritus Professor of Medicine, University College London

**Ordinary Members of Council**

Professor David Adams FMedSci  
Professor Alastair Buchan FMedSci  
Professor Christopher Day FMedSci *retired November 2011*  
Professor Carol Dezateux CBE FMedSci *appointed November 2011*  
Professor Alan Fairlamb CBE FRSE FMedSci  
Professor Stephen Holgate FMedSci *retired November 2011*  
Dr Richard Horton FMedSci  
Professor John Iredale FMedSci *appointed November 2011*  
Professor Kay-Tee Khaw CBE FMedSci  
Professor Robert Lechler FMedSci  
Professor Irene Leigh OBE FMedSci *retired November 2011*  
Professor Nicholas Lemoine FMedSci  
Professor Roger Lemon FMedSci *appointed November 2011*  
Professor Ian McConnell FRSE FMedSci  
Professor Terence Rabbitts FRS FMedSci *retired November 2011*  
Professor Caroline Savage FMedSci  
Professor Jonathan Seckl FRSE FMedSci *retired November 2011*  
Professor Jonathan Shepherd CBE FMedSci *appointed November 2011*  
Professor Simon Tavare FRS FMedSci *appointed November 2011*  
Professor Joanna Wardlaw FMedSci  
Professor Jonathan Weber FMedSci  
Professor Peter Weissberg FMedSci *appointed November 2011*  
Professor Simon Wessely FMedSci *retired November 2011*  
Professor Susan Wray FMedSci

**Co-opted Members 2011**

Professor Anna Dominiczak FMedSci *appointed February 2012*  
Professor Raymond Hill FMedSci *re-appointed November 2011*  
Professor Roger Jones FMedSci *retired November 2011*  
Professor Martin Roland FMedSci *appointed February 2012*  
Professor Rosalind Smyth FMedSci *retired November 2011*  
Professor Victor Tybulewicz FMedSci *appointed February 2012*

**Principal Employed Officers**

|  |                  |
|--|------------------|
| Executive Director                               | Dr Helen Munn    |
| Interim Executive Director                       | Mrs Lesley Sims  |
| Director of Biomedical Grants and Careers Policy | Dr Suzanne Candy |
| Director of Medical Science Policy               | Dr Rachel Quinn  |
| Director of Finance and Resources                | Mrs Chris Straw  |

# Recognising excellence

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## Strategic aims

Recognising and celebrating excellence in medical science is a core Academy function and we continue to champion new knowledge and its translation into benefits for patients and society. We aim to ensure that, through our prize lectures, awards and election of Fellows, we recognise the best talent in medical science. Our Fellows are central to all we do. The excellence of their science, their contribution to medicine and society and the range of their achievements are reflected throughout our work.

## Significant activities

- **Recognising outstanding individuals.** Our annual election of Fellows continues to be the cornerstone of our work. In 2011 we elected 40 new Fellows, who represent the UK's leaders in medical research and healthcare. FMedSci is widely acknowledged as an important mark of esteem and achievement in medical science, and election to the Academy was marked by media coverage and recognition in Fellows' host institutions.
- **Celebrating contributions to medical science.** The Academy bestows Honorary Fellowships to individuals who have transformed the scientific and healthcare environment. In 2011, Baroness Warnock, Lord Rees of Ludlow OM PRS, Sir John Walker FRS and Sir Andrew Witty were elected as Honorary Fellows. They will be formally admitted at events in 2012.
- **Championing knowledge.** Our named lectures provide opportunities to celebrate outstanding achievements in medical science and to highlight major scientific breakthroughs. In 2011 the Jean Shanks Lecture was given by Professor Linda Partridge DBE FRS FRSE FMedSci on 'The new science of ageing' and the Raymond and Beverly Sackler Lecture was given by Dr Venki Ramakrishnan FMedSci on 'How antibiotics illuminate ribosome function and vice versa.'
- **Exploring new ways to recognise excellence.** Recognising that medical science is an increasingly collaborative activity we held a round table meeting in March to explore ways to acknowledge the success of teams, not just individuals.

- **Showcasing the excellence within the Fellowship.** In 2011 we piloted a series of discussion dinners for Academy Fellows. Talks were given by Professor Simon Wessley FMedSci, Professor Richard Horton FMedSci and Professor Fran Balkwill FMedSci. The dinners proved an ideal opportunity to showcase the breadth of talent amongst the Fellowship.

## Future plans

- Ensuring 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. Implementing recommendations from a **taskforce on women in the Academy Fellowship** due to report in 2012.
- **Electing Honorary Fellows** who will bring distinction and esteem to the Academy.
- **Facilitating scientific debate and discussion** through our programme of lectures, meetings and symposia and increasing the impact of these via online media.
- Using the publication of our roundtable on **team science** to inform how the Academy can recognise excellence within teams and promote a culture that recognises the achievements of teams as well as individuals.
- **Promoting collegiality**, by identifying opportunities for our Fellows to come together to exchange ideas and share their knowledge.
- **Extending the reach of the Academy** through our programme of regional events, Visiting Lectures and discussion dinners.

# Influencing medical science policy

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## Strategic aims

The Academy's policy work addresses issues of medical science and health in their wide scientific and societal context. We seek to provide expert advice to policymakers in Government and elsewhere on the implications of medical science developments, and to foster a thriving research environment that delivers benefits to society. We are a national resource of expertise and excellence in science and a trusted advisor. Our approach is flexible; we both set the policy agenda and respond to it. In the last year, we have sought to address issues across the spectrum of medical science, healthcare and society, and to ensure that the outputs of our policy activities achieve maximum impact and influence.

## Significant activities

- **Ensuring appropriate regulation of animals used in research.** The Academy's most significant policy report this year was on 'Animals containing human material'. The recommendations of the study were reported around the world. This study, supported by medical science funders and Government departments, was initiated after the Academy identified the need to consider the future governance of research using these animals. There has been close engagement with officials from across government to ensure that the recommendations of this study are considered as the EU Directive on the protection of animals used for scientific purposes is transposed into UK law. As part of the Biosciences Coalition we have also engaged more widely in dialogue with the Home Office about the development of this legislation.
- **Horizon-scanning: human enhancement in the workplace.** In March 2012, the Academy - along with the British Academy, the Royal Academy of Engineering and the Royal Society - held a high-level workshop that brought together scientists, engineers and social scientists with policymakers to explore the likely impact and implications of human enhancement technologies on the future of work. This interdisciplinary policy project - initiated and led by the Academy - was the first to be undertaken by the four national academies in partnership.
- **Embedding research in health service reform.** The Academy was actively involved in debate around the proposed reorganisation of health and public

health services, working effectively in partnership with other medical research organisations. Private meetings with government officials and parliamentary engagement ensured that formal obligations to support and promote research, and to use the evidence that it provides were embedded in health service reform.

- **Engaging Parliamentarians.** We have continued to engage with Parliamentarians as a member of the All Party Parliamentary Group on Medical Research. Activity has focused on health service reform, the implementation of the Academy's report on the regulation and governance of health research and the use of animals in research. The Academy also contributed to Parliamentary select committee inquiries.
- **Promoting engagement with policy makers.** We continue to seek opportunities to connect our Fellows and other senior researchers with policymakers. Through our three month internship scheme for Wellcome Trust funded PhD students, we have trained a new generation of researchers who are confident in engaging in policy. Recognising the value of this scheme, the Medical Research Council has also developed a policy internship programme with the Academy.

## Future plans

- Working with industry, academia and medical research charities to begin to prepare the evidence and arguments required to secure **sustainable funding for medical research** in the next government spending review.
- Influencing the implementation of the EU Directive on the protection of **animals used for scientific purposes** and promoting the recommendations of our report on 'Animals containing human material'.
- Exploring opportunities to include a formal **horizon-scanning** dimension to our own policy activities and to support an authoritative contribution to the horizon scanning activities of others.
- Continuing to monitor and influence proposals for changes in the **health and public health services** to ensure that new systems encourage research and innovation, and are underpinned and evaluated by a sound evidence base.
- Publishing and disseminating the joint Academies' report on **human enhancement in the workplace** and exploring options for follow up activities.

# Developing the leaders of tomorrow

## Strategic aims

We seek to be 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 also provide direct financial support to early career researchers through our niche funding schemes. Key to the success of these aims is the support and work of the Fellowship. Academy Fellows act as mentors, 'Champions' and speakers at events, as well as serving as reviewers and panel members for our grants schemes. In the last year, we have sought to disseminate best practice on mentorship and worked to expand our portfolio of schemes to inspire a greater number of medical students, and provide more support to those pursuing a research career.

## Significant activities

- **Catalysing best practice in mentoring.** The Academy's mentoring scheme is widely recognised for the effective support it provides to early-career clinical academics. In March we launched our mentoring 'booklet' at a regional event in Newcastle-Upon-Tyne. The booklet provides information about our scheme and guidance to external organisations interested in establishing similar initiatives. The booklet is complemented by a short film on mentoring, which is accessible on our website. The booklet and film have been disseminated to a wide audience through our UK-wide and international networks.
- **Inspiring medical students to pursue an academic career.** Building on the success of our modest Clinical Research Champions scheme, which involves 8 'Champions' undertaking a range of regional activities to inspire medical students to pursue research training; we worked with the Wellcome Trust to scope a larger scale initiative. The five-year £1M INSPIRE programme, funded by the Wellcome Trust, will be a UK wide small grants scheme to enable medical schools to promote research training and to come together at conferences to share best practice.
- **Enhancing our outreach activities.** Regional events in Brighton, Cardiff, Birmingham, Belfast and Newcastle provided opportunities for clinical academic trainees to network with Fellows, research

funders and senior colleagues, and to discuss issues around training, funding and professional development. We continue to develop and pilot innovative approaches to these events which have been attended by 2,000 participants since 2007.

- **Leveraging consortium investment to fund advances in research.** Our niche funding schemes target shortages within key specialty areas and encourage international collaboration and career development for clinical academics. The **Starter Grants for Clinical Lecturers** scheme, which was seeded by the Wellcome Trust and has now attracted consortium funding from the British Heart Foundation and Arthritis UK, is now well established. During the past year we funded 45 grants - totalling £1,298,600 - to support awardees to gather preliminary data to strengthen future applications for longer-term fellowships and funding. To support aspiring clinical academics in developing an independent research career, we continue to support individuals through our **Clinician Scientist Fellowship** scheme, run in partnership with The Health Foundation. The 8 fellows are progressing well and are encouraged to engage in the Academy's work.
- **Ensuring long-term sustainability of our schemes and evaluating them to inform future development.** The success of our schemes and activities is demonstrated through monitoring and evaluation and the ability to attract sustained and further investment from a consortium of funders. For example, a review of the Starter Grants for Clinical Lecturers scheme revealed that the scheme is highly valued by awardees and their supervisors, in terms of impacts; 86% of awardees have 'generated preliminary data that will form the basis of an application for substantive research funding' and 'formed new collaborations'. The scheme has strong support from the funding community, with a consortium of funders agreeing to provide further investment in the scheme from 2013-2016.
- **Providing opportunities for PhD and post-doctoral clinical academics to present their research.** Our merger with the Medical Research Society means that the Academy will take forward the Spring Meeting for Clinician Scientists in Training. This well-established event, run in collaboration with The Royal College of Physicians, provides a formal yet supportive setting for younger researchers to present and discuss their work with peers and senior colleagues and complements our existing portfolio of activities in this area.

# Developing the leaders of tomorrow

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- **Impacting on careers policy.** We continue to influence UK-wide policies on academic training and career structures for medical researchers. We have worked with others to continue to monitor and influence the development of the health service workforce and revalidation reforms. In liaison with the Wellcome Trust, a high level working group has been convened to review academic psychiatry in the UK. The objective of this group is to provide advice to further improve training in this area, by considering how best to work across traditional scientific and clinical discipline boundaries and drawing upon best practice from other countries.

## Future plans

- Continue to **develop and catalyse** our mentoring scheme. We intend to update our resources and produce three informative films, designed for mentors, mentees and other stakeholders.
- Establish and deliver our **new INSPIRE scheme** for medical students.
- Consider how we might include new groups in our activities to **establish greater engagement** with earlier researchers across the spectrum of the medical sciences and **facilitate networking across boundaries.**
- **Bolster our careers policy work** by reconvening our Careers Committee.
- **Embed the annual Spring Meeting for Clinician Scientists in Training** in our portfolio of support activities.
- Ensure the **long term sustainability** of our various schemes and activities and evaluate their impact to inform future development.

# Linking academia and industry

## Strategic aims

The Academy's work to promote partnerships between industry and academia plays a vital role in our objective to drive the translation of research into healthcare benefits. We seek to provide a neutral and independent platform for interactions across different sectors and to take forward national discussions on scientific opportunities, technology trends and associated strategic choices. Our networks with researchers in industry, academia and beyond help us to deliver objectives across all areas of the Academy's work. In 2011-12 we continued our efforts to promote the streamlining of the regulation and governance of health research – an issue identified by researchers and patients as a significant barrier to innovation – as well as helping to shape Government policy on innovation in the life sciences.

## Significant activities

- **Streamlining research regulation and governance.** Following the publication of the Academy's report 'A new pathway for the regulation and governance of health research' in January 2011, we have continued to engage with decision-makers and Parliamentarians to guide the implementation of its recommendations. Stakeholders at a meeting organised by the Academy, Cancer Research UK and the Wellcome Trust to review the impact of the report were cautiously optimistic about the improvements that had been achieved, particularly in the regulation of clinical trials and the aspirations of the new Health Regulatory Authority.
- **Shaping innovation policy for the life sciences.** December 2011 saw major commitments to translating the benefits of life sciences research into health and wealth benefits from the Government. The commitments in the life sciences strategy, the innovation strategy for the NHS and the innovation and research strategy, reflected proposals made by the Academy in its written advice and in private meetings with senior government officials. Following the launch of the strategies the Academy played a leading role in engaging with the media about patient data and the President participated in a roundtable on the life sciences industries that was organised by and published in the New Statesman.
- **Stratified medicines.** The Academy is continuing its work to facilitate progress in stratified medicines research and development, and its implementation

in healthcare services. A programme of work focusing on the ongoing regulatory, economic and infrastructure requirements of stratified medicines in the UK is being developed with the support of public and private sector organisations.

- **Providing a platform for discussion amongst industry and regulators.** The 2012 FORUM Annual Lecture, 'Frameworks for the regulation of medicinal products: opportunities and challenges', was delivered by Professor Sir Alasdair Breckenridge CBE FRSE FMedSci, Chairman of the Medicines and Healthcare products Regulatory Agency (MHRA). The lecture and subsequent discussion provided a neutral space for representatives from the regulatory agencies, industry, academia, the charity sector and government departments to explore ways in which improved regulation can support innovation.
- **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.

## Future plans

- Delivering our symposium on **stratified medicine** in October 2012 and ensuring that its conclusions contribute to the development of policy by decision makers across the sector, in the UK and beyond.
- Promoting **sustainable models of translation** of medical research. As part of the implementation of the Academy's 2012-16 strategy we will explore new relationships between academia, industry and the NHS in the development pipeline and methods to assess the potential value of innovations.
- Continuing to engage with the implementation of the recommendations of our **review of regulation and governance of health research**, particularly in influencing the development of the Health Research Authority, policy around the use of patient data and the revision of the European Clinical Trials Directive.
- Encouraging **collaboration and mobility** of researchers between academia, industry and the NHS by drawing these groups together at various events, including regional events for aspiring clinical academics.

# Improving global health

## Strategic aims

The Academy aims to be an organisation with global reach, acting as a voice for UK medical science in the international arena and a platform for bringing expertise to bear on global health problems. In 2011-12 we sought to build on our objectives to promote the use of research in improving global health, to enhance international collaboration and capacity building, to strengthen partnerships, and to grow the Academy's global profile. Our goal was to secure outputs and impacts from our international programme, particularly through partnership activities.

## Significant activities

- **Informing European medical science policy.** Decisions at the European level are having an increasing impact on UK medical science so the Academy has been taking a greater role in this sphere. In 2011/2012 we made major contributions to influential joint UK statements on the European Clinical Trials Directive and the European Data Protection Regulation. We also contributed to, endorsed and often led pan-European statements on the European Research and Innovation Green Paper and the European Physical Agents Directive. Reflecting the leadership role we are taking in Europe the Academy's Foreign Secretary became an Officer of the Federation of European Academies of Medicine (FEAM).
- **Linking science and international development.** Following our successful conference on 'Building institutions through equitable partnerships in global health' the Academy submitted written evidence to the House of Commons Science and Technology Committee inquiry into science and international development. This led to the Academy's Foreign Secretary being invited to give oral evidence to the inquiry as one of the Committee's first witnesses. We have also continued to support the role of science in international development through the Inter Academy Medical Panel (IAMP), 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 the year 25 grants were made to young biomedical researchers, giving them the opportunity for short-term exchanges between institutions in the UK and the Middle East. The Scheme had a particular resonance during 2011, a time of dramatic change in the region and it is hoped that the exchanges bring about collaborations with longer term benefits for health in the Middle East.

- **Advising the UK Government on international affairs.** During 2011/2012 the Academy contributed to the Government Chief Scientific Advisors (GCSA's) assurance review of science and engineering in the Foreign and Commonwealth Office and one of our Fellows spoke at the biennial meeting of the network of science attaches based at UK embassies. We are providing the Royal Society with advice on the new Tier 1 visa system for clinical academic applicants and continue to advise government on matters of immigration policy through an alliance of scientific organisations.
- **Exchanging knowledge internationally.** The Academy demonstrated its international convening power through a lecture on 'Moving from made in China to discovered in China' delivered by Dr Jingwu Zang, Senior Vice-President and Head of R&D China for GSK, which was attended by the UK Minister of State for Science and Universities. The chair of the working group that produced the report 'A new pathway for the regulation and governance of health research' spoke about the project at a high level meeting of the Institute of Medicine (IOM), our sister academy in the USA. We also disseminated our report on 'Animals containing human material' to an international audience, assisted by our membership of the UK Government's Global Science and Innovation Forum (GSIF).

## Future plans

- Continuing to **engage with European medical science policy**, particularly on issues such as data protection and clinical trials that we expect will have a major impact on medical science.
- **Disseminating our publications to an international audience** including the report of our meeting on 'building institutions through equitable partnerships in global health', our UK-Brazil workshop on tropical medicine and parasitology and our mentoring handbook.
- Acting as a **forum for international medical science debate** through activities such as our forthcoming roundtable with Dr Tom Frieden, Director of the US Centers for Disease Control.
- Delivering the Academy's prestigious annual **International Health Lecture**, which in 2012 will be delivered by Professor Janet Hemingway FRS FMedSci, Director of the Liverpool School of Hygiene and Tropical Medicine.
- Continuing to work with **networks such as FEAM, IAMP, GSIF, the Department of Health Global Health Partners and the Chatham House Global Health Security Centre Partners** to extend the reach of the Academy's policy influence and impact.

# Engaging the public

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## Strategic aims

To operate effectively, the Academy must maintain effective dialogue with a range of stakeholders. We aim to ensure that our policy advice is shaped by public views, and that 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 public accessibility to our outputs and reports. In 2011-12 we specifically aimed to increase the Academy's profile through traditional broadcast and print media as well as enhancing our social media and online activities.

## Significant achievements

- **Developing our online presence.** In 2011-12 we made major steps towards comprehensively updating our website. We have secured a contractor to undertake the design and build of a new site, and invested in our server and database capacity to enable this new website to integrate fully with Academy business practices. Work began on a new site that will enable members of the public to source information on our work easily and learn more about our Fellowship via an enhanced online Fellows directory. We have **increased and developed our social media activities**, to ensure the Academy continues to interact with the public in innovative, relevant and accessible ways.
- The launch of our Report 'Animals containing human material' included the publication of a **non-specialist summary** of the report. This public summary proved an ideal way to feedback the report's findings to members of the public and show how their input helped shape our advice.
- 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. 2011-12 saw coverage of the Academy's work on BBC Radio 4's Today programme and BBC breakfast, ITN lunchtime and Channel 4 evening news. We secured coverage in national broadsheets including a front page article in the Financial Times and tabloid coverage in the Daily Mail, The Mirror and Metro. Articles on our 'Animals containing human material' report, which included a **major piece of deliberative public dialogue**, appeared in print in America, Asia, Australia, Russia, South Africa, China and the Middle

East. Online coverage of this launch received over 17 million unique page views.

- **Connecting Fellows with public audiences at festivals and events.** In 2011-12 public events connected to our Jean Shanks lecture took place at two of the biggest UK science Festivals. Professor Dame Linda Partridge CBE FRS FRSE FMedSci and Professor David Barker CBE FRS FMedSci were joined by over 300 members of the public to discuss ageing research at the Cheltenham Science Festival. A similar themed event hosted by Dr Geoff Watts FMedSci was also held at the British Science Festival in Bradford. The Academy also joined with the Institute for Science, Ethics and Innovation (ISEI) at Manchester University to organise 'Human bodies: animal bodies', a public discussion considering the opportunities and implications of biomedical research involving the combination of human and animal cells and DNA.

## Future plans

- **Interacting in accessible and innovative ways.** Our new website will go live during 2012-13 which will take advantage of the changing culture of online communication; harnessing social media to enhance the way we communicate with, and connect to members of the public.
- **Involving the public views to shape our advice.** We will focus on increasing input from, and dialogue with, the public to ensure that the hopes and concerns of the wider society shape our advice and that our project choices respond to evolving social agendas.
- **Working proactively with journalists.** We will work with partner organisations to brief journalists on emerging topics, focussing on issues or topics with the potential for sensationalist, extremist or alarmist debate.
- **Inspiring others with medical research and its impact on health.** We will support a culture in which scientists are encouraged to communicate their work, particularly with the public and aspiring researcher. We will look for opportunities to hold public events alongside our prize lectures and to profile our Fellows and their research online at events throughout the UK.

# Fundraising

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Our Fellows continue to support the Academy generously, both with their volunteered time and via their regular or one-off donations and future pledges to the Academy. In December 2011, the Academy re-launched its legacy appeal 'Securing the Future' to Fellows and we are encouraged by the response that it has had to date.

We have also benefited from organisations providing support via initiatives that augment our staff resources. The Wellcome Trust supported the Working Group on Strengthening Academic Psychiatry through the secondment of a member of staff, and continued their valuable intern scheme with us. We are also pleased to have been able to work with the Medical Research Council in developing a policy internship programme for their PhD students, that will be introduced in April 2012. We received funding from the Medical Research Council, GSK and other industrial partners towards the cost of the policy post with responsibility for linking industry and academia. The individual appointed will take up the post in April 2012. We are also grateful to the Royal College of Physicians for agreeing to fund a joint post in the area of careers policy due to start in May 2012.

Our annual lecture programme would not continue without the ongoing support of The Jean Shanks Foundation and The Raymond and Beverly Sackler Foundation. We would like to thank all the donors to the Daniel Turnberg Memorial Fund, which supports our scheme of UK-Middle East Exchanges.

We were delighted that the Trustees and members of the Medical Research Society resolved to merge with the Academy in October 2011, after several years of close collaboration. The Society's aim to encourage clinical and/or scientific research relating to medicine is closely aligned with the Academy's mission and we will use the generous £1 million donation provided by the Society to continue its good works. We will celebrate the legacy of the Society with a named prize at future Spring Meetings for Clinician Scientists in Training.

The Academy's mentoring scheme helps to develop the leaders of tomorrow and is principally funded by the NIHR, with contributions from: Queen's University Belfast, National Institute for Social Care and Health Research (Wales), NHS Education for Scotland, Scottish Funding Council, and the Wellcome Trust Clinical Veterinary Research Training Award.

During the year we sought to build on our fundraising income by expanding the number and breadth of organisations that support the Academy on an annual basis, following discussion and agreement in Council. While there have been some welcome and generous donations, the campaign will require some fine-tuning to be successful in the current economic environment. We will continue to explore ways of increasing our sources of income in the next year.

## Future plans

- **Exploring ways of increasing sources of income for core activities** to include working with key supporters to secure renewal of essential core grants due to expire in 2013 and to seek additional core support from other government departments and agencies.
- **Developing expertise in legacy management** to implement a strategy to publicise our work more broadly in order to attract legacies from outside the Academy's own Fellowship.
- **Developing a policy for considering political and ethical issues** before recommending acceptance of potential donations.

# Structure, governance and management

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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'. 40 new Fellows were elected in 2011 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. Council has approved an increase to 44 new Fellows from 2012. New Fellows are admitted to the Academy at a ceremony in June.

Sir John Tooke PMedSci (Vice Provost of UCL and Head of the UCL School of Life and Medical Sciences) replaced Professor Sir John Bell FRS HonFREng FMedSci as the Academy's President.

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.

## Organisation

The Academy is governed by a Council of 28 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. In November 2011, Professor

## 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.

# Structure, governance and management

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## Management and staffing

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

## 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 niche 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 17-28, 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

The Academy continues to be successful in attracting funding for specific projects and grant programmes. Our work in developing the leaders of tomorrow has been particularly well supported by stakeholders; the mentoring scheme, principally funded by the National Institute for Health Research (NIHR), has been expanded with additional external monies this year and our three main grant schemes were responsible for 41% of total income in their own right. We were also the beneficiary of a significant one-off donation for specific purposes this year. The Medical Research Society (MRS), with charitable objectives very close to our own, merged with the Academy in October 2011 via a transfer of net assets with a value of £1,064,362. These funds will be held in a new restricted fund to be used for particular activities that fulfil the charitable objects of the MRS. Once these donations and grants for specific purposes are added together, they make up 73% of the Academy's total income for the year.

The remaining 27% of income (£1,363,866) was received for the core activities of the Academy, and comes from a number of sources, not least from the Academy's own assets; the newly refurbished building at 41 Portland Place, the Academy's Fellows and our cash reserves. Since October 2010 we have used surplus space in 41 Portland Place to generate unrestricted income for the Academy via a trading subsidiary. Income from the conference and office rental business in 2011/12 was £622,084, making up some 45% of the Academy's unrestricted income. This was very encouraging in the first full year of trading, and it indicates the importance of the new premises in generating income for the future. However, the amount of conference income potentially achievable is limited by the size of the venue and we will need to find additional sources of income if we are to develop our activities strategically. The Academy's Fellows continue to make an important contribution to core funding by their annual subscriptions and donations; £221,117 in 2011/12. Bank interest on fixed-term cash deposits has underpinned unrestricted income for some years; previously we have obtained as much as 10% of General Fund income from this source. However, the continuing low bank interest rates has meant that less than 2% of General Fund income was received this year and emphasises the current challenge to core funds.

The main external provider of core funding for the Academy is the Department of Health, via the NIHR, which has supported us since 2004. The Department of Health provided a core grant of £435,000 in the year as part of its existing commitment to provide £1.725 million over 4 years. The grant finishes in 2012/13 and the Academy is working to secure renewal in order to safeguard the current level of activities.

## Expenditure

Total expenditure for the year was £4,369,987 and a significant part of this (£2,098,831 or 48%) was paid out as grants under the Academy's three major schemes. The allocation of resources in support of the Academy's other charitable activities can be seen in note 4a on page 21 of the accounts. Expenditure on charitable activities made up 82% of the Academy's total expenditure for the year.

The majority of the remaining expenditure was incurred as costs of generating funds; £618,977 in the year. The trading costs of the conferencing activities and office rentals accounted for £481,050 of the total. Other resources expended of £94,754 represent payments associated with the completion of the refurbishment of 41 Portland Place and for the external redecoration of the building that commenced in March 2012.

## Cash and investment management

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. The Finance Committee reviews the cash management policy regularly and in November 2011, following an assessment of the various risks, confirmed that diversification of deposits should continue, but that a switch away from pooled cash deposit funds could be made to a number of UK clearing banks, to a maximum limit for each banking group, in order to achieve higher interest rates.

# Financial Review

Since 2009 the Academy's three endowed funds have been invested in the Alpha Common Investment Fund (CIF) for Endowments 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 2012, after a review of the objectives, the treatment of the portfolio was altered. In general, the funds would 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 funds. However, there was a possibility that third party annual funding might fall away from the Daniel Turnberg Memorial Fund activities, so increasing the need for income after 2013, and it was decided to take a slightly more defensive position on that part of the portfolio. This was achieved by transfer of part of the funds to the Alpha CIF for Income & Reserves Fund. At 31 March 2012 the value of funds held by Sarasin & Partners was £985,393.

## Reserves

The Academy's reserves at 31 March 2012 were £9.61 million, an increase of £724,832 from 31 March 2011. The reserves were made up as follows:

|                                     | £                |
|-------------------------------------|------------------|
| <b>Permanent Endowment</b>          | 1,054,093        |
| <b>Restricted Funds</b>             | 5,599,430        |
| <b>Unrestricted Funds</b>           |                  |
| Designated Funds                    | 2,580,298        |
| General Fund                        | 374,682          |
| <b>Total Funds at 31 March 2012</b> | <b>9,608,503</b> |

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 2012 in the Business Designated Fund, previously named the Relocation 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. These were estimated by surveyors as being up to £1.4 million, at current prices, and at the end of March an initial transfer of £80,000 was made into the fund 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 £2.3 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 February 2012 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 2012 was £346,498. This is above the range required, but the Finance Committee considered it appropriate given the ongoing deficit budgeted on the General Fund and the need to renew key sources of core funding in 2013.

# Statement of Council's responsibilities

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

Company 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 judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Council is responsible for keeping adequate 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 regulations made under the Charities Act 2011 and regulations made under 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 charity provides trustee indemnity insurance for members of Council during their term of office.

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.

## **Auditors**

PKF (UK) LLP were appointed as the charity's auditors during the year and have expressed their willingness to continue in that capacity.

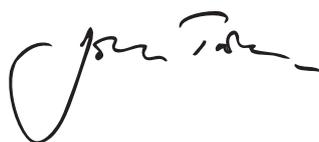
## **Disclosure of information to the auditors**

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 charity'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 charity'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 21 June 2012 and signed on its behalf by:



**Professor Sir John Tooke PMedSci**  
President

# Independent auditor's report

to the members and trustees of the Academy of Medical Sciences

We have audited the group and parent charity financial statements ("the financial statements") of the Academy of Medical Sciences for the year ended 31 March 2012 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's members and trustees those matters which 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 any party other than the charity, the charity's members as a body and the charity's trustees as a body, 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 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 as auditor under section 144 of the Charities Act 2011 and under the Companies Act 2006 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 Standard for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **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 parent charity's affairs as at 31 March 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Charities Act 2011 and regulations made there under and the requirements of the Companies Act 2006.

## **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 regulations made under the Charities Act 2011 and where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept in respect of the parent charity; or
- the parent charity financial statements do not accord with the accounting records and returns; or
- certain disclosures of trustees' remunerations specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

PKF (UK) LLP

## **Ian Mathieson**

Senior statutory auditor for and on behalf of PKF (UK) LLP,  
Statutory Auditor  
London, UK

Date: 21/06/12

# Consolidated statement of financial activities

## for the year ended 31 March 2012

### Incorporating an income and expenditure account

|   | Note | General fund<br>£ | Designated funds<br>£ | Restricted funds<br>£ | Permanent endowment funds<br>£ | Total 2012<br>£  | Total 2011<br>£ |
|---|------|-------------------|-----------------------|-----------------------|--------------------------------|------------------|-----------------|
| <b>Incoming resources</b>                                 |      |                   |                       |                       |                                |                  |                 |
| <i>Incoming resources from generated funds</i>            |      |                   |                       |                       |                                |                  |                 |
| Voluntary income  |      | 680,673           | -                     | 1,120,614             | 120,850                        | <b>1,922,137</b> | 3,434,867       |
| Activities for generating funds                           |      | 622,084           | -                     | -                     | -                              | <b>622,084</b>   | 153,582         |
| Investment income   |      | 27,109            | -                     | 44,920                | -                              | <b>72,029</b>    | 39,713          |
| <i>Incoming resources from charitable activities</i>      |      |                   |                       |                       |                                |                  |                 |
| Grants and donations                                      |      | 34,000            | -                     | 2,465,839             | -                              | <b>2,499,839</b> | 2,528,182       |
| <b>Total incoming resources</b>                           | 3    | 1,363,866         | -                     | 3,631,373             | 120,850                        | <b>5,116,089</b> | 6,156,344       |
| <b>Resources expended</b>                                 |      |                   |                       |                       |                                |                  |                 |
| <i>Costs of generating funds</i>                          |      |                   |                       |                       |                                |                  |                 |
| Fundraising costs   |      | 107,175           | 6,790                 | 16,902                | 7,060                          | <b>137,927</b>   | 128,843         |
| Conferencing and office rentals                           |      | 481,050           | -                     | -                     | -                              | <b>481,050</b>   | 201,514         |
| <i>Charitable activities</i>                              |      |                   |                       |                       |                                |                  |                 |
| Recognising excellence                                    |      | 193,322           | 11,611                | 37,904                | -                              | <b>242,837</b>   | 154,253         |
| Developing the leaders of tomorrow                        |      | 143,653           | 36,079                | 2,524,596             | 18,446                         | <b>2,722,774</b> | 2,466,375       |
| Influencing medical science policy                        |      | 187,332           | 15,250                | 93,102                | -                              | <b>295,684</b>   | 364,252         |
| Improving global health                                   |      | 86,392            | 5,432                 | 93,717                | -                              | <b>185,541</b>   | 156,975         |
| Linking academia and industry                             |      | 38,170            | 2,716                 | 6,761                 | -                              | <b>47,647</b>    | 78,139          |
| Engaging the public                                       |      | 85,603            | 3,258                 | 8,112                 | -                              | <b>96,973</b>    | 46,636          |
| <i>Governance costs</i>                                   |      |                   |                       |                       |                                |                  |                 |
| <i>Other resources expended</i>                           |      | 58,708            | 1,746                 | 4,346                 | -                              | <b>64,800</b>    | 60,510          |
| <i>Other resources expended</i>                           |      | 10,387            | 10,990                | 73,377                | -                              | <b>94,754</b>    | 383,224         |
| <b>Total resources expended</b>                           | 4    | 1,391,792         | 93,872                | 2,858,817             | 25,506                         | <b>4,369,987</b> | 4,040,721       |
| <b>Net incoming/(outgoing) resources before transfers</b> | 13   | (27,926)          | (93,872)              | 772,556               | 95,344                         | <b>746,102</b>   | 2,115,623       |
| <b>Gross transfers between funds</b>                      | 14   | (73,481)          | 80,000                | (6,519)               | -                              | -                | -               |
| <b>(Losses)/gains on investment assets</b>                | 9    | -                 | -                     | -                     | (21,270)                       | <b>(21,270)</b>  | 53,876          |
| <b>Net movement in funds</b>                              |      | (101,407)         | (13,872)              | 766,037               | 74,074                         | <b>724,832</b>   | 2,169,499       |
| Funds 1 April 2011 as originally stated                   |      | 476,089           | 2,469,970             | 4,833,393             | 980,019                        | <b>8,759,471</b> | 6,589,972       |
| Prior year adjustment                                     | 8    | -                 | 124,200               | -                     | -                              | <b>124,200</b>   | -               |
| <b>Funds 1 April 2011 as restated</b>                     |      | 476,089           | 2,594,170             | 4,833,393             | 980,019                        | <b>8,883,671</b> | 6,589,972       |
| <b>Funds 31 March 2012</b>                                | 13   | 374,682           | 2,580,298             | 5,599,430             | 1,054,093                      | <b>9,608,503</b> | 8,759,471       |

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 19 - 28 form part of these financial statements.

# Balance sheets

as at 31 March 2012

|  | Note | Group<br>2012<br>£ | Charity<br>2012<br>£ | Group<br>2011<br>£ | Charity<br>2011<br>£ |
|--|------|--------------------|----------------------|--------------------|----------------------|
| <b>Tangible fixed assets</b>                   | 8    | <b>6,367,585</b>   | <b>6,367,585</b>     | 6,631,712          | 6,631,712            |
| <b>Investments</b>                             | 9    | <b>985,393</b>     | <b>986,393</b>       | 938,716            | 939,716              |
| <b>Current assets</b>                          |      |                    |                      |                    |                      |
| Debtors  | 10   | <b>286,571</b>     | <b>354,665</b>       | 260,815            | 285,876              |
| Stock  |      | <b>4,833</b>       | -                    | 4,690              | -                    |
| Cash on deposit                                |      | <b>2,625,278</b>   | <b>2,625,278</b>     | 2,091,083          | 2,091,083            |
| Cash at bank and in hand                       |      | <b>206,654</b>     | <b>45,002</b>        | 84,444             | 41,426               |
|  |      | <b>3,123,336</b>   | <b>3,024,945</b>     | 2,441,032          | 2,418,385            |
| <b>Current liabilities</b>                     |      |                    |                      |                    |                      |
| Creditors: amounts falling due within one year | 11   | <b>(867,811)</b>   | <b>(770,420)</b>     | (1,127,789)        | (1,072,682)          |
| <b>Net current assets</b>                      |      | <b>2,255,525</b>   | <b>2,254,525</b>     | 1,313,243          | 1,345,703            |
| <b>Net assets</b>                              | 15   | <b>9,608,503</b>   | <b>9,608,503</b>     | 8,883,671          | 8,917,131            |
| <b>Represented by:</b>                         |      |                    |                      |                    |                      |
| Permanent endowment funds                      |      | <b>1,054,093</b>   | <b>1,054,093</b>     | 980,019            | 980,019              |
| Restricted funds                               |      | <b>5,599,430</b>   | <b>5,599,430</b>     | 4,833,393          | 4,833,393            |
| Unrestricted funds:                            |      |                    |                      |                    |                      |
| General fund                                   |      | <b>374,682</b>     | <b>374,682</b>       | 476,089            | 509,549              |
| Designated fund                                |      | <b>2,580,298</b>   | <b>2,580,298</b>     | 2,594,170          | 2,594,170            |
| <b>Total funds</b>                             | 13   | <b>9,608,503</b>   | <b>9,608,503</b>     | 8,883,671          | 8,917,131            |

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 21 June 2012, and signed on its behalf by:

**Professor Sir John Tooke PMedSci**  
President



**Professor Susan Iversen CBE FMedSci**  
Treasurer



The notes on pages 19 - 28 form part of these financial statements.  
Company Number 3520281

# Notes to the financial statements

## for the year ending 31 March 2012

### 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**

All income is accounted for as soon as the Academy has entitlement to the income and there is certainty of receipt and the amount is quantifiable. The proportion of any grant receivable that relates to periods beyond 31 March 2012 has been treated as deferred income and not included in incoming resources for the year.

#### **c. Resources expended**

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed (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 building improvement costs and the costs of the Academy's own staff and facilities management consultants incurred in the final stages of the refurbishment of 41 Portland Place that were not capitalised. Costs associated with the external redecoration of the building are also included.

**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**

All tangible fixed assets are included at cost; except for the leasehold premises and antiques, which are shown at their estimated market value at July 2008, when they were donated by the Novartis Foundation on merger. Fixed assets costing more than £500 are capitalised and included on the balance sheet. Depreciation is provided on a straight-line basis on all tangible fixed assets so as to write them off over their anticipated useful economic lives at the following annual rates:

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

The Academy holds some selected antiques and paintings that form the Academy's artefacts at 41 Portland Place and are therefore held for the long term. The value of these items has been included in the accounts, as a prior year adjustment via the Designated Asset Fund, at insurance valuation. Because of the long term nature of their use, the Academy does not consider it appropriate to charge annual depreciation.

#### **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 £81,048 (2011: £81,013) 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 2012 are shown below.

|   | 2012<br>£      | 2011<br>£       |
|---|----------------|-----------------|
| <b><i>Profit &amp; loss account</i></b> |                |                 |
| Turnover                                | 672,697        | 203,734         |
| Costs of sales                          | (455,891)      | (152,073)       |
| <b>Gross profit</b>                     | <b>216,806</b> | <b>51,661</b>   |
| Administrative expenses                 | (179,846)      | (82,496)        |
| <b>Operating profit/(loss)</b>          | <b>36,960</b>  | <b>(30,835)</b> |
| Interest payable                        | (3,500)        | (2,625)         |
| <b>Profit/(loss) for the year</b>       | <b>33,460</b>  | <b>(33,460)</b> |

|                                 | 2012<br>£      | 2011<br>£       |
|---------------------------------|----------------|-----------------|
| <b><i>Balance sheet</i></b>     |                |                 |
| Current assets                  | 265,858        | 137,064         |
| Current liabilities             | (164,858)      | (69,524)        |
| <b>Net current assets</b>       | <b>101,000</b> | <b>67,540</b>   |
| Loan from the charity           | (100,000)      | (100,000)       |
| <b>Net assets/(liabilities)</b> | <b>1,000</b>   | <b>(32,460)</b> |
| Share capital                   | 1,000          | 1,000           |
| Profit & loss account           | -              | (33,460)        |
| <b>Shareholders' funds</b>      | <b>1,000</b>   | <b>(32,460)</b> |

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 17 as income £617,084 and expenditure £481,050.

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

|                             | 2012<br>£        | 2011<br>£        |
|-----------------------------|------------------|------------------|
| <b>Income</b>               | <b>4,654,842</b> | <b>6,034,842</b> |
| <b>Surplus for the year</b> | <b>691,372</b>   | <b>2,202,959</b> |

## 3 Incoming resources

### a. Incoming resources from generated funds

|  | General Fund 2012<br>£ | Other Funds 2012<br>£ | Total Funds 2012<br>£ | Total Funds 2011<br>£ |
|--|------------------------|-----------------------|-----------------------|-----------------------|
| <b>Voluntary income</b>                                    |                        |                       |                       |                       |
| Fellows' subscriptions and contributions                   | 221,117                | -                     | 221,117               | 204,180               |
| Donations – capital appeal                                 | -                      | 56,252                | 56,252                | 2,718,399             |
| Donations – Department of Health                           | 435,000                | -                     | 435,000               | 425,000               |
| Donations – core funds                                     | 24,556                 | -                     | 24,556                | 29,245                |
| Donations – Daniel Turnberg Memorial Fund                  | -                      | 120,850               | 120,850               | 58,043                |
| Donated assets on merger with the Medical Research Society | -                      | 1,064,362             | 1,064,362             | -                     |
|  | <b>680,673</b>         | <b>1,241,464</b>      | <b>1,922,137</b>      | <b>3,434,867</b>      |
| <b>Activities for generating funds</b>                     |                        |                       |                       |                       |
| Conferencing and office rentals                            | 617,084                | -                     | 617,084               | 153,582               |
| Other rental income  | 5,000                  | -                     | 5,000                 | -                     |
|  | <b>622,084</b>         | <b>-</b>              | <b>622,084</b>        | <b>153,582</b>        |
| <b>Investment income</b>                                   |                        |                       |                       |                       |
| Income on investments                                      | -                      | 34,513                | 34,513                | 29,857                |
| Short term deposit interest                                | 26,681                 | 10,407                | 37,088                | 8,862                 |
| Bank deposit interest                                      | 428                    | -                     | 428                   | 994                   |
|  | <b>27,109</b>          | <b>44,920</b>         | <b>72,029</b>         | <b>39,713</b>         |
| <b>Total incoming resources from generated funds</b>       | <b>1,329,866</b>       | <b>1,286,384</b>      | <b>2,616,250</b>      | <b>3,628,162</b>      |

### b. Incoming resources from charitable activities

|  | General Funds 2012<br>£ | Other Funds 2012<br>£ | Total Funds 2012<br>£ | Total Funds 2011<br>£ |
|--|-------------------------|-----------------------|-----------------------|-----------------------|
| <b>Grants and donations for specific purposes</b>          |                         |                       |                       |                       |
| Leaders of tomorrow - careers                              | -                       | 364,577               | 364,577               | 341,400               |
| Leaders of tomorrow - fellowships                          | -                       | 2,101,262             | 2,101,262             | 1,996,082             |
| Medical science policy                                     | -                       | -                     | -                     | 136,625               |
| Academia and industry                                      | 34,000                  | -                     | 34,000                | 54,075                |
| <b>Total incoming resources from charitable activities</b> | <b>34,000</b>           | <b>2,465,839</b>      | <b>2,499,839</b>      | <b>2,528,182</b>      |
| <b>Total incoming resources</b>                            | <b>1,363,866</b>        | <b>3,752,223</b>      | <b>5,116,089</b>      | <b>6,156,344</b>      |

## 4 Resources expended

### a. Analysis of total resources expended

|                                    | Direct costs<br>£ | Grant funding<br>£ | Support costs<br>£ | Total 2012<br>£  | Total 2011<br>£  |
|------------------------------------|-------------------|--------------------|--------------------|------------------|------------------|
| <b>Costs of generating funds</b>   |                   |                    |                    |                  |                  |
| Fundraising costs                  | 73,000            | -                  | 64,927             | 137,927          | 128,843          |
| Conferencing and office rentals    | 481,050           | -                  | -                  | 481,050          | 201,514          |
| <b>Charitable activities</b>       |                   |                    |                    |                  |                  |
| Recognising excellence             | 131,817           | -                  | 111,020            | 242,837          | 154,253          |
| Developing the leaders of tomorrow | 359,176           | 2,018,636          | 344,962            | 2,722,774        | 2,466,375        |
| Influencing medical science policy | 149,872           | -                  | 145,812            | 295,684          | 364,252          |
| Improving global health            | 53,408            | 80,195             | 51,938             | 185,541          | 156,975          |
| Linking academia and industry      | 21,679            | -                  | 25,968             | 47,647           | 78,139           |
| Engaging the public                | 65,814            | -                  | 31,159             | 96,973           | 46,636           |
| <b>Governance</b>                  | 48,106            | -                  | 16,694             | 64,800           | 60,510           |
| <b>Other resources expended</b>    | 81,866            | -                  | 12,888             | 94,754           | 383,224          |
| <b>Total resources expended</b>    | <b>1,465,788</b>  | <b>2,098,831</b>   | <b>805,368</b>     | <b>4,369,987</b> | <b>4,040,721</b> |

### b. Analysis of support costs

|                                    | Cost of premises<br>£ | Office & IT costs<br>£ | Staff & related costs<br>£ | Total 2012<br>£ | Total 2011<br>£ |
|------------------------------------|-----------------------|------------------------|----------------------------|-----------------|-----------------|
| <b>Costs of generating funds</b>   | 30,896                | 12,351                 | 21,680                     | <b>64,927</b>   | 52,536          |
| <b>Charitable activities</b>       |                       |                        |                            |                 |                 |
| Recognising excellence             | 52,825                | 21,121                 | 37,074                     | <b>111,020</b>  | 48,450          |
| Developing the leaders of tomorrow | 164,140               | 65,626                 | 115,196                    | <b>344,962</b>  | 228,479         |
| Influencing medical science policy | 69,381                | 27,739                 | 48,692                     | <b>145,812</b>  | 81,938          |
| Improving global health            | 24,713                | 9,881                  | 17,344                     | <b>51,938</b>   | 28,020          |
| Linking academia and industry      | 12,356                | 4,940                  | 8,672                      | <b>25,968</b>   | 28,020          |
| Engaging the public                | 14,825                | 5,928                  | 10,406                     | <b>31,159</b>   | 14,010          |
| <b>Governance</b>                  | 7,943                 | 3,176                  | 5,575                      | <b>16,694</b>   | 8,756           |
| <b>Other resources expended</b>    | 6,132                 | 2,452                  | 4,304                      | <b>12,888</b>   | 38,292          |
| <b>Total support costs</b>         | <b>383,211</b>        | <b>153,214</b>         | <b>268,943</b>             | <b>805,368</b>  | 528,501         |

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

|                                   | 2012<br>£     | 2011<br>£ |
|-----------------------------------|---------------|-----------|
| Audit fees - charity              | <b>11,400</b> | 13,836    |
| Audit fees – previous year        | <b>(404)</b>  | 1,780     |
| Audit fees - trading subsidiary   | <b>2,350</b>  | 3,600     |
| Costs of AGM and Council meetings | <b>12,731</b> | 10,871    |
| Staff and related costs           | <b>13,362</b> | 21,667    |
| Strategy planning days            | <b>8,667</b>  | -         |
| Allocated support costs           | <b>16,694</b> | 8,756     |
| <b>Total governance costs</b>     | <b>64,800</b> | 60,510    |

The auditors also provided professional advice in the year of £3,191 (2012: £2,682) 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 23 Council members (2011: 15) received reimbursed travel expenses of £12,561 (2011: £6,050).

The Academy has paid for trustee indemnity insurance for Council members at a cost of £5,300 (2011: £5,250).

### b. Employee information

|                                  | 2012<br>£      | 2011<br>£ |
|----------------------------------|----------------|-----------|
| Salaries                         | <b>715,443</b> | 682,089   |
| Employer's national insurance    | <b>79,227</b>  | 72,553    |
| Employer's pension contributions | <b>47,463</b>  | 45,829    |
|                                  | <b>842,133</b> | 800,471   |

### b. Employee information (continued)

The full-time average equivalent for staff during the year was 18.9 (2011: 18.2).

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

|                   | 2012 | 2011 |
|-------------------|------|------|
| £60,001 - £70,000 | 1    | 1    |

Pension contributions paid by the Academy relating to the higher paid employee as defined above amounted to £5,097 (2011: £4,739)

## 6 Net incoming resources after charging:

|   | 2012<br>£ | 2011<br>£ |
|---|-----------|-----------|
| Audit fees - charity                      | 11,400    | 11,530    |
| Audit fees - previous year                | (404)     | 1,515     |
| Audit fees - trading subsidiary           | 2,350     | 3,600     |
| Investment management fees                | 7,054     | 6,502     |
| Depreciation of tangible fixed assets     | 290,892   | 147,375   |
| Operating lease charges                   | 3,736     | 1,942     |
| Loss on disposal of tangible fixed assets | -         | (28)      |

## 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 and the British Heart Foundation, and the Daniel Turnberg UK/Middle East Travel Fellowship Scheme (DTMF). Details of the Schemes are as follows:

|  | CSFS<br>£      | CLS<br>£         | DTMF<br>£     | Total<br>2012<br>£ |
|--|----------------|------------------|---------------|--------------------|
| Grants outstanding 1 April                                       | 91,862         | -                | 27,305        | 119,167            |
| Grants falling due in the year                                   | 720,036        | 1,298,600        | 80,195        | 2,098,831          |
| Grants paid in the year  | (689,668)      | (1,298,600)      | (72,410)      | (2,060,678)        |
| <b>Grants outstanding 31 March</b>                               | <b>122,230</b> | <b>-</b>         | <b>35,090</b> | <b>157,320</b>     |
| Grants to institutions <i>to develop the Leaders of tomorrow</i> | 720,036        | 1,298,600        | -             | 2,018,636          |
| Grants to individuals <i>to improve global health</i>            | -              | -                | 80,195        | 80,195             |
| <b>Grants awarded in the year</b>                                | <b>720,036</b> | <b>1,298,600</b> | <b>80,195</b> | <b>2,098,831</b>   |

Grants to 18 institutions were made in the year to a total value of £2,018,636. The five institutions that received the most funding were:

|                           | £                |
|---------------------------|------------------|
| University of Edinburgh   | 345,671          |
| University of Cambridge   | 319,461          |
| University College London | 304,308          |
| Imperial College London   | 277,063          |
| Kings College London      | 229,959          |
|                           | <b>1,476,462</b> |

## 8 Tangible fixed assets – Group and Charity

|                       | Leasehold premises<br>£ | Refurbished property<br>£ | Furniture, fixtures & equipment<br>£ | Computer equipment<br>£ | Total<br>£       |
|-----------------------|-------------------------|---------------------------|--------------------------------------|-------------------------|------------------|
| <b>Cost</b>           |                         |                           |                                      |                         |                  |
| At 1 April (restated) | 2,300,000               | 3,974,596                 | 327,615                              | 197,870                 | <b>6,800,081</b> |
| Additions             | -                       | -                         | 16,546                               | 10,219                  | <b>26,765</b>    |
| <b>At 31 March</b>    | <b>2,300,000</b>        | <b>3,974,596</b>          | <b>344,161</b>                       | <b>208,089</b>          | <b>6,826,846</b> |
| <b>Depreciation</b>   |                         |                           |                                      |                         |                  |
| At 1 April            | 41,441                  | 71,614                    | 10,171                               | 45,143                  | <b>168,369</b>   |
| Charge for the year   | 82,883                  | 143,229                   | 20,414                               | 44,366                  | <b>290,892</b>   |
| <b>At 31 March</b>    | <b>124,324</b>          | <b>214,843</b>            | <b>30,585</b>                        | <b>89,509</b>           | <b>459,261</b>   |
| <b>Net book value</b> |                         |                           |                                      |                         |                  |
| 31 March 2012         | <b>2,175,676</b>        | <b>3,759,753</b>          | <b>313,576</b>                       | <b>118,580</b>          | <b>6,367,585</b> |
| 31 March 2011         | 2,258,559               | 3,902,982                 | 317,444                              | 152,727                 | 6,631,712        |

*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.

### Prior year adjustment

Included in *furniture, fixtures & equipment*, as a prior year adjustment on the Designated Asset Fund, are antiques and paintings not previously recognised with an insurance valuation of £124,200. The net effect of the adjustment on reserves is an increase of opening reserves totalling £124,200.

These assets are held as part of the 41 Portland Place artefacts for the long term and depreciation, which would be immaterial, has not been charged on them. In accordance with FRS15 these assets have been included on the balance sheet to ensure appropriate stewardship. With regular maintenance their initial carrying value should be maintained and no impairment review is considered necessary.

## 9 Investments – Group

|                                 | 2012<br>£      | 2011<br>£      |
|---------------------------------|----------------|----------------|
| At 1 April                      | 938,716        | 848,025        |
| Additions                       | 456,560        | 33,149         |
| Disposals                       | (397,108)      | (6,502)        |
| Net (loss)/gain in market value | (21,270)       | 53,876         |
|                                 | <b>976,898</b> | <b>928,548</b> |
| Cash held for investment        | 8,495          | 10,168         |
| Market Value at 31 March        | <b>985,393</b> | <b>938,716</b> |
| Cost at 31 March                | 886,979        | 753,072        |

Investments to the value of £245,369 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 £740,024 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 £986,393 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<br>2012<br>£ | Charity<br>2012<br>£ | Group<br>2011<br>£ | Charity<br>2011<br>£ |
|---|--------------------|----------------------|--------------------|----------------------|
| <b>Amounts falling due within one year:</b>         |                    |                      |                    |                      |
| Trade debtors                                       | 86,404             | 44,421               | 85,272             | 45,719               |
| Prepayments   | 71,361             | 67,164               | 44,980             | 44,980               |
| Accrued income                                      | 65,382             | 65,382               | 64,828             | 64,828               |
| VAT recoverable                                     | 13,807             | -                    | -                  | -                    |
| Other debtors                                       | 49,617             | 14,617               | 65,735             | 30,349               |
| Amount due from subsidiary                          | -                  | 63,081               | -                  | -                    |
| <b>Amount falling due after more than one year:</b> |                    |                      |                    |                      |
| Loan to subsidiary                                  | -                  | 100,000              | -                  | 100,000              |
|   | <b>286,571</b>     | <b>354,665</b>       | 260,815            | 285,876              |

## 11 Creditors

|   | Group<br>2012<br>£ | Charity<br>2012<br>£ | Group<br>2011<br>£ | Charity<br>2011<br>£ |
|---|--------------------|----------------------|--------------------|----------------------|
| <b>Amounts falling due within one year:</b> |                    |                      |                    |                      |
| Grants payable                              | 157,320            | 157,320              | 119,167            | 119,167              |
| Trade creditors                             | 323,861            | 256,964              | 504,461            | 477,549              |
| Accruals                                    | 21,340             | 15,460               | 107,834            | 102,735              |
| Deferred income                             | 333,706            | 309,092              | 371,788            | 349,117              |
| PAYE/NIC Liability                          | 22,467             | 22,467               | 19,543             | 19,543               |
| VAT payable                                 | 9,117              | 9,117                | 4,996              | 2,617                |
| Amount owed to subsidiary                   | -                  | -                    | -                  | 1,954                |
|   | <b>867,811</b>     | <b>770,420</b>       | 1,127,789          | 1,072,682            |

## 12 Deferred Income

|  | Group<br>2012<br>£ | Charity<br>2012<br>£ | Group<br>2011<br>£ | Charity<br>2011<br>£ |
|--|--------------------|----------------------|--------------------|----------------------|
| Deferred income brought forward        | 371,788            | 349,117              | 245,061            | 245,061              |
| Less: Amount used in the year          | (371,788)          | (349,117)            | (245,061)          | (245,061)            |
| <b>Income accrued within the year:</b> |                    |                      |                    |                      |
| Grants from institutions               | 309,092            | 309,092              | 349,117            | 349,117              |
| Conferencing deposits                  | 24,614             | -                    | 22,671             | -                    |
| <b>Deferred income carried forward</b> | <b>333,706</b>     | <b>309,092</b>       | 371,788            | 349,117              |

## 13 Movement on group funds

|                                  | Balance<br>1 Apr<br>2011<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>£  | Revaluation<br>£ | Balance<br>31 Mar<br>2012<br>£ |
|----------------------------------|-------------------------------|------------------|--------------------|-----------------|------------------|--------------------------------|
| <b>Permanent endowment</b>       |                               |                  |                    |                 |                  |                                |
| Jean Shanks Memorial Fund        | 192,746                       | -                | (1,351)            | -               | (7,426)          | <b>183,969</b>                 |
| Sackler Fund                     | 64,250                        | -                | (450)              | -               | (2,475)          | <b>61,325</b>                  |
| Daniel Turnberg Memorial Fund    | 723,023                       | 120,850          | (23,705)           | -               | (11,369)         | <b>808,799</b>                 |
| <b>Total permanent endowment</b> | <b>980,019</b>                | <b>120,850</b>   | <b>(25,506)</b>    | <b>-</b>        | <b>(21,270)</b>  | <b>1,054,093</b>               |
| <b>Restricted funds</b>          |                               |                  |                    |                 |                  |                                |
| The Health Foundation:           |                               |                  |                    |                 |                  |                                |
| Fellowships                      | 230,155                       | 755,532          | (720,036)          | -               | -                | <b>265,651</b>                 |
| Administration                   | 26,440                        | 80,143           | (94,581)           | (96)            | -                | <b>11,906</b>                  |
| The Wellcome Trust:              |                               |                  |                    |                 |                  |                                |
| Starter Grants                   | -                             | 1,148,600        | (1,148,600)        | -               | -                | -                              |
| Administration                   | 1,380                         | 104,034          | (103,473)          | (1,220)         | -                | <b>721</b>                     |
| British Heart Foundation:        |                               |                  |                    |                 |                  |                                |
| Starter Grants                   | -                             | 150,000          | (150,000)          | -               | -                | -                              |
| Administration                   | 9,028                         | 80               | (8,942)            | (166)           | -                | -                              |
| NIHR Mentoring Scheme            | 14,909                        | 121,029          | (97,953)           | (2,049)         | -                | <b>35,936</b>                  |
| Other Mentoring Schemes          | 28,532                        | 37,125           | (20,599)           | (988)           | -                | <b>44,070</b>                  |
| Scottish Peer Review             | 5,858                         | 8,067            | (13,925)           | -               | -                | -                              |
| Project/meeting contributions    | 102,287                       | 1,133            | (55,140)           | (1,485)         | -                | <b>46,795</b>                  |
| Jean Shanks Memorial Fund        | -                             | 6,750            | (6,750)            | -               | -                | -                              |
| Sackler Fund                     | -                             | 2,250            | (2,250)            | -               | -                | -                              |
| Daniel Turnberg Memorial Fund    | 674                           | 82,644           | (82,956)           | (362)           | -                | -                              |
| Foulkes Foundation               | 2,367                         | 1,490            | (3,731)            | (126)           | -                | -                              |
| Medical Research Society         | 10,896                        | 1,073,742        | (70,184)           | -               | -                | <b>1,014,454</b>               |
| Capital Appeal                   | 155,023                       | 58,754           | (73,379)           | (27)            | -                | <b>140,371</b>                 |
| Restricted Asset Fund            | 4,245,844                     | -                | (206,318)          | -               | -                | <b>4,039,526</b>               |
| <b>Total restricted funds</b>    | <b>4,833,393</b>              | <b>3,631,373</b> | <b>(2,858,817)</b> | <b>(6,519)</b>  | <b>-</b>         | <b>5,599,430</b>               |
| <b>Unrestricted funds</b>        |                               |                  |                    |                 |                  |                                |
| <b>General Fund</b>              | <b>476,089</b>                | <b>1,363,866</b> | <b>(1,391,792)</b> | <b>(73,481)</b> | <b>-</b>         | <b>374,682</b>                 |
| <b>Designated funds</b>          |                               |                  |                    |                 |                  |                                |
| Business Fund                    | 211,411                       | -                | (10,989)           | -               | -                | <b>200,422</b>                 |
| Asset Fund                       | 2,382,759                     | -                | (82,883)           | -               | -                | <b>2,299,876</b>               |
| Building Repair Fund             | -                             | -                | -                  | 80,000          | -                | <b>80,000</b>                  |
| <b>Total designated funds</b>    | <b>2,594,170</b>              | <b>-</b>         | <b>(93,872)</b>    | <b>80,000</b>   | <b>-</b>         | <b>2,580,298</b>               |
| <b>Total unrestricted funds</b>  | <b>3,070,259</b>              | <b>1,363,866</b> | <b>(1,485,664)</b> | <b>6,519</b>    | <b>-</b>         | <b>2,954,980</b>               |
| <b>Total funds</b>               | <b>8,883,671</b>              | <b>5,116,089</b> | <b>(4,369,987)</b> | <b>-</b>        | <b>(21,270)</b>  | <b>9,608,503</b>               |

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

**The Sackler Fund:** donated by The Raymond and Beverly Sackler Foundation to be held in perpetuity to fund an annual lecture. Income arising from the investment of the donation is treated as a restricted fund.

**The Daniel Turnberg Memorial Fund:** the Academy holds funds as sole trustee of the Daniel Turnberg Memorial Fund set up to foster academic interchange between medical and bioscience researchers in and between the UK and countries in the Middle East by award of travel grants. The balance of £808,799 represents the capital of the fund at 31 March 2012. Income arising on the fund is treated as restricted income from which annual grants will be paid in the future.

**The Health Foundation**

The Health Foundation (THF) provides funding to cover salaries and research expenses for the Clinician Scientist Fellowship Scheme (CSF). The balance on the **Fellowship** fund represents the amounts still to be claimed from host institutions from previous rounds and the current year's funding. The **Administration** fund represents the balance remaining from a £500,000 grant from THF in 2007 to cover the costs of a Grants Officer and administration costs of the CSF scheme over six years.

**The Wellcome Trust Clinical Lecturer Scheme:** the Wellcome Trust is providing £450,000 over five years in annual instalments for the Academy to set up and administer a £5 million Starter Grant scheme to clinical lecturers to help in the early stages of their research careers. **The British Heart Foundation** joined the scheme during 2011 and is providing £450,000 for additional grant awards.

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

**Other Mentoring Schemes:** NHS Education for Scotland contributed £10,000 for the Academy's mentoring and outreach scheme activities in Scotland, Queen's University, Belfast contributed £8,250 for Northern Ireland and the National Institute for Social Care and Health Research contributed £6,000 for Wales. In addition the Wellcome Trust provided £5,000 to expand the Academy's mentoring to research vets and £7,500 for scoping a new scheme to encourage undergraduate medical students to consider a research career.

**Scottish SCF Scheme Peer Review:** £8,000 was provided by the Scottish Funding Council to cover the costs of the Academy's co-ordination of the peer review of applications to the Scottish Senior Clinical Fellowship scheme during 2012.

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

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

**Medical Research Society:** this fund was previously held to support the Clinical Research Champions Scheme and £4,241 was received in the year for that Scheme. The Society merged with the Academy on 31st October 2011 and £1,064,362 was transferred on merger, along with interest for the last quarter of £5,139. Expenditure on the Champions Scheme and the Annual Spring Meeting for Clinician Scientists in Training was paid out of the Fund during the year. The balance will be applied to activities that fulfil the charitable objectives of the Medical Research Society.

**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 complete the external redecoration of the building in 2012.

**Restricted Asset Fund:** this fund represents the assets that were funded by the Capital Appeal 2009 - 11.

**Designated Business Fund:** this fund, formerly the Relocation Fund, is being used to support the trading subsidiary during the first years of its operation.

**Designated Asset Fund:** comprises the value of the leasehold premises at 41 Portland Place and 8 Weymouth Mews in July 2008 on merger with the Novartis Foundation, less associated depreciation. The value of the antiques and paintings (£124,200) acquired at the time of the merger has been added to the balance of this fund at 1 April 2011 as a prior year adjustment.

**Designated Building Repair Fund:** The finance committee approved the designation of a building repair fund in February 2012 to provide for the future maintenance of 41 Portland Place.

## 14 Transfer between funds

|  | General Fund<br>£ | Designated Funds<br>£ | Restricted Funds<br>£ | Total<br>£ |
|--|-------------------|-----------------------|-----------------------|------------|
| Elimination of inter-company room hire | 6,519             | -                     | (6,519)               | -          |
| Transfer to building repair fund       | (80,000)          | 80,000                | -                     | -          |
|  | <b>(73,481)</b>   | <b>80,000</b>         | <b>(6,519)</b>        | -          |

## 15 Analysis of group net assets

|  | General fund<br>£ | Designated funds<br>£ | Restricted funds<br>£ | Permanent endowment funds<br>£ | Total<br>£       |
|--|-------------------|-----------------------|-----------------------|--------------------------------|------------------|
| Fixed assets                           | 28,184            | 2,299,876             | 4,039,525             | -                              | 6,367,585        |
| Investments                            | -                 | -                     | -                     | 985,393                        | 985,393          |
| Cash on deposit and at bank            | 396,835           | 280,422               | 2,121,515             | 33,160                         | 2,831,932        |
| Other net current (liabilities)/assets | (50,337)          | -                     | (561,610)             | 35,540                         | (576,407)        |
|  | <b>374,682</b>    | <b>2,580,298</b>      | <b>5,599,430</b>      | <b>1,054,093</b>               | <b>9,608,503</b> |

## 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 2012 there were 1,016 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 2013.

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:

|           | 2012  | 2011  |
|-----------|-------|-------|
| 2-5 years | 3,736 | 3,736 |

## 16 Other financial commitment

The Academy has a commitment for external redecorations with Rosewood Ltd for £126,331, of which £19,847 has been included in trade creditors for work carried out up to March 2012.

# Acknowledgements

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The Academy is grateful to the following organisations that provided major core funding and supported grant schemes over the last year:

**Arthritis Research UK**  
**British Heart Foundation**  
**Department of Health**  
**National Institute of Health Research (NIHR)**  
**The Health Foundation**  
**Wellcome Trust**

The Academy is also grateful to the following organisations for contributions towards projects and donations.

**Amgen**  
**Association of Medical Research Charities**  
**Association of the British Pharmaceutical Industry**  
**Astex Therapeutics**  
**BBSRC**  
**Birmingham Medical School**  
**Board of Academic Medicine (Scotland)**  
**British Pharmacological Society**  
**Foulkes Foundation**  
**GE Healthcare**  
**GlaxoSmithKline (GSK)**  
**King's Health Partners**

**Medical Research Council**  
**Medical Research Society**  
**Medicines and Healthcare products Regulatory Agency**  
**Merck Sharp and Dohme**  
**National Institute for Health and Clinical Excellence**  
**Renovo**  
**Roche**  
**Society of Endocrinology**  
**Technology Strategy Board**  
**University College London**  
**University of Newcastle**  
**University of Oxford**



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