

Annual Report and Financial Statements 31 March 2016

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Mission

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

We achieve this by:

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

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

Administrative details

Name of charity

The Academy of Medical Sciences

Registered charity no

1070618

Registered company no

3520281

Principal address

(and Registered Office)
41 Portland Place
London, W1B 1QH

Principal bankers

Lloyds Bank PLC
8-10 Waterloo Place
London, SW1Y 4BE

Auditors

BDO LLP
55 Baker Street
London, W1U 7EU

Investment fund manager

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London, EC4M 8BU

Honorary Officers of the Academy of Medical Sciences

President

Professor Sir John Tooke FMedSci (until December 2015)
Vice Provost (Health), University College London
Professor Sir Robert Lechler FMedSci (from December 2015)
Executive Director, King's Health Partners and Vice-Principal (Health), King's College London

Vice-President

Professor Martin Humphries FMedSci
Vice-President & Dean, Faculty of Life Sciences,
University of Manchester

Vice-President

Professor Christopher Day FMedSci
Pro-Vice Chancellor, Newcastle University

Treasurer

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

Registrar

Professor Moira Whyte OBE FMedSci
Professor of Adult Respiratory Medicine, University of Edinburgh

Foreign Secretary

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

Ordinary Members of Council

Professor Jonathan Ashmore FRS FMedSci	
Sir Alasdair Breckenridge CBE FRSE FMedSci	<i>retired December 2015</i>
Professor Edwin Chilvers FMedSci	<i>retired December 2015</i>
Professor Sir Rory Collins FRS FMedSci	<i>appointed December 2015</i>
Professor Annette Dolphin FRS FMedSci	<i>appointed December 2015</i>
Professor Stephen Dunnett FMedSci	
Professor Maria Fitzgerald FMedSci	<i>retired December 2015</i>
Professor Graham Hart FMedSci	
Professor Fiona Karet FMedSci	<i>retired December 2015</i>
Professor Andrew Lees FMedSci	<i>retired December 2015</i>
Professor Jane Norman FMedSci	
Professor Sir Stephen O'Rahilly FRS FMedSci	<i>appointed December 2015</i>
Professor Sir Michael Owen FMedSci FLSW	
Sir Michael Rawlins FMedSci	
Dr James Smith FRS FMedSci	<i>appointed December 2015</i>
Professor Veronica van Heyningen CBE FRS FRSE FMedSci	
Professor Peter Weissberg FMedSci	<i>retired December 2015</i>

Co-opted members 2015

Professor Deborah Lawlor FMedSci	re-appointed December 2015
Dr Melanie Lee CBE FMedSci	re-appointed December 2015
Professor David Mant OBE FMedSci	retired December 2015
Professor Teresa Marteau FMedSci	re-appointed December 2015
Professor Christopher Pugh FMedSci	re-appointed December 2015

Principal Employed Officers

Executive Director

Dr Helen Munn

Director of Biomedical Grants and Careers Policy

Dr Suzanne Candy
Dr Lee-Ann Coleman (Maternity Cover)

Director of Communications

Mr Nick Hillier

Director of Medical Science Policy

Dr Rachel Quinn

Director of Finance and Resources

Mrs Chris Straw

Aims and objectives

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

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

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

In delivering our strategy we will:

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

Our current Strategic Plan expires at the end of 2016 and we are currently undertaking an extensive exercise to review and refresh our strategy for the period 2017-21. This includes a stakeholder perceptions study, Fellowship consultation, dedicated strategy discussions at Council and Officers meetings, and detailed work across staff teams. Together with our new President and Council, a key aim for 2016-17 is therefore the development of a clear, coherent and compelling strategy to guide the Academy's work from 2017 onwards.

Achievements in the year

Promoting excellence

Our vision: To create an environment where excellence in medical science flourishes and is recognised.

- In April 2015 we admitted 48 new Fellows to the Academy Fellowship from research areas including anaesthesia, age-related diseases, drug discovery and animal biology. Their election brought the total number of Fellows to 1,160.
- September 2015 saw the introduction of 'E-Lect', a new online system to support the Fellowship election process. The software was developed and generously shared by the Royal Society and has greatly improved the process of reviewing more than 350 candidates and coordinating over 500 peer reviews.
- In November 2015 we invited women Fellows to come together to discuss the question '*What can Fellows do to support women in the biomedical workforce?*' The report of the meeting has prompted the introduction of new projects and procedures to promote gender diversity, along with the appointment of two Academy Council members to monitor diversity across all of our work.
- Our 10 Regional Champions have continued to deliver positive impacts for the Academy's regional agenda. In 2015/16 the Champions organised events to share the latest breakthroughs in medical science and connect Fellows in Edinburgh, Leeds, Southampton, Manchester, Birmingham, Cambridge, Exeter and Oxford.

Future plans

- We will work with the funders of our named lectures to develop innovative ways to communicate the latest breakthroughs in science.
- Our sectional committees will map the disciplines and expertise in the Fellowship to ensure we continue to represent the full breadth of excellence in medical science.
- We will explore ways to celebrate the life and work of our Fellows and grant awardees in order to share different approaches to achieving a positive work life balance.

Influencing policy to improve health and wealth

Our vision: To be the UK's leading source of independent advice about supporting and harnessing biomedical research and innovation for the benefit of society.

- Our working group on '*Health of the Public 2040*' and our major new workstream on '*How can we all best use evidence?*' have been the primary focus of activity this year. These projects have engaged more than 200 stakeholders - informing the working groups' thinking and shaping the recommendations and conclusions of the reports to be published next year.
- Following our successful international symposium on the challenges and opportunities for improving the reproducibility and reliability of biomedical research, the meeting sponsors - Wellcome Trust, MRC, BBSRC and the Academy - are implementing changes in their own organisations and working alongside others to facilitate action on the part of national and international partners.
- In a wider landscape of shrinking Government budgets, an inflation-linked settlement for UK science and research spending was welcomed by the community when announced in November 2015. This successful outcome followed briefings, meetings and publications by the Academy – both alone and in association with the other National Academies - to highlight the role public investment plays in supporting a world-leading UK science and research base.

Future plans

- We will publish the report of our '*Health of the Public 2040*' working group.
- We will publish the outputs from our '*How can we all best use evidence*' project, including the public dialogue report, workshop reports and final oversight group report.
- We will report on the impact of our workshop on improving the reproducibility and reliability of biomedical research.

Nurturing the next generation of medical researchers

Our vision: To develop innovative support schemes for researchers, network researchers across disciplinary and sectoral boundaries and foster research independence.

- Springboard, a new funding and support scheme for biomedical researchers in their first independent post, was launched in September 2015 with the generous support of the Wellcome Trust. The scheme addresses a long-held ambition of the Academy to support non-clinical researchers at this crucial stage of their career.
- Also in September we began SUSTAIN, a year-long pilot programme designed to support women researchers as they establish their independent research careers. 20 participants have so far benefited from tailored training, peer coaching and mentoring from Academy Fellows.
- Our report, *'Improving recognition of team science contributions in biomedical research careers'*, was published in February 2016 following a year-long exploration of the issues. The report recommended how individual researchers' contributions can be recognised to ensure career progression, along with changes to funding, researcher behaviour, training and the career development of skills specialists.

Future plans

- We will open the Springboard scheme to newly independent researchers in the medical humanities and health-related social sciences, targeted at research projects related to our *'Health of the Public 2040'* report. We will award a second round of funding of Springboard for biomedical researchers.
- Following substantial demand we will launch a second year of SUSTAIN, and ensure evaluation of the first year of the programme.
- We will hold a conference for INSPIRE leads and student representatives at Medical and Veterinary Schools in October 2016 to share outcomes from their projects to encourage medical, dental and veterinary students to undertake research.

Linking academia, industry and the NHS

Our vision: To facilitate a strong and equitable partnership between academia, industry and the NHS, along with effective engagement with regulators, for the translation of research into health and wealth benefits.

- Our FORUM event on *'Real world evidence'* led to new collaborative relationships between participants, informed the Government's review on accelerating access to medicine, and facilitated understanding between industry and UK/US/EU regulators about the potential of such evidence and barriers to its use.
- Our roundtable with NHS England on the role of personalised medicine in the treatment of diabetes has informed NHS England's first Personalised Medicine Strategy and the development of care pathways for patients with certain types of diabetes.
- Ongoing work to follow up a recommendation in the Academy's 2011 report on the regulation and governance of health research has resulted in the implementation in 2015/16 of single 'HRA approval' for research in the NHS, thus reducing the duplication of checks in each participating Trust that has formerly delayed research.

Future plans

- We will hold FORUM workshops on topics including ageing, stratified medicine and geographical clusters.
- Following on from our report on conflicts of interest in medical research, we will explore whether guidelines are needed to support industry-academia partnerships.
- We will review the impact of our 2011 working group report on the regulation and governance of health research at a symposium in November 2016.

Seizing international opportunities

Our vision: To ensure that the UK takes a leadership role in tackling global health challenges, informs the development of EU regulation, and enables excellent biomedical researchers to move and collaborate across national boundaries.

- We have facilitated international research links for 43 researchers through our Newton International and Advanced Fellowships and our Daniel Turnberg Travel Fellowships. Our Newton Fellowships strengthened links between the UK and India, China, Mexico, Brazil and South Africa. A review of our one-month Daniel Turnberg Travel Fellowships conducted in summer 2015 demonstrated that they occupy a unique niche in the funding landscape for biomedical researchers in the Middle East and are highly valued by all stakeholders.
- In April 2015 we hosted the Executive Committee (EC) of the InterAcademy Medical Panel (IAMP). Our *'Introduction to social media'* session for the Committee supported our work of capacity building with our sister Academies. A dinner for the EC, the UK Chief Medical Officer, UK Chief Scientific Advisor and other stakeholders provided an important opportunity to discuss global health priorities.
- In December 2015 an agreement was reached on the EU Data Protection legislation. Despite earlier amendments that would have prevented or hindered the use of health data for research, the final draft appropriately balanced the value of research with adequate protection for individuals. This followed four years of Academy engagement - meetings and briefings - with decision makers in the EU and the UK, in partnership with the Wellcome Trust and others.

Future plans

- We will launch a new international working group project on multiple morbidities.
- We will bring together previous Daniel Turnberg Middle-East Travel Fellowship holders at an alumni event in Cyprus to maximise the impact of these awards.
- Funded by the new public Global Challenges Fund we will work with partners (primarily Academies) in ODA countries to convene policy workshops to develop evidence-based policy in relation to priorities in global health.

Encouraging dialogue about medical science

Our vision: To shape our policy advice with the views of the public and patients, and to support researchers to share their knowledge and expertise with non-scientific audiences.

- In summer 2015 the Academy received funding from the Wellcome Trust to run a programme of public film screenings and discussion workshops across the UK to feed public views into our project on the *'Health of the public 2040'*. An independent evaluation of the project concluded that participants were confident that their involvement would influence future health policy.
- At the start of 2016 the Academy commissioned Ipsos MORI to undertake a programme of public dialogue to underpin our policy project *'How can we all best use evidence to judge the potential benefits and harms of medicines?'*. The programme will bring members of the public, patients and healthcare professionals together to explore the issues at events in London, Glasgow and Leeds.
- We have continued our work to support our women Fellows and grant awardees to play their part to increase the number of women experts in the media. 23 early career researchers and 16 Fellows participated in our bespoke media training sessions bringing the total women trained to date to 64. Participants have given interviews on the BBC Radio 4 Today programme, BBC 5Live and BBC Woman's Hour, as well as appearing in print and online news articles.
- We will deliver a programme of events that engage the public, patients and health professionals in dialogue and ensure their views shape the final recommendations of our *'best evidence'* work stream.
- We will increase the Academy's presence in the media ensuring we represent the voice of medical science in high profile media debates.
- We will build on the success of our women Fellows' media training, finding ways to reduce costs that will enable more women, as well as men, to be trained.

Future plans

Governance

Structure, governance and management

The Academy of Medical Sciences is a registered charity and company limited by guarantee. The company was incorporated on 2 March 1998. The Academy is governed by its Memorandum and Articles of Association. The Council members, who are the Trustees of the Academy, are directors under company law.

Fellowship

The Academy is one of the five National Academies of the UK and at 31 March 2016 had 1,160 Fellows, who are members of the company. The Academy elects Fellows on the basis of sustained and outstanding contributions to the breadth of medical research, including biomedical, clinical and population sciences, as well as veterinary medicine, dentistry, nursing, medical law, health economics and bioethics. Fellows of the Academy are elected for life and designate themselves with the suffix 'FMedSci'. 48 new Fellows were elected in 2015-6 from a pool of over 350 candidates through a rigorous process of peer review, scrutiny from seven Sectional Committees and final election by Council in April. New Fellows are admitted to the Academy at a ceremony in June.

Governance

The Academy is governed by a Council of 21 Fellows, which meets five times per year. Members of Council are elected from the Fellowship, with nominees confirmed by a ballot of the Fellowship. Council may, 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. Fellows elected to Council hold office for three years before retiring at the Annual General Meeting in December.

The Council includes six Honorary Officers: President, Vice-President (Clinical), Vice-President (Non-clinical), Treasurer, Registrar and Foreign Secretary. The Honorary Officers are elected by Council from nominations received from the Fellowship; they hold office for four years, with one (or two) of the six retiring each year. In December 2015, Sir John Tooke FMedSci demitted office as President and was succeeded by Sir Robert Lechler FMedSci.

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.

Trustee selection, induction and training

One third of Council stand down in December of each year, and new members are elected in a competitive process that takes place between September and November. Only Fellows of the Academy may stand for Council, and candidates require nomination from three Fellows. Between one third and one half of the Fellowship votes in the Council postal ballot that takes place in October/November. The ballot is overseen by a scrutineer with results announced to the Fellowship shortly after. New members attend their first Council meeting in February. They are inducted at a dedicated session following the Council meeting and are provided with information relating to their responsibilities as trustees of the charity. This includes financial and governance information, along with strategic and annual objectives, and an overview of current activities.

Management and staffing

Day to day management of the Academy is delegated to the Executive Director who is supported by a Senior Management Team of four Directors responsible for Finance and Resources, Grants and Careers, Medical Science Policy and Communications. The Executive Director leads a staff of 33.

Policy for setting remuneration for senior management

The salary costs of the Senior Management Team are shown at Note 5 to the Accounts on page 23. The remuneration of the members of the Senior Management Team is set by the Finance Committee, informed by benchmarking to external peer organisations undertaken in December 2014. Following a salary review in February 2016, a cost of living allowance was applied, as with all other Academy staff. The performance of the Senior Management Team is monitored via regular one to one meetings with the Executive Director (and the Executive Director with the President) and annual 360 degree feedback, which is discussed at annual appraisals.

Volunteers

The Academy is grateful for the valuable contribution to its work that is made voluntarily by both Fellows and non-Fellows. Fellows serve the Academy without compensation in a range of activities: as Honorary Officers (who typically contribute between two and four days a month to Academy business), Council members and committee members, as members of working groups, as speakers and participants in symposia, as providers of evidence for Academy studies, as peer reviewers for grant applications, as mentors to early career researchers, and in many more ways. Fellows also act as Academy representatives on many external bodies.

Risk management

The Finance Committee advises Council and the Honorary Officers on the risks to which the Academy is exposed. It does this by regularly reviewing all elements of Academy business to ensure that potential risks are identified and processes implemented to mitigate those risks. The key strategic risk of the Academy continues to be the risk to its reputation; the risk of the impact of a shortfall in funding has diminished slightly with the strengthening of the General Fund.

The risk to reputation is managed in a number of ways: by ensuring that all the Academy's activities are directed and prioritised as a result of its strategic plan, and not as a result of an individual funder, in order to safeguard its independence. All Academy reports are scrutinized by review groups of Fellows and approved by Council to provide quality assurance. Grant schemes and programmatic activities are monitored and evaluated by staff, panels, Officers and Council to ensure that they are robust and the quality of research being supported is of a satisfactory quality.

The risk of the impact of a shortfall in funding is managed by ensuring that there are multiple sources of unrestricted income. The performance of the trading company is regularly monitored by the Directors of the company and the Finance Committee, to ensure budgets are being met.

Public benefit

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

Grants

The Academy's targeted research funding schemes are offered to a range of aspiring medical researchers. Each of the schemes operate specific eligibility and funding criteria, but all schemes are aimed at supporting those who demonstrate significant potential. The schemes are widely publicised and a robust selection process is operated; final appointments are made by an expert panel, which may draw on peer reviews by Academy Fellows. Grant holders are required to submit progress reports, which are reviewed by experts in the field.

Subsidiary and related parties

The Academy has one wholly owned subsidiary company, Academy of Medical Sciences Trading Limited, which was incorporated in England and Wales on 25 February 2010 with registered number 07170258. The Academy invested £1,000 in the £1 ordinary shares of the company on 1 April 2010 and made an initial loan of £100,000 secured under a debenture, so that the company could cover the set up costs of the new conferencing business at 41 Portland Place. The Directors of the trading subsidiary are the Treasurer, Executive Director and Director of Finance and Resources of the Academy, together with one independent member. The Finance Committee routinely considers whether the trading company continues to represent a good investment for the Academy at its June meeting.

Relationships with other charities and organisations

The Academy has close connections with a number of organisations with which we cooperate to deliver our charitable objectives. Over the course of 2015/6 this included (but was not limited to): Wellcome Trust, Medical Research Council, British Heart Foundation, Arthritis Research UK, Public Health England, National Institute for Health Research, The Health Foundation, Association of Medical Research Charities, Biotechnology and Biological Sciences Research Council, British Pharmacological Society, Foulkes Foundation, Prostate Cancer UK, Royal College of Physicians, The Lancet, The Royal Society, British Academy, Royal Academy of Engineering, Royal Society of Edinburgh, along with all the members of the Academy's FORUM.

Financial review

The Consolidated Statement of Financial Activities (SOFA) and Balance Sheet, together with the Notes to the Accounts set out on pages 15-30, show the overall financial performance of the Academy group and provide an analysis of the incoming resources and how they were applied in the performance of the Academy's objectives.

Results for the year

2015/16 was a year of increased activity, with both income and expenditure rising from levels of some £5.5 million in the previous year to around £8 million. Much of the increase was due to a new grant scheme introduced to help newly independent biomedical scientists launch their research careers, which is funded by the Wellcome Trust. The Academy also received its first grant from the Department of Business Innovation & Skills (BIS) as part of the allocation of the Government's Science and Research Budget for 2015/16. This was specifically for activities around *influencing policy*, both in the UK and internationally, *linking academia, industry & NHS* and *encouraging dialogue*. The BIS grant enabled the Academy to leverage additional funding from other partners and deliver an expanded portfolio of work under those strategic objectives, which was reflected in the increased expenditure. The General Fund continued in surplus and provided sufficient funds for a strategic transfer of £250,000 to the Development Fund. This will be used over the next three years to strengthen the operational platform within the Academy, in order to sustain growth and the portfolio of work that is being informed by the strategic review taking place in 2016.

Funding sources

Total incoming resources for the year were £8,110,122, an increase of 40% on 2014/15. The majority of the improvement came from income received for the Academy's charitable activities which rose to £6,032,660 as a result of the new funding from the Wellcome Trust for the Springboard grant scheme and £471,000 from BIS. The trading subsidiary performed strongly, with £857,991 income being included in the group accounts, an increase of 11% from the previous year.

Expenditure

Total expenditure increased by 42% to £7,906,307, mostly as a result of the expansion in the Academy's grant schemes. Grants awarded totalled £4,389,634, an increase of just over £2 million from the previous year. The increase was due to a full year's funding under the international Newton fellowships, launched at the end of 2014, and the new Springboard scheme that awarded £1.8 million of grants in March 2016. These grant awards are reflected in the increased expenditure under the strategic objectives of *seizing international opportunities* and *nurturing the next generation* respectively. But there was also increased expenditure under the charitable objectives of *influencing policy* and *encouraging dialogue*, with the major working groups on 'Health of the Public 2040' and 'How can we all best use evidence?'. The heightened activity levels were resourced with additional staff, with total numbers increasing to 33 at 31 March 2016. Support costs continue to be monitored carefully, but it is evident that the Academy will need to invest in its operational platform in order to maintain current levels of activity and the Finance Committee approved the setting aside of surplus funds arising in the year to support the resourcing of the Academy's continued development.

Cash and investment management

Investments were valued at £2,206,816 at 31 March 2016 with a £85,476 decrease in market value. The investments are held in the Sarasin & Partners Alpha Common Investment Fund (CIF) for Endowments and Alpha CIF for Income and Reserves, in proportions agreed with the investment managers to fulfil the investment objectives of the four individual portfolios. The Finance Committee confirmed that those objectives were being achieved at their meeting in February 2016.

The terms of the Academy's grant schemes require that substantial cash deposits are received from funders in advance of award rounds and at 31 March 2016 cash on deposit was £4,239,884, of which £1,018,050 was held in advance for grants. The cash management policy, which is reviewed regularly by the Finance Committee, recommends the diversification of deposits with the use of pooled cash deposit funds and the placing of cash on term deposit with selected banks to a maximum limit for each banking group.

Reserves

The Academy's reserves at 31 March 2016 were £9,977,905, an increase of £118,339 from 31 March 2015. The reserves were made up as follows:

	£
Permanent Endowment	1,594,740
Restricted Funds	4,490,964
Unrestricted Funds	
Designated Funds	3,211,070
General Fund	681,131
Total Funds at 31 March 2016	9,977,905

The Finance Committee reviews the level of reserves regularly to ensure that they are appropriate for the purposes for which they are retained. These purposes are set out in Note 13 to the Accounts on page 28.

During the year additional transfers of £380,000 were made from the General Fund to the Designated Funds; £130,000 to the Building Repair Fund to cover the costs of planned facilities improvements in 2016, and £250,000 into the Development Fund to hold as a reserve for the costs of expanding IT, HR and other support services during the next strategic period.

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 November 2015 the Finance Committee approved the increase of the target level of free reserves to a range of £600,000 to £650,000. With an increased staff establishment and operational platform, this level of reserve would allow the Academy to restructure activities to a level that would be appropriate for a reduced amount of General Fund income, in the event of a significant shortfall in core funding. The level of free reserves (General Fund less the net book value of fixed assets in that Fund) at 31 March 2016 was £601,797 and within the target range.

Statement of Trustees' responsibilities

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

Company and charity law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent charity and of the outgoing resources and application of resources, including its income and expenditure, of the group for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

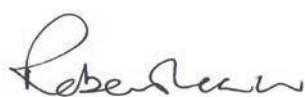
The trustees are responsible for keeping adequate and sufficient accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial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

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

Disclosure of information to the auditors

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

Approved by the Council on 23 June 2016 and signed on its behalf by:



Professor Sir Robert Lechler PMedSci
President

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

We have audited the financial statements of the Academy of Medical Sciences for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group and Parent Charitable Company Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the Academy of Medical Sciences 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

Don Bawtree, Senior Statutory Auditor

for and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom

Date: 28 June 2016

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

Consolidated statement of financial activities

for the year ended 31 March 2016

(Incorporating an income and expenditure account)

	Note	General Fund £	Designated Funds £	Restricted Funds £	Permanent Endowment Funds £	Total 2016 £	Total 2015 £
Income from:							
Donations		798,168	20,000	156,000	86,010	1,060,178	1,410,472
Charitable activities		80,870	-	5,951,790	-	6,032,660	3,516,513
Trading activities		909,241	-	-	-	909,241	773,787
Investments		38,267	-	31,869	37,907	108,043	98,489
Total income	3	1,826,546	20,000	6,139,659	123,917	8,110,122	5,799,261
Expenditure On:							
Raising funds	4	766,395	5,371	10,791	10,687	793,244	786,659
Charitable activities							
Promoting excellence		274,436	9,744	22,076	-	306,256	287,769
Nurturing the next generation		76,524	43,224	4,527,228	-	4,646,976	3,152,695
Influencing policy		15,612	58,716	457,937	-	532,265	386,494
Seizing international opportunities		64,995	18,539	949,930	79,778	1,113,242	657,057
Linking academia, industry & NHS		-	13,354	221,355	-	234,709	152,918
Encouraging dialogue		157,463	8,389	113,763	-	279,615	137,317
		589,030	151,966	6,292,289	79,778	7,113,063	4,774,250
Total expenditure	4	1,355,425	157,337	6,303,080	90,465	7,906,307	5,560,909
Income/(expenditure) before investment (losses)/gains		471,121	(137,337)	(163,421)	33,452	203,815	238,352
(Losses)/gains on investment assets	9	(6,569)	-	(24,603)	(54,304)	(85,476)	180,445
Net income/(expenditure)		464,552	(137,337)	(188,024)	(20,852)	118,339	418,797
Gross transfers between funds	14	(313,113)	380,000	(66,887)	-	-	-
Net movement in funds		151,439	242,663	(254,911)	(20,852)	118,339	418,797
Funds 1 April 2015		529,692	2,968,407	4,745,875	1,615,592	9,859,566	9,440,769
Funds 31 March 2016	13	681,131	3,211,070	4,490,964	1,594,740	9,977,905	9,859,566

All amounts relate to continuing operations.

There are no recognised gains or losses other than those in the statement of financial activities.

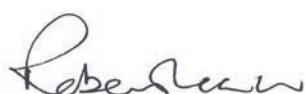
The notes on pages 18-30 form part of these financial statements.

Balance sheets

as at 31 March 2016

	Note	Group 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
Tangible fixed assets	8	5,615,156	5,615,156	5,782,860	5,782,860
Investments	9	2,206,816	2,207,816	2,145,608	2,146,608
Current assets					
Debtors	10	2,166,410	2,198,345	322,163	377,644
Stock		5,276	-	3,737	-
Cash on deposit		4,239,884	4,239,884	3,867,074	3,867,074
Cash at bank and in hand		229,229	82,589	217,576	57,598
		6,640,799	6,520,818	4,410,550	4,302,316
Current liabilities					
Creditors: amounts falling due within one year	11	(4,317,656)	(4,198,675)	(2,255,922)	(2,148,688)
Net current assets		2,323,143	2,322,143	2,154,628	2,153,628
Creditors: amounts falling due after one year	11	(167,210)	(167,210)	(223,530)	(223,530)
Net assets	15	9,977,905	9,977,905	9,859,566	9,859,566
Represented by:					
Permanent endowment funds		1,594,740	1,594,740	1,615,592	1,615,592
Restricted funds		4,490,964	4,490,964	4,745,875	4,745,875
Unrestricted funds:					
General fund		681,131	681,131	529,692	529,692
Designated funds		3,211,070	3,211,070	2,968,407	2,968,407
Total funds	13	9,977,905	9,977,905	9,859,566	9,859,566

Approved by the Council and authorised for issue on 23 June 2016, and signed on its behalf by:



President
Professor Sir Robert Lechler PMedSci



Treasurer
Professor Anne Dell CBE FRS FMedSci

The notes on pages 18 - 30 form part of these financial statements.
Company Number 3520281

Statement of Cash Flows

for the year ended 31 March 2016

		Group 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
Cash from operating activities	Note (a)	588,700	602,038	1,649,075	1,757,225
Cash used in investing activities					
Interest from investments		108,043	108,043	98,489	98,489
Purchase of fixed assets		(108,029)	(108,029)	(268,189)	(268,189)
Proceeds from sale of fixed assets		1,805	1,805	-	-
Proceeds from sale of investments		17,876	17,876	115,792	115,792
Purchase of investments		(164,560)	(164,560)	(60,690)	(60,690)
		(144,865)	(144,865)	(114,598)	(114,598)
Cash used in financing activities					
Cash inflows from new borrowings		-	-	250,000	250,000
Repayment of borrowings		(59,372)	(59,372)	(5,215)	(5,215)
		(59,372)	(59,372)	244,785	244,785
Increase in cash in the year		384,463	397,801	1,779,262	1,887,412
Cash at the beginning of the year		4,084,650	3,924,672	2,305,388	2,037,260
Cash at the end of the year		4,469,113	4,322,473	4,084,650	3,924,672

	Group 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
Note (a)				
Net movement in funds per the statement of financial activities	118,339	118,339	418,797	418,797
Add back depreciation charge	267,733	267,733	276,261	276,261
Add back loss on sale of fixed assets	6,195	6,195	-	-
Add losses / (deduct gains) on investments	85,476	85,476	(180,445)	(180,445)
Deduct interest from investments	(108,043)	(108,043)	(98,489)	(98,489)
Decrease / (increase) in stock	(1,539)	-	357	-
Decrease / (increase) in debtors	(1,844,247)	(1,820,701)	(122,937)	(339)
Increase / (decrease) in creditors	2,064,786	2,053,039	1,355,531	1,341,440
Net cash provided by operating activities	588,700	602,038	1,649,075	1,757,225

Notes to the financial statements

for the year ended 31 March 2016

1. Accounting policies

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

a. Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP) and the Companies Act 2006.

b. Reconciliation with previous generally accepted accounting practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the statement of comparative items was required. No restatement of items has been required in making the transition to FRS 102.

c. Group financial statements

The financial statements include transactions, assets and liabilities of Academy of Medical Sciences Trading Limited, a wholly owned subsidiary company of the Academy of Medical Sciences on a line by line basis. Transactions and balances between the Academy and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the Academy's balance sheet. The subsidiary's accounts are produced separately as required by the Companies Act 2006 and are summarised at Note 2. No separate Statement of Financial Activities has been presented for the charity alone, as permitted by section 408 of the Companies Act 2006.

d. Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are included in full in the statement of financial activities when receivable.

Trading activities – trading income is recognised when services are delivered and is net of VAT.

Investment income is recognised on a receivable basis.

Grants are credited to the statement of financial activities when received or receivable, whichever is earlier. Where entitlement to grants receivable is dependent upon fulfilment of conditions within the Academy's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the Academy can meet such conditions, the incoming resource is deferred. Where amounts are received which relate specifically for use in a future period, they are deferred and recognised in the accounting period to which they relate, where entitlement arises.

Donated services are recognised when the benefit to the charity is reasonably quantifiable and measurable. The value placed on these services is the estimated value to the charity of the service received. The value is included in incoming resources and a corresponding amount is shown as expenditure under the relevant charitable activity.

e. Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity.

Support costs - where costs cannot be directly attributed they have been allocated to activities on the basis of the average amount of staff time spent on each activity, except where the terms of restricted funding specifies a particular overhead recovery. Included in support costs are **governance costs** which are incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements. The costs of Council meetings and the Annual General Meeting, together with related Fellows' travel costs, are included.

Raising funds includes fundraising costs expended in seeking new sources of funding for the Academy; the costs of conferencing and office rentals in the trading company; and expenditure on property to be used to generate income.

Grants payable – Clinician Scientist Fellowships, Starter Grants for Clinical Lecturers, Springboard Grants for Biomedical Researchers and Newton Fellowships are charged in the year when the conditions for each award are fulfilled. Grants awarded under the Daniel Turnberg Memorial Fund are treated as payable only when funding is in place.

f. Tangible fixed assets

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

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

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

g. 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.

h. Investments

Investments are included at market value at the year end. However, the investment in the trading company in the charity only balance sheet is at cost. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

i. Funds

Unrestricted funds comprise a General Fund, held for the general objects of the Academy's work, and several Designated Funds which have been earmarked by the Council for specific purposes; a Business Fund to support the trading subsidiary, an Asset Fund for the leasehold premises at 41 Portland Place, a Building Repair Fund to provide for the future maintenance of the property and a Development Fund to hold significant unrestricted donations. Restricted funds are funds used for specific purposes as required by the donor. Permanent endowment funds are restricted funds that the donor has stated are to be held as capital.

j. 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.

k. 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 £134,352 (2015: £90,821) has been included in resources expended and allocated to the relevant cost headings on the basis described at (e) above.

l. Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Trustees to have the most significant effect on amounts recognised in the financial statements.

The Academy has taken the view of the Trustees that valuing the properties of 41 Portland Place and 8 Weymouth Mews at fair value would incur undue cost and effort and has therefore not applied the transitional arrangements of Section 35 of FRS 102. Therefore the Academy has instead continued to use the market value (i.e the value of the leasehold premises as transferred to the Academy from the Novartis Foundation on 31 July 2008) as the deemed cost for its leasehold premises.

The Academy has also not adopted the FRS 102 SORP requirement for a property to be apportioned between its investment use and operational use. This has not been adopted as it is impractical to do so and therefore the property has been measured in line with SORP 2005 on its primary use, and is recognised as a tangible fixed asset.

2. Results of the subsidiary company

The charity has one wholly owned subsidiary company, Academy of Medical Sciences Trading Limited, which was incorporated in England and Wales on 25 February 2010 with registered number 07170258. The Academy invested £1,000 in the £1 ordinary shares of the company on 1 April 2010 and made an initial loan of £100,000 secured under a debenture so that the company could cover the set up costs of the new conferencing business at 41 Portland Place. A summary of the results for the year and the balance sheet at 31 March 2016 are shown below.

Profit & loss account	2016 £	2015 £
Turnover	977,737	860,769
Costs of sales	(606,022)	(591,534)
Gross profit	371,715	269,235
Administrative expenses	(270,099)	(214,470)
Operating profit for the year	101,616	54,765
Interest receivable	-	232
Interest payable	(3,500)	(3,500)
Donation to the charity	(98,116)	(51,497)
Profit for the year	-	-

Balance sheet	2016 £	2015 £
Current assets	284,759	289,321
Current liabilities	(183,759)	(188,321)
Net current assets	101,000	101,000
Loan from the charity	(100,000)	(100,000)
Net assets	1,000	1,000

Share capital and reserves	2016 £	2015 £
Share capital	1,000	1,000
Profit & loss account	-	-
Shareholders' funds	1,000	1,000

On consolidation these results have been adjusted to eliminate income from meeting room hire to the Academy and rent payable to the Academy under a head lease. The balance is included as income £857,991 and expenditure £634,158 at Notes 3 and 4: Trading subsidiary income and expenditure

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

	2016 £	2015 £
Income	7,437,362	5,186,432
Net movement in funds for the year	118,339	418,797

3. Income from:

	General Fund £	Designated Funds £	Restricted Funds £	Endowed Funds £	Total 2016 £	Total 2015 £
Donations						
Fellows' subscriptions	307,728	-	-	-	307,728	289,968
Department of Health	471,000	-	-	-	471,000	464,000
Other donations	19,440	20,000	-	86,010	125,450	474,404
Donated services	-	-	156,000	-	156,000	182,100
	798,168	20,000	156,000	86,010	1,060,178	1,410,472
Charitable activities						
Nurturing the next generation – careers	-	-	685,628	-	685,628	859,928
Nurturing the next generation – fellowships	-	-	3,682,157	-	3,682,157	1,949,676
Influencing policy	-	-	311,703	-	311,703	109,500
Seizing international opportunities	-	-	971,499	-	971,499	493,300
Linking academia, industry & NHS	80,870	-	149,938	-	230,808	84,000
Encouraging dialogue	-	-	150,865	-	150,865	20,109
	80,870	-	5,951,790	-	6,032,660	3,516,513
Trading activities						
Trading subsidiary income	857,991	-	-	-	857,991	773,787
Other rental income	51,250	-	-	-	51,250	-
	909,241	-	-	-	909,241	773,787
Investments						
Income on investments	8,203	-	27,716	37,907	73,826	71,443
Short term deposits	30,064	-	4,153	-	34,217	27,046
	38,267	-	31,869	37,907	108,043	98,489
Total Income	1,826,546	20,000	6,139,659	123,917	8,110,122	5,799,261 Note (a)

Note (a)	General Fund £	Designated Funds £	Restricted Funds £	Endowed Funds £	Total 2015 £
Donations	770,992	448,066	97,100	94,314	1,410,472
Charitable activities	59,000	-	3,457,513	-	3,516,513
Trading activities	773,787	-	-	-	773,787
Investments	29,465	-	32,882	36,142	98,489
Total Income	1,633,244	448,066	3,587,495	130,456	5,799,261

4. Expenditure on:

	Direct Costs £	Grant Funding £	Support Costs £	Total 2016 £	Total 2015 £
Raising Funds					
Fundraising costs	89,867	-	45,670	135,537	163,078
Property management	23,549	-	-	23,549	22,520
Trading subsidiary expenditure	634,158	-	-	634,158	601,061
	747,574	-	45,670	793,244	786,659
Charitable activities					
Promoting excellence	223,404	-	82,852	306,256	287,769
Nurturing the next generation	653,440	3,626,014	367,522	4,646,976	3,152,695
Influencing policy	288,094	-	244,171	532,265	386,494
Seizing international opportunities	191,988	763,620	157,634	1,113,242	657,057
Linking academia, industry & NHS	121,163	-	113,546	234,709	152,918
Encouraging dialogue	208,284	-	71,331	279,615	137,317
	1,686,373	4,389,634	1,037,056	7,113,063	4,774,250
Total expenditure	2,433,947	4,389,634	1,082,726	7,906,307	5,560,909

Total expenditure in the year to 31 March 2015 was £5,560,909 comprising expenditure under General Funds; £1,573,888, Designated Funds; £117,114, Restricted Funds; £3,819,392 and Endowed Funds; £50,515.

Analysis of support costs

	Cost of Premises £	Office & IT Costs £	Staff & Related Costs £	Governance Costs £	Total 2016 £	Total 2015 £
Raising Funds	20,738	6,824	15,837	2,271	45,670	63,463
Charitable activities						
Promoting excellence	37,623	12,379	28,731	4,119	82,852	102,572
Nurturing the next generation	166,890	54,911	127,448	18,273	367,522	398,095
Influencing policy	110,877	36,481	84,673	12,140	244,171	170,189
Seizing international opportunities	71,581	23,552	54,664	7,837	157,634	102,211
Linking academia, industry & NHS	51,561	16,965	39,375	5,645	113,546	57,450
Encouraging dialogue	32,392	10,657	24,736	3,546	71,331	39,286
Total support costs	491,662	161,769	375,464	53,831	1,082,726	933,266

The Academy initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. The remaining support costs, which include the depreciation charge for the year, together with the governance costs, are allocated on the basis of average staff time except where the terms of restricted funding specify a particular overhead recovery.

5. Trustee and employee information

a. Trustee information

None of the Council (trustees) received or waived emoluments in the current or preceding year.

During the year 16 Council members (2015: 22) received reimbursed travel expenses of £21,376 (2015: £14,592).

The Academy received donations during the year from 8 Council members (2015: 12) of £2,290 (2015: £5,030).

b. Employee information

	2016 £	2015 £
Salaries	1,112,114	968,612
Employer's national insurance	111,200	98,988
Employer's pension contributions	72,678	54,731
Donated staff services	126,000	67,100
	1,421,992	1,189,431

The average number of salaried staff employed during the year was 30.17 (2015 25.83)

The full-time average equivalent for salaried staff during the year was 28.58 (2015: 23.94).

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

	2016	2015
£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

Pension contributions paid by the Academy relating to the higher paid employees as defined above amounted to £6,187 (2015: £10,800).

The total salaries of the five directors constituting the Senior Management Team, including pension contributions, was £282,129 (2015 £364,325). The figures do not include the Interim Executive Director on secondment from the Wellcome Trust during 2015 whose services were donated to the Academy.

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

	2016 £	2015 £
Audit fees - charity	14,652	12,480
Audit fees – trading subsidiary	2,350	1,650
Investment management fees	16,221	15,168
Depreciation of tangible fixed assets	267,733	276,261
Operating lease charges	-	3,736

7. Grants payable

The Academy administers five grant schemes: the Clinician Scientist Fellowship Scheme (CSFS) funded by the Health Foundation; the Starter Grants for Clinical Lecturer Scheme (CLS) funded by the Wellcome Trust, the British Heart Foundation, Arthritis Research UK, the Medical Research Council, the Royal College of Physicians and Prostate Cancer UK; the Springboard Grants Scheme (SBS) funded by the Wellcome Trust; the Newton Fellowships (NFS) funded by the Newton Fund (Department for Business Innovation & Skills) and the Daniel Turnberg UK/Middle East Travel Fellowship Scheme (DTMF). Details of the Schemes are as follows:

	CSFS £	CLS £	SBS £	NFS £	DTMF £	Total 2016 £
Grants outstanding 1 April	123,655	-	-	-	-	123,655
Grants awarded in the year	568,342	1,216,238	1,841,434	647,925	115,695	4,389,634
Grants paid in the year	(423,123)	(1,216,238)	-	(106,000)	(115,695)	(1,861,056)
Grants outstanding 31 March	268,874	-	1,841,434	541,925	-	2,652,233
Grants to institutions						
to nurture the next generation	568,342	1,216,238	1,841,434	-	-	3,626,014
to seize international opportunities	-	-	-	647,925	-	647,925
	568,342	1,216,238	1,841,434	647,925	-	4,273,939
Grants to individuals						
to seize international opportunities	-	-	-	-	115,695	115,695
Grants awarded in the year	568,342	1,216,238	1,841,434	647,925	115,695	4,389,634

Grants payable of £2,652,233 are shown under creditors amounts falling due within one year at note 11 page 27.

Grants awarded are shown as grant funding expenditure in note 4 on page 22.

Grants to 27 institutions were awarded in the year to a total value of £4,273,939. (2015: £2,254,651 to 22 institutions). The principal institutions benefiting from the grants were:

	£
King's College, London	480,130
University of Oxford	460,604
University College, London	454,778
University of Cambridge	383,060
Imperial College, London	353,195
Queen Mary College, London	299,600

8. Tangible fixed assets – Group and Charity

	Leasehold Premises £	Refurbished Property £	Furniture, fixtures & equipment £	Computer equipment £	Total £
Cost					
At 1 April	2,300,000	4,130,957	438,891	217,987	7,087,835
Additions	-	62,889	29,733	15,407	108,029
Disposals	-	-	(8,000)	(2,614)	(10,614)
At 31 March	2,300,000	4,193,846	460,624	230,780	7,185,250
Depreciation					
At 1 April	372,974	644,528	92,986	194,487	1,304,375
Charge for the year	82,883	150,378	22,541	11,931	267,733
Disposals	-	-	-	(2,614)	(2,614)
At 31 March	455,857	794,906	115,527	203,804	1,570,094
Net book value					
31 March 2016	1,844,143	3,398,940	345,097	26,976	5,615,156
31 March 2015	1,927,026	3,486,429	345,905	23,500	5,782,860

Leasehold premises represents the value of the leasehold property at 41 Portland Place/8 Weymouth Mews as transferred to the Academy from the Novartis Foundation on 31 July 2008.

Refurbished property represents the costs of construction and associated professional fees incurred in the refurbishment of 41 Portland Place between 2009 and 2011 along with the refurbishment of 8 Weymouth Mews which was completed in June 2015.

On 22 April 2014 the Academy completed on a new over-riding lease with the immediate landlords QAS Nominees Ltd that extends the current lease term on 41 Portland Place and 8 Weymouth Mews from 2038 to 2137. The rent payable from 6 July 2038 will be at full market rate rather than at the peppercorn rent paid currently. This means that the capital value will expire in July 2038 and depreciation will therefore continue to be calculated on the original lease term.

Included in furniture, fixtures and equipment are antiques that are held as artefacts for the long term and depreciation, which would be immaterial, has not been charged on them. With regular maintenance their initial carrying value should be maintained and no impairment review is considered necessary.

9. Investments - Group

	2016 £	2015 £
At 1 April	2,099,942	2,000,050
Additions	164,560	60,690
Disposals	(16,221)	(141,243)
Net (loss)/gain in market value	(85,476)	180,445
	2,162,805	2,099,942
Cash held for investment	44,011	45,666
Market Value at 31 March 2016	2,206,816	2,145,608
Cost at 31 March 2016	1,952,969	1,788,489

Investments to the value of £288,365 representing the Jean Shanks Memorial and the Sackler endowed funds are held in the Sarasin & Partners Alpha Common Investment Fund for Endowments. Investments to the value of £1,156,215 representing the Daniel Turnberg Memorial Fund are split between the Sarasin & Partners Alpha Common Investment Fund for Endowments and their Alpha Common Investment Fund for Income and Reserves. Additional investments to the value of £762,236 comprising balances held in the General Fund and Restricted Funds that are identified as suitable for retention in the medium term are split across the two Sarasin Funds as previously mentioned.

Investments of £2,207,816 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 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
Amounts falling due within one year:				
Trade debtors	184,155	86,314	166,863	86,565
Prepayments	73,177	73,177	76,285	76,285
Accrued income	1,851,188	1,851,188	10,327	10,327
VAT recoverable	-	-	15,076	22,091
Other debtors	57,890	22,890	53,612	18,612
Amount due from subsidiary	-	64,776	-	63,764
Amount falling due after more than one year:				
Loan to subsidiary	-	100,000	-	100,000
	2,166,410	2,198,345	322,163	377,644

11. Creditors

	Group 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
Amounts falling due within one year:				
Grants payable	2,652,233	2,652,233	123,655	123,655
Trade creditors	403,687	332,212	580,054	521,096
Accruals	70,702	68,352	45,213	42,097
Deferred income	1,058,962	1,018,050	1,461,048	1,415,888
Rent deposit	73,800	73,800	-	-
PAYE/NIC Liability	33,555	33,555	24,697	24,697
VAT payable	6,514	2,270	-	-
Bank loan	18,203	18,203	21,255	21,255
	4,317,656	4,198,675	2,255,922	2,148,688

	Group 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
Amounts falling due within one year:				
Bank loan				
Due within two to five years	80,133	80,133	93,311	93,311
Due after five years	87,077	87,077	130,219	130,219
	167,210	167,210	223,530	223,530

The Academy has a secured loan, originally of £250k, with Lloyds repayable over 10 years. Interest is payable at a fixed rate of 4.31% on £125,000 and at a variable rate of 2.56% above base rate on the remaining capital, £40,000 of which was repaid in September 2015.

12. Deferred Income

	Group 2016 £	Charity 2016 £	Group 2015 £	Charity 2015 £
Deferred income brought forward	1,461,048	1,415,888	474,923	460,935
Less: Amount used in the year	(1,461,048)	(1,415,888)	(474,923)	(460,935)
Income accrued within the year:				
Grants from institutions	1,018,050	1,018,050	1,415,888	1,415,888
Conferencing deposits	40,912	-	45,160	-
Deferred income carried forward	1,058,962	1,018,050	1,461,048	1,415,888

13. Movement on group funds

	Balance 1 April £	Income £	Expenditure £	Transfers £	Revaluation £	Balance 31 March £
Permanent endowment						
Jean Shanks Memorial Fund	230,970	-	(1,656)	-	(13,100)	216,214
Sackler Fund	76,993	-	(552)	-	(4,367)	72,074
Daniel Turnberg Memorial Fund	1,307,629	123,917	(88,257)	-	(36,837)	1,306,452
Total permanent endowment	1,615,592	123,917	(90,465)	-	(54,304)	1,594,740
Restricted funds						
Newton grant scheme	-	800,925	(799,496)	(1,429)	-	-
Other grant schemes	361,163	4,079,319	(4,016,239)	(28,435)	-	395,808
Mentoring & career development	16,126	320,082	(316,225)	(19,983)	-	-
BIS grant	-	471,000	(447,545)	(23,455)	-	-
Policy meeting contributions	26,018	412,058	(435,151)	7,075	-	10,000
Medical Research Society	846,458	55,800	(114,284)	(660)	(24,603)	762,711
Capital Appeal	54,161	475	(10,571)	-	-	44,065
Restricted Asset Fund	3,441,949	-	(163,569)	-	-	3,278,380
Total restricted funds	4,745,875	6,139,659	(6,303,080)	(66,887)	(24,603)	4,490,964
Unrestricted funds						
General Fund	529,692	1,826,546	(1,355,425)	(313,113)	(6,569)	681,131
Designated funds						
Business Fund	200,422	-	-	-	-	200,422
Asset Fund	2,136,226	-	(96,227)	-	-	2,039,999
Building Repair Fund	268,693	-	(31,110)	130,000	-	367,583
Development Fund	363,066	20,000	(30,000)	250,000	-	603,066
Total designated funds	2,968,407	20,000	(157,337)	380,000	-	3,211,070
Total unrestricted funds	3,498,099	1,846,546	(1,512,762)	66,887	(6,569)	3,892,201
Total funds	9,859,566	8,110,122	(7,906,307)	-	(85,476)	9,977,905

Endowment Funds

The Jean Shanks Memorial Fund

This fund is held in perpetuity to fund an annual Jean Shanks Memorial Lecture. Income arising from the investment of the donation is treated as restricted income.

The Sackler Fund

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

The Daniel Turnberg Memorial Fund

The Academy holds funds as sole trustee of the Daniel Turnberg Memorial Fund set up to foster academic interchange between medical and bioscience researchers in and between the UK and countries in the Middle East by award of travel grants.

Restricted Funds

Grant Schemes

The Academy's five grant schemes are funded by external organisations as detailed in note 7. Balances held at the end of the year include £304,455 remaining from the early cohorts of the Clinician Scientist Fellowship Scheme (CSFS). The Newton Fellowships, funded by the Department for Business Innovation & Skills, are disclosed separately as required by the terms of the grant. During the year £647,925 of grant funding and £153,000 contribution for the running of the scheme was received and expended.

Mentoring and career development programme

The National Institute for Health Research (NIHR) and the Wellcome Trust fund our mentoring and career development programme with supplementary funding received from the Medical Research Council, NHS Education for Scotland, Queen's University, Belfast, the National Institute for Social Care and Health Research in Wales, GlaxoSmithKline and the Royal Society.

BIS grant

The Academy received £471,000 in April 2015 from the Department of Business Innovation & Skills as part of the allocation of the Science and Research budget 2015/16 to the National Academies. This funds work under strategic objectives and is centred around policy and public dialogue.

Policy project/meeting contributions

Specific donations to support meetings and other activities. Funders include the British Heart Foundation, the National Institute for Health Research (NIHR), the Wellcome Trust, the Medical Research Council and The Health Foundation.

Medical Research Society

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

Capital appeal

The balance remaining from donations received in response to the Academy's fundraising appeal to support the refurbishment of 41 Portland Place. The monies are held to support further capital investment in the building.

Restricted Asset Fund

This fund represents the assets that were funded by the Capital Appeal in 2009-11.

Designated Funds

Designated Business Fund

This fund is available to support the trading subsidiary during the first years of its operation.

Designated Asset Fund

This fund comprises the value of the leasehold premises, antiques and paintings at 41 Portland Place and 8 Weymouth Mews in July 2008 on merger with the Novartis Foundation, less associated depreciation. The costs of the refurbishment of 8 Weymouth Mews are also included in this fund along with the associated bank loan.

Designated Building Repair Fund

This fund provides for future building repairs and major equipment purchases at 41 Portland Place.

Designated Development Fund

This fund has been set up from significant unrestricted donations and transfers from the General Fund to be used to expand the Academy's work under its broad objectives of policy and careers and to strengthen the operational platform.

14. Transfer between funds

	General fund £	Designated funds £	Restricted funds £	Total £
Elimination of inter-company room hire	66,887	-	(66,887)	-
Transfer to building repair fund	(130,000)	130,000	-	-
Transfer to development fund	(250,000)	250,000	-	-
	(313,113)	380,000	(66,887)	-

15. Analysis of group net assets

	General funds £	Designated funds £	Restricted funds £	Permanent endowment funds £	Total £
Fixed assets	79,334	2,257,443	3,278,379	-	5,615,156
Investments	249,886	-	512,350	1,444,580	2,206,816
Cash on deposit and at bank	698,017	1,139,040	2,481,896	150,160	4,469,113
Other net current liabilities	(346,106)	(18,203)	(1,781,661)	-	(2,145,970)
Liabilities due after one year	-	(167,210)	-	-	(167,210)
	681,131	3,211,070	4,490,964	1,594,740	9,977,905

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 2016 there were 1,160 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 2017.

The Academy is the sole trustee of the Daniel Turnberg Memorial Fund, a separate charity but treated as part of the Academy for the purposes of registration and accounting under parts 4 and 8 of the Charities Act 2011. The Daniel Turnberg Memorial Fund is shown as a separate endowed fund of the Academy at Note 13 and income arising from the investment of the fund is shown as restricted income in that note.

18. Operating lease commitments

The charity had minimum lease commitments under an operating lease for photocopying equipment as follows:

	2016	2015
Due within 1 year	-	3,736



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