

Annual Report and Financial Statements 31 March 2020

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Mission, vision and characteristics

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 advance biomedical and health research and its translation into benefits for society.

We are working to secure a future in which:

- **UK and global health is improved by the best research.**
- **The UK leads the world in biomedical and health research, and is renowned for the quality of its research outputs, talent and collaborations.**
- **Independent, high quality medical science advice informs the decisions that affect society.**
- **More people have a say in the future of health and research.**

We are guided by the following values and characteristics:

- **A Fellowship of the UK's best biomedical and health researchers.**
- **An independent source of evidence-based and expert advice.**
- **Connected to, and respected by, decision makers.**
- **Focused on realising cross-disciplinary opportunities across academia, industry and healthcare.**
- **Committed to improving and celebrating diversity - in all its forms - in the biomedical and health research community.**
- **Global in outlook, reach and influence.**
- **Catalytic, inclusive and accessible in our approach.**
- **Responsive to change and innovative in our solutions.**
- **Adept at maximising our impact through partnership working.**

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

1185329

Registered company no

RC000905

Principal address

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

Principal bankers

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

Auditors

PKF Littlejohn LLP
15 Westferry Circus
Canary Wharf
London, E14 4HD

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 Robert Lechler FMedSci
Executive Director, King's Health Partners and Vice-Principal (Health),
King's College London

Vice-President (clinical)

Professor Paul Stewart FMedSci
Dean of Medicine and Faculty Dean Medicine and Health,
University of Leeds

Vice-President (non-clinical)

Professor Michael Malim FRS FMedSci
Head, School of Immunology & Microbial Sciences,
King's College London

Vice-President (international)

Professor Dame Anne Johnson FMedSci
Professor of Infectious Disease Epidemiology,
University College London

Treasurer

Professor Edward Bullmore FMedSci
Professor of Psychiatry,
University of Cambridge

Registrar

Professor Philippa Saunders FRSE FMedSci
Professor of Reproductive Steroids,
University of Edinburgh

Ordinary Members of Council

Professor Frances Brodsky FMedSci
Professor Dame Jessica Corner FMedSci
Professor Hilary Critchley FRSE FMedSci
Professor Dame Anna Dominiczak FRSE FMedSci *retired December 2019*
Professor Elizabeth Fisher FMedSci *appointed December 2019*
Professor Michael Hanna FMedSci
Professor David Lomas FMedSci
Professor Patrick Maxwell FMedSci
Professor Sir Douglas Turnbull FRS FMedSci *retired December 2019*
Professor David Webb FMedSci *appointed December 2019*
Professor Julie Williams CBE FMedSci FLSW

Co-opted members

Dr Fiona Marshall FMedSci *retired December 2019*
Professor Frances Platt FMedSci *retired December 2019*
Dr Rabinder Prinjha FMedSci *appointed February 2020*
Professor Dame Margaret Whitehead FMedSci *appointed February 2020*

Principal Employed Officers**Executive Director**

Mr Simon Denegri *from 28 October 2019*
Dr Helen Munn *until 24 May 2019*

Interim Executive Director

Dr Rachel Quinn *27 May-25 October 2019*

Director of Biomedical Grants and Careers Policy

Dr Suzanne Candy

Director of Communications

Mr Nick Hillier

Director of Medical Science Policy

Dr Rachel Quinn

Interim Director of Medical Science Policy

Dr Elizabeth Bohm *27 May-25 October 2019*

Director of Finance and Resources

Mrs Chris Straw

Aims and objectives

Our mission is to advance biomedical and health research and its translation into benefits for society.

Our four key objectives are:

- 1. Promoting excellence**
- 2. Developing talented researchers**
- 3. Influencing research and policy**
- 4. Engaging patients, the public and professionals**

In delivering these objectives we will seek to address the following strategic challenges:

1. To harness our expertise and convening power to tackle the biggest scientific and health challenges and opportunities facing our society.
2. To lead innovation in the development of research talent through funding and careers support.
3. To achieve influence and impact beyond the UK to improve health and well-being.
4. To become the exemplar of a 'modern scientific academy' – diverse, trusted, dynamic, relevant and accessible.
5. To enhance the Academy's delivery capability, making sure we have the Fellows, staff, partners, resources and influence to make an even greater contribution to the UK and beyond.

Income and expenditure under the four key objectives for the financial year to 31 March 2020 are shown in the Consolidated Statement of Financial Activities at page 20.

Achievements in the year 2019/20

Promoting excellence

- In April 2019 we elected 50 new Fellows to the Academy Fellowship from a record pool of 413 candidates and 38% of those elected were women. This was the highest percentage of women elected in one year to date. The election process involved the majority of the Fellowship in their various roles as nominators, peer reviewers or Sectional Committee members. This election brought the total number of Fellows to 1,301.
- We continued to improve the diversity of participants in all our work, including the Fellowship election, events, working groups, committees and panels. Activities this year focussed on supporting greater ethnic diversity in candidates for Fellowship and for the Foulkes Foundation Medal. We also joined the Proud Science Alliance and collaborated for an event as part of the Pride in London celebrations. In October 2019 we published our fifth annual comprehensive report of diversity data.
- Our regional champions network held 7 events over the year and supported our efforts to significantly increase the diversity of Fellowship candidates and nominations for Foulkes medal which was awarded to Professor Muzlifah Haniffa from Newcastle University and the Wellcome Sanger Institute.
- In December 2019 the Jean Shanks Lecture was delivered jointly for the first time by Professor Gillian Bates FRS FMedSci and Professor Sarah Tabrizi FMedSci on '*New therapies for Huntington's disease, is the endgame in sight?*'.
- In December 2019 we admitted Rt. Hon. Lord Drayson FEng FMedSci and Professor Dame Anne Glover FRS FRSE FMedSci as Honorary Fellows of the Academy.
- Through our MedSciLife campaign we continued to share personal stories of those working in medical and health research to promote different working practices and explore how passions and achievements outside work can influence careers. 5 new profiles were published generating broad discussions on social media.

Developing talented researchers

- Our flagship programme Future Leaders in Innovation, Enterprise and Research (FLIER), was launched in January 2019. The first cohort of 17 FLIER participants from across academia, industry, NHS and government/policy sectors completed the first year of the programme. The programme involved residential workshops, individual and group coaching, networking with senior leaders and visits to organisations across the sectors. Participants have found the programme invaluable, particularly the support of the cohort, coaching and opportunities to network across sectors. The second cohort of 18 participants commenced the programme in February 2020. The pilot programme is funded from the BEIS Talent Fund and the Dennis and Mireille Gillings Foundation.
- We have continued to innovate with our targeted programme of grant funding. During the last year we awarded £1.4 million to our first six Academy of Medical Sciences Professorships through two funding rounds. This scheme, underpinned by the BEIS Talent Fund, is designed to attract and retain emerging talent from across the globe to the UK, with the specific aim to build capacity at the early-leadership career stage.
- We have continued to deliver our portfolio of grants schemes which aim to support and develop talented aspiring researchers. The schemes include our: Springboard Awards, Starter Grants for Clinical Lecturers, Clinician Scientist Fellowships, Newton Fellowships, GCRF Networking Grants, the Daniel Turnberg Travel Fellowship scheme and the Hamied Foundation UK-India AMR Visiting Professorship scheme. An overall total of £10.09m was awarded and 183 new grantees were supported in the financial year.
- The Academy's wider support activities for our grant holders has been a strong feature over the last year. The second Daniel Turnberg Travel Fellowship Alumni Conference took place in November 2019 in Cyprus. Our Springboard awardees were brought together for an enhanced induction session. Our third and fourth cohorts of Clinician Scientist Fellows convened in March. These meetings were an opportunity for awardees to showcase their research and benefit from career development support and cross sector networking.
- Our portfolio of programme activities to support early career researchers continues to grow in terms of reach and impact. The fifth round of INSPIRE grants funded by Wellcome Trust were awarded to 31 medical, dental and veterinary schools. Further funding for the SUSTAIN programme to support women researchers was secured from the UKRI Medical Research Council, the Royal Academy of Engineering and the Royal Society. The fourth round of the programme was launched and residential events held in early March. Over 60 early career researchers were paired with an Academy Fellow in our mentoring scheme this year, bringing the total mentoring pairs to over 950 since the programme began. Three regional career development events were held to provide support and skills training to trainees across the country.
- Our scientific conferences for aspiring medical researchers are highly valued. The annual Winter Science meeting was held in October 2019, with a keynote talk from the former Chief Medical Officer (CMO) for England, Professor Dame Sally Davies FMedSci.

- To oversee and advise on the development of a cohesive package of support provided across the Academy's grants and programmes, we have convened a Programmes Advisory Group, chaired by Professor Christopher Pugh FMedSci. This group met three times during 2019-20.
- Robust monitoring and evaluation ensures that our schemes and activities remain fit for purpose and achieve impact. A Working Group considered and recommended the implementation of many of the recommendations from an independent evaluation that reviewed the Springboard Award Scheme and the Group is working with our funding supporters to increase the value of the awards in the next 12-24 months.
- Working to secure continued funding of our activities to ensure sustainability has been a major focus for 2019-20. In addition to renewing various funds for activities, we have

reviewed and reflected on a number of grant schemes and support programmes underpinned by funding from the Wellcome Trust and developed a future five-year £15.7m proposal for further support. The aims of the proposal are to support researchers transitioning to independence and to promote health innovation. We continue to build our consortium funding model for our grant schemes and welcomed The Association of Physicians of Great Britain & Ireland to the Starter Grants scheme.

- In response to the COVID-19 pandemic, we have developed new content on our website to support applicants to our schemes and our awardees, including a COVID-19 Q&A document. A number of meetings and events were reconfigured to be held virtually, including: a Selection Panel meeting for the Daniel Turnberg Travel Fellowships scheme, two Springboard Champion Events to engage with and support the Springboard Champions and Research Office contacts.

Influencing research and policy

- Our major policy report, *Transforming health through innovation: Integrating the NHS and academia*, was published in January 2020. The development of the report was informed by meetings to consider the future of clinical academic careers and to gather perspectives from patient advocates and leaders on enabling research in the NHS; an economic assessment of a proposed pilot to increase dedicated time for research; and extensive consultation with key stakeholders across the life sciences sector. The report received extensive media coverage and has already gained traction across the healthcare sector and Government.
- Following on from our major policy report published in 2018, *Our data-driven future in healthcare*, we continued to work in partnership with Government departments to influence the development of national data strategies and policy frameworks, as well as with Health Data Research UK and the Centre for the Advancement for Sustainable Medical Innovation on commercial models of data access to realise the value of healthcare data.
- Working in partnership across the sector, we continued to inform national discussions about the future of UK biomedical research after the UK leaves the EU. This involved numerous statements, engagement with European counterparts, membership of the Horizon Europe Alternative Board, and meetings with Ministers and senior officials, covering issues around regulation, immigration, negotiation priorities and research funding. We worked in partnership with the other national academies to raise the profile of R&D issues in the General Election.
- Efforts continued to inform implementation of the Life Sciences Sector Deals and promote the role of medical research in regional growth. This included supporting the UK regional life sciences clusters to contribute to the long-term success of the sector and convening events around the

country to bring together researchers and businesses with local and national Government.

- Three FORUM events were held in 2019/20, most of which were held in partnership, providing additional reach, leverage and impact. Topics were: clinical research skills; genome editing; and healthy ageing. These meetings continued to attract leaders from across academia, industry and healthcare, providing an important and neutral platform to discuss challenges and opportunities across the sectors. Three new organisations joined the FORUM, which reached 42 members.
- We continued to follow-up our first international policy report '*Multimorbidity: a priority for global health research*'. This included working with a cross-funder group to promote multimorbidity research. This has resulted in a cross-funders' framework for multimorbidity research, the hosting of a hub on the Academy's website and further calls focussed on multimorbidity from NIHR and UKRI. To develop our next project we held a scoping meeting on clinical research capacity.
- Professor Patricia J. García delivered the 2019 Academy of Medical Sciences and The Lancet International Health Lecture on corruption in global health, which included a live link up with the Peruvian Academy.
- With significantly increased funding from the BEIS Global Research Challenges Fund we were able to run twice as many of our impactful global health policy workshops. Topics included: achieving universal health coverage in low and middle income countries and the role of quality of care research (London); improving the prevention and management of multimorbidity in sub-Saharan Africa (South Africa); interdisciplinary research in epidemic preparedness and response (London); addressing the social determinants of global mental health in the Sustainable Development Goal (SDG) era (London); science to tackle non-communicable

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- diseases in South Asia and beyond in the SDG era (Sri Lanka) and; research and policy to improve urban health across Latin America (Brazil).
 - Bilateral relationships with sister Academies in Europe were strengthened, although a planned joint meeting with the Royal Netherlands Academy of Arts and Sciences on the microbiome had to be postponed due to COVID-19 pandemic restrictions. We continued to provide substantial support to the Federation of European Academies of Medicine to strengthen its influence in Europe and to secure its future.
 - In February 2020, we co-hosted a workshop with the Japan Society for the Promotion of Science and the Japan Agency for Medical Research and Development on data driven health.
 - In response to the COVID-19 pandemic, meetings originally planned for March 2020 had to be rescheduled. Instead, we launched a rapid response project that convened an international group of experts, including people with lived experience, to identify the mental health science research priorities for the pandemic.

Engaging patients, the public and professionals

- In 2019/20 we completed our most ambitious public engagement project to date. *'The Departure Lounge'* was a taboo-busting installation on death and dying that opened in May and June 2019 as a pop-up shop in Lewisham, South London, and extended to a national conversation across the UK. Media reports of the project reached over 7 million people and over 60 volunteers across the UK ran live and online events using special flat pack versions of the Departure Lounge from September 2019 to April 2020. The views of members of the public visiting the installation were used to inform workshops to define end of life and palliative care policy priorities and catalysed action by partners across the sector.
- In 2019/2020 the Academy has continued to gain widespread media coverage for our report launches, comments and statements. Our NHS-Academia report launched in January 2020 and reached a minimum of 13.5 million members of the public via broadcast, print and online media. We released over 20 media statements from our President on topics including Brexit, immigration and research funding which resulted in coverage in outlets including BBC Radio 4's Today programme, The Times, Telegraph, Huff Post and the Daily Mail.
- As the news of the coronavirus pandemic hit headlines at the end of the financial year we partnered with the UK Science Media Centre to ensure journalists had access to the best experts for comment on the fast paced developments, identifying and coaching Fellows and our grant awardees to take their first steps into media engagement. We also hosted the only independent press briefing for science journalists to hear from both the Chief Medical Officer and the Government's Chief Science Advisor.
- Our digital engagement continued to increase. Our main website received nearly 720,000 views in 2019/20 - an increase of 12% on the previous year and our Twitter followers jumped to 24,000 - an increase of 40%.

Looking ahead

We continue to work to the Academy's 2016-2021 Strategic Plan mission of 'advancing biomedical and health research and its translation into benefits for society,' and our four strategic objectives:

- Promoting excellence
- Developing talented researchers
- Influencing research and policy
- Engaging patients, the public and professionals

COVID-19

COVID-19 will have a significant and prolonged impact on our strategy and plans for 20/21. During this period we will:

- Provide leadership in key areas of the science response to coronavirus focussing on areas of unmet need, including mental health, immunology, and pre-clinical drug discovery and development.
- Work with partners in low and middle income countries to support their response to the pandemic and share learning.
- Ensure media reporting and public understanding of COVID-19 is based on sound evidence.
- Work in partnership to mitigate the impact of the pandemic on the medical research base in the UK and ensure the sector can support the recovery of the nation's health and wealth.
- Support researchers and research to learn and recover from the pandemic.
- Use our independence, agility and credibility to convene partners to tackle common goals as part of the national emergency response.
- Maintain business continuity by adopting new ways of working.
- We anticipate that COVID-19 will have a significant bearing on our strategy and operations in 2020/21. Existing capacity and resources will need to be re-prioritised to focus on pandemic related work. We also expect disruption to our activities, particularly meetings and events for the first half of the year. However, we anticipate being able to absorb much of this impact and deliver the vast majority of the work detailed below.

Promoting excellence

- Deliver a robust election process, in which a large and diverse pool of candidates is considered fairly and effectively, and up to 50 new Fellows are elected who represent the UK's best medical researchers in its broadest diversity.
- Work with our Regional Champions to support a programme of activities that engages Fellows across the country.

- Maintain the Academy's programme of high quality corporate events during and beyond lockdown and social distancing measures. Utilise digital platforms to connect and communicate with Fellows and other key audiences.
- Repurpose existing and develop new digital content for the Academy website and our MedSciLife campaign that showcases the people behind our work, sharing powerful stories and highlighting where the Academy has made a difference to people's lives.

Developing talented researchers

- Develop a virtual support programme of activities for clinicians and researchers impacted by the coronavirus pandemic. The aim of the programme is to respond to the needs of the affected individuals, and sustain their resilience during the pandemic and as they transition back and re-ignite their previous research activities.
- Work to secure underpinning funding for our activities through current and new proposals. We also hope to secure funds to bolster our capacity relating to policy work on the research training and career pathway.
- Support FLIER participants as the first cohort complete the programme and the second cohort commence their second year projects. We will continue to work to adapt the delivery of this programme, as required, due to the COVID-19 pandemic. Following review of the on-going independent evaluation, we will further develop the programme and seek further funding for future cohorts.
- Take forward our plans to further engage stakeholders to co-develop a new cross-sector mobility programme through regional 'hubs'. We will also seek funding to enable the implementation of the programme next year.
- Once the research community has re-established itself after its response to the COVID-19 pandemic, we will continue to liaise with potential collaborators and funders regarding the work started in 2017/18 in collaboration with The Health Foundation to develop an innovative transdisciplinary fellowship scheme in health of the public research.
- Continue to deliver our grants and support programmes, taking on board all monitoring and evaluation data to evolve our 'offer'. We aim to create automated mentoring pairing support as part of the new CRM database project

which will help to streamline the process for mentees joining the programme. We also plan to expand the programme to include new mentees through funding from the Medical Research Foundation and Diabetes UK.

- Given the constraints of the COVID-19 pandemic, we are working to reconfigure our meetings and scientific conferences to harness virtual platforms and utilise them as effectively as possible. This includes our Winter Science Meeting, induction events and potentially our Clinical Academic Training Conference (CATAC).

Influencing research and policy

- Convene stakeholders to respond rapidly to the COVID-19 pandemic – focussing on areas of unmet need, including mental health, immunology, and pre-clinical drug discovery and development – as well as work in partnership to mitigate its impact on the medical research base and ensure the sector can support the recovery of the nation's health and wealth.
- Continue to work with partners to ensure the implementation of our major policy recommendations to enhance the NHS-academia interface and to engage stakeholders on issues of health data policy. Work with Government to improve the sustainability of the health and social care system.
- Advocate the views of the Academy's community, alone and in partnership, on factors that impact the UK science base, including the future relationship with EU research programmes, immigration policies, the implementation of the Life Sciences Industrial Strategy, supporting the life sciences across the country, and the framing of the next Government comprehensive spending review.
- Deliver at least four high-impact FORUM meetings, in addition to the 2020 FORUM Annual Lecture on the sustainability of the health and social care system, and continue to convene the UK life sciences clusters group. Grow the FORUM network, focusing on NHS engagement and broader industry representation from medtech and digital healthcare, and continue to enhance involvement of members in the Academy's wider work.
- Launch a major new international policy project following consultation with our Fellows.
- Work with partners in low and middle income countries to deliver six GCRF workshops that support evidence-based policy in relation to their priorities, including: COVID-19 response, universal health coverage and quality of care, drug resistance and malnutrition and anaemia.
- Further enhance connections with the European medical research community through support for the Federation of European Academies of Medicine, bilateral dialogue and events with European Academies. Strengthen relationships with countries of scientific strength.

Engaging patients, the public and professionals

- Develop and deliver projects that explore public and patient views on the coronavirus pandemic including understanding public and service user concerns for mental health and exploring the experiences of young adults. Seek opportunities to feed public and patient views into policy development and develop innovative and novel approaches where possible
- Expand the Academy's UK media presence, particularly in response to increased coverage of the coronavirus pandemic. Provide a source of expert and authoritative comment on medical science and ensure media access to a diversity of expert voices through training, coaching and support.
- Develop our presence on digital and social media to increase visitors, downloads, followers and subscribers across platforms.

Working across the organisation

- Delivery of our strategic objectives increasingly requires effective collaboration between Academy departments and teams. We have identified a number of cross-cutting themes which underpin this work and where we are taking a whole-organisation view to develop our approach. These themes include: organisational culture, diversity; partnership working; application of new working methods including technology; making the Academy more efficient and effective. The themes are reflected in our business plan for the year, team delivery plans and staff development plan.

Governance

Structure, governance and management

Royal Charter

The Academy of Medical Sciences has operated as a registered charity and company limited by guarantee since its incorporation in 1998, but at the December 2016 AGM the members voted to apply to the Privy Council for a Royal Charter. The Academy's executive team worked with lawyers Womble Bond Dickinson and a delegated group from Council during 2017/18 to review the existing governance documents and draft the new Charter, Byelaws and Regulations. The Academy's core mission and charitable objectives remained unchanged. A full consultation of the Fellowship on the draft governing documents took place over the summer of 2018 and they were ratified at the AGM of November 2018. The Charter application was submitted to the Privy Council in March 2019 and on 12 June the Queen granted an order for the Charter to be sealed.

At a specially convened Extraordinary General Meeting of the Academy on 26 June 2019 Fellows approved in principle the transfer of all the assets and liabilities from the charitable company to the new Royal Charter Body (once established), and authorised Council to take all such necessary steps required to give effect to such a transfer, including the approval of the transfer agreement. The Charter was finally sealed on 3 September 2019, from which date the new Academy of Medical Sciences Royal Charter body came into being, with Companies House reference RC000905. The Charity Commission entered the new entity onto the Register of Charities on 16 September with registered charity number 1185329.

The Academy's assets and liabilities were transferred to the new Royal Charter body on 30 November via a formal transfer agreement that had been prepared by lawyers Womble Bond Dickinson and approved by Council on 17 October. From 1 December all activities previously operated by the charitable company have been managed by the Royal Charter Body. This Report of the Council, and the financial statements, do not distinguish between the old and the new corporate entities as the activities continued throughout.

The first AGM of the Academy Royal Charter body was held on 3 December and members appointed PKF Littlejohn LLP as auditors, amongst other business. The Charter body was also made the sole corporate trustee of the Academy charitable company at the latter's AGM on the same date, effectively establishing it as a subsidiary of the Academy Charter body. The charitable company will be wound down in 2020/21.

Fellowship

The Academy is one of the five National Academies of the UK and at 31 March 2020 had 1,280 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'. Fifty new Fellows were elected in 2019 from a pool of 413 candidates through a rigorous process of peer review, scrutiny from eight 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 15 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 co-opt up to 5 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), Vice-President (International), Treasurer and Registrar. The Honorary Officers are elected by Council from nominations received from the Fellowship; they hold office for four or five years, with one (or two) of the six retiring each year.

The Honorary Officers and Council set the strategic direction of the Academy and oversee the work of the secretariat. Academy activities are selected by Council for the contribution they make towards the Academy's strategic goals, and are informed by the independent opinion, experience and expertise of the Fellowship. Council is advised by a small number of committees, including the group of Honorary Officers, who meet six times per year. The Finance Committee, chaired by the Treasurer, meets three times a year and is responsible for overseeing all financial aspects of the Academy's activities on behalf of Council, including liaison with auditors, investment managers and other advisers.

Trustee selection, induction and training

One third of Council stand down in December of each year, and new members are elected via a ballot of the Fellowship in October each year. 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. 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 a presentation from the Academy's legal advisers, along with financial information, 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 Leadership Team of four Directors responsible for Finance and Resources, Grants and Careers, Medical Science Policy and Communications. The Executive Director leads a permanent staff of 51, which includes 6 fixed term posts that support teams with particular need for additional resource.

Policy for setting remuneration for senior management

The Academy operates a Pay and Reward Policy for all staff that encompasses salary, employee benefits, training and development, job content and promoting work/life balance. Salaries are set within a broad pay band structure at each grade, with minimum and maximum salary levels informed by independent salary benchmarking carried out by a specialist company. Salary progression is based on performance, as monitored during the year and assessed annually against objectives and competencies agreed between the line manager and staff member. The performance of the Senior Leadership Team is monitored via regular one to one meetings with the Executive Director (and the Executive Director with the President), assessment against objectives and an annual 360 degree review process, which is discussed at the annual appraisals. Any salary awards, including that for the Executive Director, must be approved by the Finance Committee at its February meeting. A review of the Academy's Total Reward Approach to staff pay and reward will be conducted in 2020/21.

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 six 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 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 senior leadership team discusses business risks quarterly and updates the risk register for Finance Committee to review.

The key strategic risk of the Academy continues to be the risk to its reputation; this is managed in a number of ways, including 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 scrutinised 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 new significant risk arising from the COVID-19 global pandemic was added to the risk register in early 2020. The Academy's HQ at 41 Portland Place was closed on 18 March and staff have been working from home effectively since then. The business continuity group including the Executive Director continues to monitor the situation, following government guidance as appropriate. The immediate financial risk relates to the decrease in conference business income from March 2020 onwards, with longer term uncertainties around the level of future government funding for grant schemes and programmes. The risk will be under ongoing review during 2020.

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 four key objectives fulfil the Academy's mission 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 a 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 shareholding of £1,000 in £1 shares was transferred to the Academy Royal Charter body from the charitable company as part of the assets under the transfer agreement of 30 November. A loan of £100,000 secured by a debenture was also transferred. The Directors of the trading subsidiary are the Treasurer, the Executive Director and Director of Finance and Resources of the Academy. The Finance Committee routinely considers whether the trading company continues to represent a good investment for the Academy at its June meeting.

On 3 December, the Royal Charter body was made the sole corporate trustee of the Academy charitable company, and the company will continue as a subsidiary until such time as it is wound up. Trading and activity ceased in the charitable company with effect from 1 December 2019.

Relationships with other charities and organisations

The Academy has close connections with a number of organisations with which we co-operate to deliver our charitable objectives, and who generously support our work. Over the course of 2018/19 this included (but was not limited to): UK government departments of Business, Energy & Industrial Strategy (BEIS), Health, and the National Institute of Health Research; Wellcome, Medical Research Council, The Dennis & Mireille Gillings Foundation, British Heart Foundation, Versus Arthritis, The Health Foundation, Public Health England, Foulkes Foundation, Yusuf and Farida Hamied Foundation, Jean Shanks Foundation, Lord Leonard and Lady Estelle Wolfson Foundation, Diabetes UK, The Lancet, The Royal Society, British Academy, Royal Academy of Engineering, along with all the members of the Academy's FORUM and donors to the Daniel Turnberg Memorial Fund. The Academy is grateful to the nine funders of our scientific meeting on 'The developing brain in health and disease'.

The Academy gratefully acknowledges the generosity of the many trusts, companies, Fellows and individuals who have supported our work through pledges, contributions and donations over the last year, including those that are part of the Academy's FORUM and Helix Group.

Financial review

The Consolidated Statement of Financial Activities (SOFA) and Balance Sheet, together with the Notes to the Accounts set out on pages 23-37, 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. Comparative figures have been presented as merger accounting was adopted reflecting the transfer of business to the Royal Charter company on 30 November 2019.

Results for the year

The results for the financial year to 31 March 2020 are being reported against the background of the new health and economic challenges posed by the global COVID-19 pandemic. As a result, it is inevitable that the focus when assessing the results for 2019/20 will be more forward looking than in normal times, and the finishing position at 31 March 2020 provides a robust starting point for the uncertainties ahead in 2020/21. The Academy's core funds finished £187k up with a General Fund balance at 31 March 2020 of £1.34 million, and the total of unrestricted funds was £5.51 million representing 45% of the total funds of £12.14 million.

However, this forward focus should not detract from the fact that 2019/20 was another year of growth with total income up by 18% to £16.65 million, enabling a further expansion of activities as reflected in the increase in expenditure on charitable activities which increased by 29% to £16.23 million.

Funding sources

Total incoming resources for 2019/20 were £16.65 million of which £14.42 million was received from charitable activities, all of which was provided to support specific projects and included as part of restricted income. This was an increase of £2.97 million from the previous year which was principally to fund the Academy's grant schemes – the well-established Springboard scheme and a new Professorship scheme designed to attract and retain emerging talent from across the globe to the UK.

Several of the Academy's grant schemes have been funded by consortia of funders that have, in recent years, included the Department of Business and Industrial Strategy (BEIS). In 2019/20 BEIS provided a total of £7.32 million to those schemes, and a further £1.82 million to career programmes, international and UK policy activities. Along with the Department of Health and Social Services and the National Institute of Health Research, the total of government funding for activities in 2019/20 was £9.77 million.

Unrestricted income for the year was £1.96 million of which £783,585 was generated by the trading subsidiary. This was an increase of 19% from 2018/19 as a result of a successful year for the conference business and the premium received from the surrender of an office lease. The trading company provided 40% of General Fund income for the year but has faced challenges since late March with the closure of 41 Portland Place as part of the UK wide lockdown in response to the COVID-19 pandemic.

Expenditure

Total expenditure was £17.02 million, an increase of £3.74 million, the majority of which arose under developing talented researchers. Much of the increase under this objective was due to an uplift in funding from the BEIS Research Talent Fund that allowed an expansion of the Springboard grant scheme and the first awards to be made under the new Professorship Scheme. Expenditure on engaging public, patients & professionals increased to £772,118 as a result of the Departure Lounge initiative that launched in London in May 2019 and was rolled out to other parts of the UK during the year. Expenditure on influencing research & policy also increased in the year with an expansion in the number of policy workshops delivered across the world supported by the BEIS Global Challenges Research Fund.

Support costs increased by 15% to £1.81 million, due principally to an increase in governance costs to £142,465. This was mainly as a result of the legal and other professional costs incurred to support the Academy's transition to a Royal Charter body. These costs were covered by the Designated Development Fund. Staff and related costs increased to £747,814 as a result of a continued increase in the number of staff, the development of a bespoke package of staff training and the search costs for the new Executive Director.

Cash and investment management

Investments were valued at £3,274,797 at 31 March 2020 with a £120,641 decrease in market value. The investments were held in the Sarasin Endowments Fund (formerly the Alpha Common Investment Fund (CIF) for Endowments) and the Sarasin Income and Reserves Fund (formerly the 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 2020.

The Academy's portfolios at Sarasin performed well in the calendar year 2019 but as with other organisations, did not avoid the disruption to financial markets in March 2020 when the increase in value achieved over the preceding three quarters was removed. This was particularly difficult timing due to the additional £1 million that had been transferred from cash to Sarasin during the final half of 2019, meaning that the overall investment growth was pinned back. However, the investments have been well matched to longer term needs and there is no necessity to draw down any of the funds in the short to

medium term, allowing time to weather the markets. 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 2020 cash on deposit was £7.44 million. 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.

Reserves

The Academy's reserves at 31 March 2020 were £12,142,739 a decrease of £489,089 from 31 March 2019. The reserves were made up as follows:

| | |
|-------------------------------------|-------------------|
| | £ |
| Permanent Endowment | 1,671,180 |
| Restricted Funds | 4,958,789 |
| Unrestricted Funds | |
| Designated Funds | 4,167,967 |
| General Fund | 1,344,803 |
| Total Funds at 31 March 2019 | 12,142,739 |

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 34.

During the year a transfer of £80,000 was made from the General Fund to the Designated Building Repair Fund as a contribution to the long term repair costs of the building. Expenditure of £223k was incurred by the Designated Development Fund to support a variety of projects including the Royal Charter transition, improvements in the business and IT systems and the recruitment of the new Executive Director.

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 on 9 June 2020 the Finance Committee approved an uplift to the target level of reserves, in terms of General Fund resources, to a range of £1.25 million to £1.75 million due to the increased costs of the Academy's 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. At 31 March 2020 the General Fund was £1,344,803 and within the target range.

Statement of Trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and parent charitable company and of the incoming resources and application of resources, including the income and expenditure of the Group and parent charitable company for that period. In preparing these 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Approved by the Council on 18 June 2020 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

Opinion

We have audited the financial statements of the Academy of Medical Sciences (the 'charitable company') for the year ended 31 March 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheet, the Consolidated and Parent Charitable Company Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2020 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphases of matter

We draw attention to note 1m of the financial statements, which describes the Group's assessment of the COVID-19 impact on its ability to continue as a going concern. The Trustees have explained that the events arising from the COVID-19 outbreak do not impact the use of the going concern basis of preparation nor do they cast significant doubt about the Group's ability to continue as a going concern for a period of at

least 12 months from the date when the financial statements are authorised for issue.

We also draw attention to note 9b of the financial statements, which describes the material valuation uncertainty which the investment property valuer included in their valuation reports on the investment property at 31 March 2020.

Our opinion is not modified in respect of either of these matters.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Report of the Council (incorporating the Strategic Report), other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Council (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Council (incorporating the Strategic Report) has been prepared in accordance with applicable legal requirements.

Opinions on other matters as required by BEIS Grant Agreement

In our opinion, in all material aspects the payments from the Department for Business Energy and Industrial Strategy (BEIS) under the following grants have been applied for the purposes set out in the agreement and in accordance with the terms and conditions of the agreement:

- National Academies allocation of the science and research budget 2016-2020;
- Investment in Research Talent Fund; and
- Federation of European Academies of Medicine.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Council (incorporating the Strategic Report).

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's 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 charitable company's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Duke

Senior statutory auditor
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
29 June 2020

15 Westferry Circus
Canary Wharf
London E14 4HD

Consolidated statement of financial activities

for the year ended 31 March 2020

(Incorporating an income and expenditure account)

| | Note | General Fund £ | Designated Funds £ | Restricted Funds £ | Permanent Endowment Funds £ | Total 2020 £ | Total 2019 £ |
|--|------|-------------------|-----------------------|-----------------------|--------------------------------|-------------------|-----------------|
| Income from: | | | | | | | |
| Donations | | 984,544 | - | 178,746 | - | 1,163,290 | 1,729,328 |
| Charitable activities | | - | - | 14,424,806 | - | 14,424,806 | 11,459,368 |
| Trading activities | | 911,474 | - | - | - | 911,474 | 783,032 |
| Investments | | 61,344 | 11,558 | 18,987 | 59,754 | 151,643 | 112,898 |
| Total income | 3 | 1,957,362 | 11,558 | 14,622,539 | 59,754 | 16,651,213 | 14,084,626 |
| Expenditure On: | | | | | | | |
| Raising funds | | | | | | | |
| | | 783,178 | 273 | 2,611 | - | 786,062 | 703,952 |
| Charitable activities | | | | | | | |
| Promoting excellence | | 236,424 | 33,143 | 68,214 | - | 337,781 | 260,668 |
| Developing talented researchers | | 74,276 | 180,840 | 12,668,642 | 17,850 | 12,941,608 | 10,046,647 |
| Influencing research & policy | | 342,115 | 138,467 | 1,701,510 | - | 2,182,092 | 1,733,122 |
| Engaging patients, the public & professionals | | 213,488 | 62,079 | 496,551 | - | 772,118 | 532,653 |
| | | 866,303 | 414,529 | 14,934,917 | 17,850 | 16,233,599 | 12,573,090 |
| Total expenditure | 4 | 1,649,481 | 414,802 | 14,937,528 | 17,850 | 17,019,661 | 13,277,042 |
| Net income before investment gains/(losses) | | 307,881 | (403,244) | (314,989) | 41,904 | (368,448) | 807,584 |
| Gains/(losses) on investments | 9 | (11,043) | (49,726) | (14,505) | (45,367) | (120,641) | 64,150 |
| Transfers between funds | 14 | (109,608) | 80,000 | 86,014 | (56,406) | - | - |
| Net movement in funds | | 187,230 | (372,970) | (243,480) | (59,869) | (489,089) | 871,734 |
| Funds 1 April 2019 | | 1,157,573 | 4,540,937 | 5,202,269 | 1,731,049 | 12,631,828 | 11,760,094 |
| Funds 31 March 2020 | 13 | 1,344,803 | 4,167,967 | 4,958,789 | 1,671,180 | 12,142,739 | 12,631,828 |

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 23-37 form part of these financial statements.

Balance sheets

as at 31 March 2020

| | Note | Group 2020 £ | Charity 2020 £ | Group 2019 £ | Charity 2019 £ |
|--|------|--------------------|----------------------|--------------------|----------------------|
| Fixed assets | | | | | |
| Tangible fixed assets | 8 | 4,251,258 | 4,251,258 | 4,533,728 | 4,533,728 |
| Investment property | 9b | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 |
| Investments | 9a | 3,274,797 | 3,275,797 | 2,542,007 | 2,543,007 |
| | | 8,726,055 | 8,727,055 | 8,275,735 | 8,276,735 |
| Current assets | | | | | |
| Debtors | 10 | 2,626,026 | 2,688,612 | 1,476,669 | 1,641,018 |
| Stock | | 5,447 | - | 5,327 | - |
| Cash on deposit | | 5,946,625 | 5,946,625 | 8,591,477 | 8,591,477 |
| Cash at bank and in hand | | 1,498,350 | 1,290,556 | 441,058 | 153,979 |
| | | 10,076,448 | 9,925,793 | 10,514,531 | 10,386,474 |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 11 | (6,659,764) | (6,567,866) | (6,049,540) | (5,922,483) |
| Net current assets | | 3,416,684 | 3,357,927 | 4,464,991 | 4,463,991 |
| Creditors: amounts falling due after one year | 11 | - | - | (108,898) | (108,898) |
| Net assets | 15 | 12,142,739 | 12,084,982 | 12,631,828 | 12,631,828 |
| Represented by: | | | | | |
| Permanent endowment funds | 13 | 1,671,180 | 1,671,180 | 1,731,049 | 1,731,049 |
| Restricted funds | | 4,958,789 | 4,958,789 | 5,202,269 | 5,202,269 |
| Unrestricted funds: | | | | | |
| General fund | | 1,344,803 | 1,287,046 | 1,157,573 | 1,157,573 |
| Designated funds | | 4,167,967 | 4,167,967 | 4,540,937 | 4,540,937 |
| Total funds | | 12,142,739 | 12,084,982 | 12,631,828 | 12,631,828 |

Approved by the Council and authorised for issue on 18 June 2020, and signed on its behalf by:



President
Professor Sir Robert Lechler PMedSci

The notes on pages 23-37 form part of these financial statements.
Company Number RC000905



Treasurer
Professor Edward Bullmore FMedSci

Statement of Cash Flows

for the year ended 31 March 2020

| | | Group 2020 £ | Charity 2020 £ | Group 2019 £ | Charity 2019 £ |
|--|-----------------|--------------------|----------------------|--------------------|----------------------|
| Cash from operating activities | Note (a) | (777,059) | (697,774) | 936,707 | 2,364,317 |
| Cash used in investing activities | | | | | |
| Interest from investments | | 151,643 | 151,643 | 112,898 | 112,898 |
| Purchase of fixed assets | | - | - | (34,065) | (34,065) |
| Proceeds from sale of fixed assets | | - | - | 2,167 | 2,167 |
| Proceeds from sale of investments | | 125,115 | 125,115 | 18,564 | 18,564 |
| Purchase of investments | | (978,361) | (978,361) | (46,631) | (46,631) |
| | | (701,603) | (701,603) | 52,933 | 52,933 |
| Cash used in financing activities | | | | | |
| Repayment of borrowings | | (108,898) | (108,898) | (19,604) | (19,604) |
| (Decrease)/Increase in cash in the year | | (1,587,560) | (1,508,275) | 970,036 | 1,047,872 |
| Cash at the beginning of the year | | 9,032,535 | 8,745,456 | 8,062,499 | 7,697,584 |
| Cash at the end of the year | | 7,444,975 | 7,237,181 | 9,032,535 | 8,745,456 |
| Note (a) | | | | | |
| Net movement in funds per the statement of financial activities | | (489,089) | (546,846) | 871,734 | 871,734 |
| Depreciation charges | | 282,470 | 282,470 | 294,962 | 294,962 |
| Loss on sale of fixed assets | | - | - | 3,231 | 3,231 |
| Losses / (gains) on investments | | 120,641 | 120,641 | (64,150) | (64,150) |
| Dividends & Interest from Investments | | (151,643) | (151,643) | (112,898) | (112,898) |
| Increase in Cash in investment Portfolio | | (186) | (186) | - | - |
| Decrease /(increase) in stock | | (120) | - | 220 | - |
| Decrease /(increase) in debtors | | (1,149,357) | (1,047,594) | (62,937) | 14,703 |
| Increase in creditors | | 610,225 | 645,384 | 6,545 | 6,961 |
| Net cash provided by operating activities | | (777,059) | (697,774) | 936,707 | 1,014,543 |

Notes to the financial statements

1. Accounting policies

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

a. Basis of preparation of accounts

SORP- 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 for the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP) and the Companies Act 2006.

Merger accounting - On 30 November 2019 the assets, liabilities and business of the AMS charitable company (company number 1070618) were transferred to the new AMS Royal Charter charity (company number RC000905), via a business transfer agreement. Prior to that date, the new Royal Charter charity was dormant.

Merger accounting has been applied in line with section 27 of the Charities SORP 2019, and as such these financial statements include the full 12 months of activity from 1 April 2019 to 31 March 2020.

The comparatives presented throughout the financial statements are those of the old charitable company, rather than the new Royal Charter charity which was dormant at that time. This better reflects the nature of the business transfer agreement.

b. 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.

c. 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.

d. 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, Global Challenges Research Fund Networking 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.

e. Tangible fixed assets

Tangible fixed assets are included at cost except for the leasehold premises, which are held at deemed cost (see accounting policy j), 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.

The Academy only capitalises individual items of fixed assets costing more than £2,000 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%
Computer software 25%
Leasehold premises and refurbishment in equal instalments over the remaining term of the original lease

f. Investments

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

g. Prior year adjustment

Investment property is carried at fair value determined periodically by external valuers. No depreciation is provided. Changes in fair value are recognised in the SOFA. The triennial review of Financial Report Standard 102 took effect for accounting periods commencing on or after 1 January 2019. Prior to the triennial review amendments, entities were required to measure all investment property at fair value, unless there was undue cost or effort in determining such a fair value. This exemption has been removed so all investment property (with the exception of investment property rented to another group entity) must now be measured at fair value.

As a result of this, the exemption previously taken by the charity is no longer available and an accounting policy change has been implemented to recognise 8 Weymouth Mews at fair value as an investment property, rather than at cost less historic depreciation in tangible fixed assets. Where there is a change in accounting policy this must be applied retrospectively. The date of transition (the beginning of the earliest period for which full comparative information is provided) is 1 April 2018.

This has resulted in the following impact on the financial statements at the date of transition: Fixed assets reduced by £403,445; Investment properties increased by £1,200,000; Unrestricted reserves increased by £796,555. It is not practicable to present the amount of the adjustment which would relate to periods before those presented.

h. Mixed used property

As a result of the change in FRS 102 referred to policy 1g, the Academy analysed its use of 41 Portland Place/8 Weymouth Mews to be able to identify any separate element that needed to be accounted for as an investment property. The Academy generates rental income from 41 Portland Place from surplus space it does not use itself. For the space in 41 Portland Place which is leased to Academy of Medical Sciences Trading Limited, the accounting policy choice permitted under SORP paragraph 10.48A has been applied whereby property

leased to other entities in the group can be accounted for as operational fixed assets.

The property is also used by third parties for meeting room hire. Due to the nature of this use of the property by third parties, a reliable valuation cannot be reasonably obtained. In addition, the areas of the property which are used by third parties cannot be sold separately (or leased out separately under a finance lease) as this would render them unusable by AMS.

Therefore in line with SORP section 10.47 the entire property at 41 Portland Place is accounted for as property within tangible fixed assets and held at historic cost less depreciation."

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 £354,614 (2019: £234,253) has been included in resources expended and allocated to the relevant cost headings on the basis described at (d) 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 estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

The Academy has included 8 Weymouth Mews in the financial statements at fair market value as determined by external valuers.

m. Going concern

The financial impact of COVID-19 has been monitored by the executive and trustees since March 2020 with the review of budget and cashflow forecasts for both the charity and the trading subsidiary. At its meeting of 16 April the Academy's Council reviewed the forecasts and agreed that the level of unrestricted reserves held by the Academy was sufficient to be able to manage the uncertainties caused by the COVID-19

crisis, and approved the continued investment in the trading company during a period of unprecedented trading conditions. The period that has been considered in assessing the going concern is greater than 12 months from the date of approval of these financial statements.

The principal accounting policies, as set out above, have all been applied consistently throughout the year and the preceding year.

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 details of the investment are given at note 17. A summary of the results for the year and the balance sheet at 31 March 2020 are shown below.

| | 2020 £ | 2019 £ |
|---|-----------------|----------------|
| Turnover | 962,610 | 856,273 |
| Costs of sales | (583,618) | (538,368) |
| Gross profit | 378,992 | 317,905 |
| Administrative expenses | (304,187) | (247,899) |
| Operating profit for the year | 74,805 | 70,006 |
| Interest receivable | - | - |
| Interest payable | (3,500) | (3,500) |
| Donation to the charity | - | (66,506) |
| Profit for the year | 71,305 | - |
| Tax on profit on ordinary activities | (13,548) | - |
| Profit on ordinary activities after taxation | 57,757 | - |
| Balance sheet | | |
| Current assets | 292,838 | 503,254 |
| Current liabilities | (134,081) | (402,254) |
| Net current assets | 158,757 | 101,000 |
| Loan from the charity | (100,000) | (100,000) |
| Net assets | 58,757 | 1,000 |
| Share capital and reserves | | |
| Share capital | 1,000 | 1,000 |
| Profit & loss account | 57,757 | - |
| Shareholders' funds | 58,757 | 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 £783,585 and expenditure £613,761 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:

| | 2020 £ | 2019 £ |
|------------------------------------|------------------|------------|
| Income | 16,158,718 | 13,721,992 |
| Net movement in funds for the year | (546,850) | 871,734 |

3. Income from:

| | General Fund £ | Designated Funds £ | Restricted Funds £ | Endowed Funds £ | Total 2020 £ | Total 2019 £ |
|---|----------------------|--------------------------|--------------------------|-----------------------|--------------------|--------------------|
| Donations | | | | | | |
| Fellows' subscriptions and contributions | 356,560 | - | - | - | 356,560 | 345,908 |
| Department of Health | 478,000 | - | - | - | 478,000 | 478,000 |
| Other donations | 149,984 | - | 93,222 | - | 243,206 | 837,420 |
| Donated services | - | - | 85,524 | - | 85,524 | 68,000 |
| | 984,544 | - | 178,746 | - | 1,163,290 | 1,729,328 |
| Charitable activities | | | | | | |
| Promoting excellence | - | - | - | - | - | 2,000 |
| Developing talented researchers | - | - | 12,889,280 | - | 12,889,280 | 9,899,903 |
| Influencing research & policy | - | - | 1,301,896 | - | 1,301,896 | 1,211,275 |
| Engaging patients, the public & professionals | - | - | 233,630 | - | 233,630 | 346,190 |
| | - | - | 14,424,806 | - | 14,424,806 | 11,459,368 |
| Trading activities | | | | | | |
| Trading subsidiary income | 783,585 | - | - | - | 783,585 | 660,561 |
| Other rental income | 127,889 | - | - | - | 127,889 | 122,471 |
| | 911,474 | - | - | - | 911,474 | 783,032 |
| Investments | | | | | | |
| Income on investments | 13,639 | 11,558 | 18,987 | 59,754 | 103,938 | 85,788 |
| Short term deposits | 47,705 | - | - | - | 47,705 | 27,110 |
| | 61,344 | 11,558 | 18,987 | 59,754 | 151,643 | 112,898 |
| Total Income | 1,957,362 | 11,558 | 14,622,539 | 59,754 | 16,651,213 | 14,084,626 |

4. Expenditure on:

| | Direct Costs £ | Grant Funding £ | Support Costs £ | Total 2020 £ | Total 2019 £ |
|---|-------------------|--------------------|--------------------|-------------------|-------------------|
| Raising Funds | | | | | |
| Fundraising costs | 89,274 | - | 83,027 | 172,301 | 144,304 |
| Trading subsidiary expenditure | 613,761 | - | - | 613,761 | 559,648 |
| | 703,035 | - | 83,027 | 786,062 | 703,952 |
| Charitable activities | | | | | |
| Promoting excellence | 227,339 | - | 110,442 | 337,781 | 260,668 |
| Developing talented researchers | 2,129,151 | 10,092,352 | 720,105 | 12,941,608 | 10,046,647 |
| Influencing research & policy | 1,552,774 | - | 629,318 | 2,182,092 | 1,733,122 |
| Engaging patients, the public & professionals | 501,482 | - | 270,636 | 772,118 | 532,653 |
| | 4,410,746 | 10,092,352 | 1,730,501 | 16,233,599 | 12,573,090 |
| Total expenditure | 5,113,781 | 10,092,352 | 1,813,528 | 17,019,661 | 13,277,042 |

Total expenditure in the year to 31 March 2020 was £17,019,661 (2019: £13,277,042) comprising expenditure under General Funds; £1,649,481 (2019: £1,666,371) Designated Funds; £414,802 (2019: £291,953), Restricted Funds; £14,937,528 (2019: £11,295,577) and Endowed Funds; £17,850 (2019: £23,141).

Analysis of support costs

| | Cost of Premises £ | Office & IT Costs £ | Staff & Related Costs £ | Governance Costs £ | Total 2020 £ | Total 2019 £ |
|---|-----------------------|------------------------|----------------------------|-----------------------|------------------|------------------|
| Raising Funds | 29,380 | 12,888 | 34,237 | 6,522 | 83,027 | 41,889 |
| Charitable activities | | | | | | |
| Promoting excellence | 39,081 | 17,144 | 45,541 | 8,676 | 110,442 | 50,575 |
| Developing talented researchers | 278,979 | 122,379 | 258,927 | 59,820 | 720,105 | 925,038 |
| Influencing research & policy | 198,531 | 87,088 | 297,512 | 46,187 | 629,318 | 439,885 |
| Engaging patients, the public & professionals | 95,768 | 42,010 | 111,598 | 21,260 | 270,636 | 121,498 |
| Total support costs | 641,739 | 281,509 | 747,815 | 142,465 | 1,813,528 | 1,578,885 |

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 10 Council members (2019 - 10) received reimbursed travel expenses of £14,043 (2019 - £12,097).

b. Employee information

| | 2020 £ | 2019 £ |
|----------------------------------|------------------|------------------|
| Salaries | 2,005,953 | 1,818,603 |
| Employer's national insurance | 211,763 | 188,819 |
| Employer's pension contributions | 141,356 | 127,520 |
| Donated staff services | 85,524 | 68,000 |
| | 2,444,596 | 2,202,942 |

The average number of salaried staff employed during the year was 49.87 (2019: 48.47).

The full time average equivalent for salaried staff during the year was 47.75 (2019: 44.62).

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

| | 2020 | 2019 |
|--------------------|------|------|
| £60,001 - £70,000 | 1 | 2 |
| £70,001 - £80,000 | 3 | 3 |
| £80,001 - £90,000 | - | - |
| £90,000 - £100,000 | 1 | - |

Pension contributions paid by the Academy relating to higher paid employees as defined above amounted to £28,719 (2019 £26,270)

The total salaries of the Senior Management Team, including pension contributions, was £458,281 (2019 £426,862).

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

| | 2020 £ | 2019 £ |
|--|----------------|-----------|
| Auditor's fees: | | |
| Audit – charity | 12,460 | 12,100 |
| Audit – trading subsidiary | 4,450 | 1,890 |
| Other services | 380 | 370 |
| Investment management fees | 21,548 | 18,564 |
| Depreciation of tangible fixed assets | 282,470 | 294,962 |

7. Grants payable

The Academy administers six 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, Diabetes UK, British Thoracic Society; the Springboard Grants Scheme (SBS) funded by the Wellcome Trust (this also incorporating the Research Talent Fund and Global Challenges Research Fund Springboard scheme, both funded by the Department for Business Energy & Industrial Strategy (BEIS)), British Heart Foundation, Diabetes UK; the Newton Fellowships (NFS) funded by the Newton Fund (BEIS), the Global Challenges Research Fund Networking Scheme (GCRFN) funded by BEIS, the Research Professorship scheme (RST) funded by BEIS and the Daniel Turnberg UK/Middle East Travel Fellowship Scheme (DTMF). Details of the schemes are as follows:

| | CSFS £ | CLS £ | SBS £ | NFS £ | GCRFN £ | RST £ | DTMF £ | Total 2020 £ |
|--|-----------------------|-----------------------|-------------------------|-------------------------|-----------------------|-------------------------|----------------------|--------------------------|
| Grants at 1 April | 198,275 | 30,000 | 3,348,017 | 643,214 | - | - | 121,250 | 4,340,756 |
| Grants awarded | 402,350 | 1,095,238 | 4,836,560 | 1,543,025 | 980,213 | 1,397,518 | 108,250 | 10,363,154 |
| Grants written-back | - | (107,809) | (106,157) | (6,515) | (37,821) | - | (12,500) | (270,802) |
| Grants paid | (354,563) | (1,017,429) | (4,051,670) | (1,527,993) | (942,392) | (744,484) | (108,750) | (8,747,281) |
| Invoices received but not settled | (25,479) | - | - | - | - | - | - | (25,479) |
| At 31 March | <u>220,583</u> | <u>-</u> | <u>4,026,750</u> | <u>651,731</u> | <u>-</u> | <u>653,034</u> | <u>108,250</u> | <u>5,660,348</u> |
| Developing talented researchers | | | | | | | | |
| Grants to institutions | 402,350 | 987,429 | 4,730,404 | 1,536,510 | 942,392 | 1,397,518 | - | 9,996,602 |
| Grants to individuals | - | - | - | - | - | - | 95,750 | 95,750 |
| Grants awarded | <u>402,350</u> | <u>987,429</u> | <u>4,730,404</u> | <u>1,536,510</u> | <u>942,392</u> | <u>1,397,518</u> | <u>95,750</u> | <u>10,092,352</u> |

Grants payable of £5,660,348 are shown under creditors amounts falling due within one year at note 11 on page 32.

Grants awarded are shown as grant funding expenditure in note 4 on page 27.

Grants to 58 institutions were awarded in the year to a total value of £10,363,154. (2019: £7,750,043 to 53 institutions).

The principal institutions benefiting from the grants were:

| | £ |
|---------------------------|---------|
| University of Cardiff | 454,964 |
| University of Cambridge | 441,858 |
| University College London | 412,496 |
| University of Nottingham | 361,950 |
| University of Leeds | 316,669 |
| University of Sussex | 316,271 |
| Imperial College London | 311,876 |
| University of Oxford | 296,343 |
| University of Birmingham | 295,940 |
| King's College London | 273,475 |

8. Tangible fixed assets – Group and Charity (restated)

| | Leasehold Premises £ | Refurbished Property £ | Furniture, fixtures & equipment £ | Computer equipment £ | Computer software £ | Total £ |
|-----------------------|----------------------------|------------------------------|--|----------------------------|---------------------------|------------------|
| Cost | | | | | | |
| At 1 April | 1,983,607 | 3,974,596 | 496,107 | 282,777 | 22,685 | 6,759,772 |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| | 1,983,607 | 3,974,596 | 496,107 | 282,777 | 22,685 | 6,759,772 |
| Depreciation | | | | | | |
| At 1 April | 605,583 | 1,213,416 | 172,254 | 226,589 | 8,202 | 2,226,044 |
| Charge for the year | 73,551 | 147,255 | 27,506 | 28,270 | 5,888 | 282,470 |
| Disposals | - | - | - | - | - | - |
| | 679,134 | 1,360,671 | 199,760 | 254,859 | 14,090 | 2,508,514 |
| Net book value | | | | | | |
| 31 March 2020 | 1,304,473 | 2,613,925 | 296,347 | 27,918 | 8,595 | 4,251,258 |
| 31 March 2019 | 1,378,024 | 2,761,180 | 323,852 | 56,188 | 14,483 | 4,533,728 |

Leasehold premises represents the value of the leasehold property at 41 Portland Place 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.

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 continues to be calculated on the original lease term. 8 Weymouth Mews is treated as an investment property and details of this can be found under 1g.

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.

9a. Investments - Group

| | 2020 £ | 2019 £ |
|-------------------------------------|------------------|------------------|
| At 1 April | 2,542,007 | 2,449,790 |
| Additions | 1,000,000 | 46,631 |
| Disposals | (125,115) | - |
| Management fees | (21,639) | (18,564) |
| Increase/(decrease) in market value | (120,643) | 64,150 |
| | 3,274,610 | 2,542,007 |
| Cash held for investment | 187 | 1 |
| Market Value at 31 March | 3,274,797 | 2,542,007 |
| Cost at 31 March | 2,993,521 | 2,095,096 |

Investments to the value of £314,846 representing the Jean Shanks Memorial and the Sackler endowed funds are held in the Sarasin Endowments Fund (formerly the Alpha CIF for Endowments). Investments to the value of £1,232,554 representing the Daniel Turnberg Memorial Fund are split between the Sarasin Endowments Fund and their Income & Reserves Fund (formerly Alpha CIF for Income & Reserves). Balances held in the General Fund and Restricted funds that have been identified by the Finance Committee as suitable for retention in the medium term, are also split across the Sarasin Endowment and Income & Reserves Funds and were valued at £1,727,397 at 31 March 2020.

Investments of £3,275,797 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.

9b. Investment Property – Group and Charity

| | 2020 £ | 2019 £ (restated) |
|------------------------------------|------------------|----------------------|
| At 1 April | 1,200,000 | 1,200,000 |
| Transfer from fixed assets | - | - |
| Revaluation of investment property | - | - |
| Fair value at 31 March | 1,200,000 | 1,200,000 |

Investment property comprises 8 Weymouth Mews, London which was previously disclosed as a fixed asset in the Accounts. The accounting policy and treatment for the property has been changed as set out in Note 1g at page 24. The external valuers report contains the following. "The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, Aitchison Raffety considers that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this property under frequent review".

10. Debtors

| | Group 2020 £ | Charity 2020 £ | Group 2019 £ | Charity 2019 £ |
|---|--------------------|----------------------|--------------------|----------------------|
| Amounts falling due within one year: | | | | |
| Trade debtors | 170,331 | 134,333 | 217,850 | 223,792 |
| Provision for doubtful debts | (7,314) | - | (7,312) | - |
| Prepayments | 39,315 | 39,315 | 151,065 | 151,065 |
| Accrued income | 2,392,174 | 2,392,174 | 1,053,386 | 1,107,015 |
| Other debtors | 16,310 | 16,309 | 61,680 | 26,680 |
| VAT receivable | 15,210 | - | - | - |
| Amount due from subsidiary | - | 6,481 | - | 32,466 |
| Amount falling due after more than one year: | | | | |
| Loan to subsidiary | - | 100,000 | - | 100,000 |
| | <u>2,626,026</u> | <u>2,688,612</u> | <u>1,476,669</u> | <u>1,641,018</u> |

11. Creditors

| | Group 2020 £ | Charity 2020 £ | Group 2019 £ | Charity 2019 £ |
|---|--------------------|----------------------|--------------------|----------------------|
| Amounts falling due within one year: | | | | |
| Grants payable | 5,660,348 | 5,660,348 | 4,340,756 | 4,340,756 |
| Trade creditors | 305,938 | 288,243 | 361,473 | 256,846 |
| Accruals | 81,523 | 79,573 | 178,172 | 176,221 |
| Deferred income | 375,617 | 316,912 | 1,001,269 | 976,079 |
| Rent deposit | 73,941 | 73,941 | 73,904 | 73,904 |
| PAYE/NIC Liability | 61,196 | 61,196 | 55,927 | 55,927 |
| VAT payable | 5,780 | 5,780 | 18,289 | 23,000 |
| Bank loan | - | - | 19,749 | 19,749 |
| Other Creditors | 81,873 | 81,873 | - | - |
| Corporation Tax | 13,548 | - | - | - |
| | <u>6,659,764</u> | <u>6,567,866</u> | <u>6,049,539</u> | <u>5,922,482</u> |
| Amounts falling due beyond one year: | | | | |
| Bank loan | | | | |
| Due within two to five years | - | - | 66,758 | 66,758 |
| Due after five years | - | - | 42,140 | 42,140 |
| | <u>-</u> | <u>-</u> | <u>108,998</u> | <u>108,998</u> |

12. Deferred Income

| | Group 2020 £ | Charity 2020 £ | Group 2019 £ | Charity 2019 £ |
|--|-----------------------------|-------------------------------|--------------------|----------------------|
| Deferred income brought forward | 1,001,269 | 976,079 | 1,011,677 | 962,291 |
| Less: Amount used in the year | (800,380) | (775,190) | (1,011,677) | (962,291) |
| Income accrued within the year: | | | | |
| Grants from institutions | 37,500 | 37,500 | 582,293 | 582,293 |
| Fellows' subscriptions | 2,523 | 2,523 | 279,684 | 279,684 |
| Rent in advance | 28,410 | 28,410 | 63,657 | 86,509 |
| Conferencing deposits | 58,705 | - | 48,042 | - |
| Other | 47,590 | 47,590 | 27,593 | 27,593- |
| Deferred income carried forward | 375,617 | 316,912- | 1,001,269 | 976,079 |

13. Movement on group funds

| | Balance 1 April £ | Income £ | Expenditure £ | Transfers £ | Revaluation £ | Balance 31 March £ |
|-----------------------------------|-------------------------|-------------------|---------------------|------------------|------------------|--------------------------|
| Permanent endowment | | | | | | |
| The Jean Shanks Memorial Fund | 256,159 | 8,596 | (8,596) | | (10,300) | 245,859 |
| The Sackler Fund | 77,055 | 2,795 | (630) | | (3,433) | 75,787 |
| The Daniel Turnberg Memorial Fund | 1,397,835 | 48,363 | (8,624) | (56,406) | (31,634) | 1,349,534 |
| Total permanent endowment | 1,731,049 | 59,754 | (17,850) | (56,406) | (45,367) | 1,671,180 |
| Restricted funds | | | | | | |
| BEIS funding | | | | | | |
| The Newton Fellowships | 58,416 | 1,704,510 | (1,704,510) | - | - | 58,416 |
| Science budget | - | 471,000 | (471,000) | - | - | - |
| FEAM | - | 179,434 | (179,434) | - | - | - |
| Research Talent Fund (2018-23): | | | | | | |
| <i>Springboard scheme</i> | - | 2,730,000 | (2,730,000) | - | - | - |
| <i>AMS Professorships</i> | - | 1,457,518 | (1,457,518) | - | - | - |
| <i>FLIER leadership scheme</i> | - | 300,000 | (300,000) | - | - | - |
| Global Challenges Research Fund: | | | | | | |
| <i>Workshops</i> | - | 663,001 | (720,449) | 57,448 | - | - |
| <i>Springboard scheme</i> | - | 479,973 | (479,973) | - | - | - |
| <i>Networking scheme</i> | 10,460 | 1,136,339 | (1,136,339) | (10,460) | - | - |
| <i>FLAIR Scheme</i> | - | 20,000 | (20,000) | - | - | - |
| Other funders to grant schemes | 730,554 | 3,904,530 | (3,929,172) | 57,810 | - | 763,722 |
| Project/meeting contributions | 155,696 | 340,041 | (476,640) | (19,097) | - | - |
| Mentoring & career development | 747,442 | 1,212,206 | (1,128,154) | 313 | - | 831,807 |
| Medical Research Society | 715,307 | 23,987 | (40,204) | - | (14,505) | 684,585 |
| Restricted Asset Fund | 2,784,394 | - | (164,135) | - | - | 2,620,259 |
| Total restricted funds | 5,202,267 | 14,622,539 | (14,937,528) | 86,014 | (14,505) | 4,958,789 |
| Unrestricted funds | | | | | | |
| General Fund | 1,157,573 | 1,957,362 | (1,649,481) | (109,608) | (11,043) | 1,344,803 |
| Designated funds | | | | | | |
| Business Fund | 200,422 | - | - | - | - | 200,422 |
| Asset Fund | 2,630,450 | - | (73,469) | - | - | 2,556,981 |
| Building Repair Fund | 639,340 | 6,164 | (117,973) | 80,000 | (26,521) | 581,010 |
| Development Fund | 1,070,725 | 5,394 | (223,360) | - | (23,205) | 829,554 |
| Total designated funds | 4,540,937 | 11,558 | (414,802) | 80,000 | (49,726) | 4,167,967 |
| Total unrestricted funds | 5,698,510 | 1,968,920 | (2,064,283) | (29,608) | (60,769) | 5,512,770 |
| Total funds | 12,631,828 | 16,651,213 | (17,019,661) | - | (120,641) | 12,142,739 |

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 and with permission of the Foundation Trustees, the lecture has currently been paused. Income arising from the investment of the donation is treated as restricted income. Expenditure of £630 in the year comprises investment manager fees.

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

BEIS Funding

The Department of Business Energy & Industrial Strategy (BEIS) provides seven grants, disclosed separately as required by the terms of the funding agreements. These are:

The Newton Fellowships – details of the grants awarded are shown in note 7 with the Academy's other grant schemes. During the year £1,564,227 of grant funding and £168,000 contribution for the running of the scheme was received. Of this, £1,704,510 was expended; £1,536,510 of which was awarded as grants. The remaining £27,717 will be returned to BEIS after year-end and is held within other creditors detailed in Note 11.

Science budget – National Academies allocation – the Academy received £471,000 during the year as part of the Science and Research budget 20120 to the National Academies. The grant was expended on the Academy's strategic objectives relating to policy and public dialogue.

Federation of European Academies of Medicine (FEAM) – BEIS awarded a grant of £179,434 for a 12 month programme of support to FEAM, to be led by the Academy to strengthen FEAM's capacity, this was spent in full.

Research Talent Fund – During the year the Academy received £1,750,000 of grant funding for Springboard awards, £300,000 towards the FLIER Programme, £160,000 towards career mentoring and £130,000 towards the costs

of running the schemes (£60,000 of this relating to the AMS Professorship scheme). In addition £744,484 was received towards the AMS Professorships scheme.

Global Challenges Research Fund – BEIS administers the government fund set up to support cutting-edge research that addresses the challenges faced by developing countries. Funding received under the GCRF in 2019/20 was split into the following grants:

Workshops – The Academy was awarded £663,000 to hold six global policy workshops and this was expended in full during the year.

Networking grant scheme – The Academy was awarded £946,496 of grant funding and £124,125 contribution for the running of the scheme. Of this £1,070,621 was expended; £946,391 of which was awarded as grants.

Springboard – In 2019/20 the Academy was awarded £500,000 for 5 awards and £30,000 towards career mentoring for 4 years to 2021 and £65,664 contribution for the running of the scheme. There was an underspend of £24,316 which was returned to BEIS in Q1 20/21.

Other Funders to grant schemes

These are organisations, other than BEIS, that fund the Academy's grant schemes as detailed in note 7. Balances held at the end of the year include £136,886 remaining from the Clinician Scientist Fellowship Scheme (CSFS), funded by The Health Foundation.

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 BEIS (as detailed above), the Medical Research Council and the National Institute for Social Care and Health Research in Wales.

Policy project/meeting contributions

Specific donations to support meetings and other activities. Balances held at the end of the year include £604,506 remaining in relation to the FLIER leadership scheme.

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.

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 and covers the maximum loan to the company.

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 Strategic Plan and to strengthen the operational platform.

14. Transfer between funds

| | General fund £ | Designated funds £ | Restricted funds £ | Restricted funds £ | Total £ |
|--|-------------------|-----------------------|-----------------------|-----------------------|------------|
| Transfer to building repair fund | (80,000) | 80,000 | - | - | - |
| Additional support from General Fund to Restricted Funded projects | (29,608) | - | 29,608 | - | - |
| Contribution from endowment fund to Restricted funded projects | | - | 56,406 | (56,406) | - |
| | (109,608) | 80,000 | 86,014 | (56,406) | - |

15. Analysis of group net assets

| | General funds £ | Designated funds £ | Restricted funds £ | Permanent endowment funds £ | Total £ |
|-------------------------------|--------------------|-----------------------|-----------------------|--------------------------------|--------------------|
| Fixed assets | 135,826 | 1,495,173 | 2,620,259 | - | 4,251,258 |
| Investments | 491,947 | 1,896,215 | 539,235 | 1,547,400 | 4,474,797 |
| Cash on deposit and at bank | 1,065,001 | 776,579 | 5,314,214 | 289,181 | 7,444,975 |
| Other net current liabilities | (347,971) | - | (3,514,919) | (165,401) | (4,028,291) |
| | 1,344,803 | 4,167,967 | 4,958,789 | 1,671,180 | 12,142,739 |

Analysis of group net assets - 2019

| | General funds £ | Designated funds £ | Restricted funds £ | Permanent endowment funds £ | Total £ |
|--------------------------------|--------------------|-----------------------|-----------------------|--------------------------------|--------------------|
| Fixed assets | 80,724 | 2,072,057 | 2,784,391 | - | 4,937,172 |
| Investments | 256,179 | - | 556,886 | 1,728,942 | 2,542,007 |
| Cash on deposit and at bank | 1,427,421 | 1,709,623 | 5,893,384 | 2,107 | 9,032,535 |
| Other net current liabilities | (606,751) | 71,600 | (4,032,392) | - | (4,567,543) |
| Liabilities due after one year | - | (108,898) | - | - | (108,898) |
| | 1,157,573 | 3,744,382 | 5,202,269 | 1,731,049 | 11,835,273 |

16. Company status and membership

Academy of Medical Sciences is a registered charity, incorporated by Royal Charter on 3 September 2019. At 31 March 2020 there were 1,280 members.

17. Subsidiary undertakings

At 30 November 2019 the 1,000 £1 shares held by the Academy of Medical Sciences charitable company in Academy of Medical Sciences Trading Limited were transferred to Academy of Medical Sciences as part of the transfer of assets to the new Royal Charter body. Also on that date, the loan facility of £200,000 set out in the loan agreement of 1 April 2010 was transferred to Academy of Medical Sciences by a Deed of Novation. The debenture of 1 April 2020 securing the loan was transferred via a Deed of Assignment to Academy of Medical Sciences on 30 November 2019. At the balance sheet date £100,000 had been drawn down under the facility.

The Academy charitable company was sole trustee of the Daniel Turnberg Memorial Fund until 30 November 2019. With effect from 1 December the new Royal Charter body Academy of Medical Sciences was appointed the sole trustee and the change in appointment was approved by the Charity Commission under a Scheme dated 20 November 2019. The Commission also approved the linking direction so that Daniel Turnberg Memorial Fund, a separate charity, is treated as part of Academy of Medical Sciences 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.

On 3 December 2019 the Royal Charter body was made the sole corporate trustee of the Academy of Medical Sciences charitable company, company number 3520281. The company has not traded since 1 December 2019 and will be wound down in 2020.



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Registered Charity No. 1185329
Incorporated by Royal Charter.
Registration No. RC000905