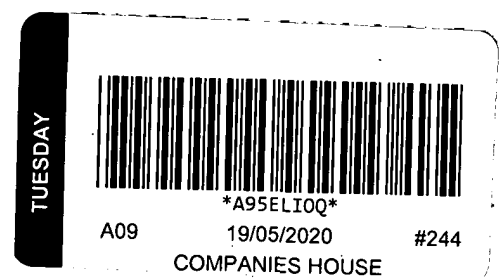


Action Medical Research

Annual Report and Financial Statements

31 December 2019

Company registration number: 549089



Patron HRH The Prince Philip Duke of Edinburgh KG KT OM GCVO GBE ONZ QSO AK GCL CC CMM

President Field Marshal The Lord Guthrie GCB LVO OBE DL

Vice Presidents

Stephen May
Richard Price
The Duchess of Northumberland

Trustees

Chair
Phil Hodgkinson

Honorary Treasurer
Luke Bordewich

Esther Alderson
Professor Sarah Bray BA MPhil PhD FMedSci
Professor David Edwards MA MBBS DSc MRCP FRCP FRCPC FMed Sci
Kathy Harvey
Karen Last – appointed November 2019
Val Remington-Hobbs – retired July 2019
Professor David Rowitch MD PhD ScD
Richard Stoneham Buck – appointed April 2019
Richard Wild

Charity Management

Chief Executive: Julie Buckler
Director of Finance/Company Secretary: Martin Richardson FCMA ACIS
Director of Fundraising: Jenny Edwards - retired September 2019
Lewis Coghlin – appointed September 2019
Director of Research: Dr Tracy Swinfield
Director of Communications: Sarah Moss

Principal advisers

Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers

National Westminster Bank PLC
Westminster Branch
PO Box 3038
57 Victoria Street
London SW1H 0HN

Investment Managers

Ruffer LLP
80 Victoria Street
London SW1E 5JL

Solicitors

McMillan Williams Solicitors Ltd
MW House
41 Chipstead Valley Road
Coulsdon
CR5 2RB

Company registration no. 549089 (England and Wales)
Charity registration nos. 208701 and SC039284

Registered office:
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Action Medical Research

Report of the trustees for the year ended 31 December 2019

Action Medical Research (company number 549089) is a charity whose objects are to promote research into the prevention, management and cure of disabling diseases and conditions.

This report covers the work of Action Medical Research for the 12 months to 31 December 2019.

The trustees' report and financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

About Action Medical Research

Action Medical Research is the leading UK-wide charity saving and changing children's lives through medical research.

We are a community of parents, researchers and passionate individuals committed to fighting for answers that can lead to cures, treatments and medical breakthroughs for some of the toughest fights our children face.

Since we began in 1952 we are proud to have funded over £125 million of medical research (c£350m in today's terms) leading to successes that include:

- Helping to introduce the first polio vaccines in the UK.
- Discovering the importance of taking folic acid before and during pregnancy to prevent spina bifida.
- Developing the use of ultrasound technology in pregnancy.
- Testing the rubella vaccine.
- Helping to develop the Hib meningitis vaccine, now a routine immunisation for young children.
- Pioneering a unique portable fetal heart rate monitor.
- Contributing to the development of groundbreaking cooling therapy to prevent brain damage in babies.

We remain determined today to tackle the challenges that disease and disability present by funding high quality medical research to help children. There are hundreds of thousands of children all around the UK who desperately need help and at Action we're on a mission to save and change lives through medical research.

We are proud to fund a broad range of research to deliver benefit in pregnancy and to babies, children and young people. We make a difference in rare diseases; preventing infections; tackling premature birth, pregnancy complications and treatments for sick and vulnerable babies; and in helping children affected by disabilities and disabling conditions.

We do this by funding cutting-edge medical research across the UK, recommended by our expert Scientific Advisory Panel. We develop partnerships with other charities to help move research forward. We assess the impact of the research we fund and we share the results. To make vital research possible we work hard to raise funds.

We are a charity dependent on voluntary income through fundraising. This income is the key to funding more vital research to save and change children's lives. We are ever grateful to our supporters, volunteers, committees, families, researchers, trustees, staff and expert advisers who together work so hard to save and change children's lives.

Strategic report for 2019

Our achievements and performance in 2019

At Action Medical Research we save and change the lives of babies, children and young people by funding world-class medical research.

Our funding is only invested in high-quality research led by researchers and doctors in hospitals, specialist units and universities across the UK identified through our rigorous, open-competition, peer review process that meets the best practice of the Association of Medical Research Charities. We assess our performance through the amount and quality of research we fund and its impact over time.

We awarded fourteen new grants in 2019, with £2.25m committed to vital new medical research to help children, including research into traumatic brain injury, childhood leukaemia and cerebral palsy. We currently have around £9.5m invested in the work of 260 top researchers working on around 60 research projects across the UK. Details can be found on our website www.action.org.uk

We awarded two further Research Training Fellowship through our groundbreaking scheme that develops the future leaders of children's research, one researching ear reconstruction and the other ear infections. Since this began we have awarded 180 Fellowships and invested over £13m in our scheme.

We continue to work together with many organisations and in 2019 this included funding research in partnership with charities including SMA UK. We were pleased to continue our partnership with Bornè to co-fund two new projects researching premature birth. We were proud to launch a new partnership with LifeArc to fund research together into children's rare diseases and to make two joint awards.

Financial review

In 2019 we funded 14 new medical research projects to help children. Our total income was £5.612m (2018 £5.665m) with total expenditure of £6.233m (2018 £6.375m). Our voluntary income was £5.497m (2018 £5.490m). We spent £3.347m on medical research grants and dissemination (2018 £3.440m).

Total funds at the end of the year were £6.047m (2018 £5.766m), an increase of £0.281m (2018 £1.495m decrease) which was in line with our plans. Total net gains on investments during 2019 were £901k (2018 £785k losses).

The public benefit and impact of our work

The trustees have referred to the Charity Commission's guidance on public benefit in relation to the charity's aims and objectives. The trustees consider it important to demonstrate to supporters and others interested in our work the medical progress being made.

The outcomes of the research we fund is published in peer-reviewed journals and shared at national and international meetings of researchers.

Our independent scientific advisers examine and assess final reports when all projects that we fund are completed. In 2019, of 20 final reports assessed, 90 per cent were considered to be of a major, sizeable or marked potential level of clinical importance; to be excellent or good; and to be of immediate, near or medium term clinical impact.

Exciting progress in 2019 included the development of a new technique for epilepsy which involves electrical stimulation of the brain. With funding from Action together with Great Ormond Street Hospital Children's Charity, Dr Antonio Valentin, of King's College London, has developed a new way to treat children with focal epilepsy. This is now being used at King's College Hospital and Great Ormond Street Hospital for Children, with the hope of expanding to other hospitals in the near future. In 2019 12 children had already benefited. One, who had to use a wheelchair before, was able to walk and run again and had fewer seizures. It is estimated up to 30 children a year could be treated in this way to reduce their seizures. A larger trial is planned to prove this technique works for children with severe epilepsy.

Further key progress came in research we funded led by former Action Research Training Fellow Professor Bobby Gaspar and his team. They moved a step closer to developing a gene therapy treatment by correcting a faulty gene in T-cells of the immune system, to help boys with the X-linked lymphoproliferative disease (XLP). This rare genetic condition affects boys. Without treatment, around seven in every 10 boys with XLP would die by age 10. A clinical trial is now planned for 2021 with the hope of developing a cure that will mean boys with XLP can live normal lives.

In other key progress, a huge step has been made towards introducing a more personalised treatment for children with brain tumours. This could save the lives of children with the most aggressive tumours and spare those with less severe illness from unnecessary treatments. Jointly funded by Action Medical Research and The Brain Tumour Charity, Professor Andrew Peet and his team at the University of Birmingham have developed a non-invasive technique to determine how aggressive brain tumours are in children. This technique can help each child receive the best treatment for them.

We also invest in carrying out reviews each year to assess the impact of our research funding over time. A new report in 2019 considered the impact of funding awarded to protect babies from being stillborn.

Between 2013 and 2017, Action Medical Research, together with partners Cure Kids and Sands, awarded a project grant of over £216,200 to Professor Alexander Heazell at the University of Manchester. The research explored whether there are things women can do during pregnancy to reduce their chances of stillbirth and protect their babies.

The researchers confirmed that pregnant women who go to sleep on their back in the third trimester (after 28 weeks of pregnancy) have a higher risk of stillbirth. This led to a public health campaign for pregnant women to encourage them to go to sleep on their side, and resulted in changes to guidelines to reduce the likelihood of babies being stillborn. This could save around 130 babies a year in the UK and has the potential to save up to 100,000 babies a year across the world.

Additional research using the data collected led to even more insights into risk factors for and causes of stillbirth, including diagnosis of gestational diabetes. The data continues to be used today to further understanding of stillbirth.

A second new report reviewed the impact of our funding of research into difficulties with learning and maths skills in children born very preterm.

A team led by Professor Samantha Johnson at the University of Leicester received over £373,000 between 2011 and 2019 from Action to study maths skills and educational support needs in children born very preterm.

The initial findings were astounding, showing that the educational support needs of children born very preterm are likely to differ from those of children with other conditions that affect maths skills and learning. A follow-up study looked at how maths skills and educational needs changed over time, as the children moved from primary to secondary school. The researchers developed an [e-learning resource](#), now freely available online, that helps teachers and parents better understand preterm birth and its consequences in terms of children's learning preferences and educational support needs. This was shown to increase teachers' knowledge and confidence in supporting children in the classroom. The team now plan further research to develop the tool and to further understand very preterm children's educational needs.

For Action, these successes add to our long-standing history of funding research to help children and families and our determination to save and change young lives.

Communicating our work

We share information about the research we fund to help children as well as the results from this research. This includes through our website, blogs, social media channels, printed materials and via the mainstream and specialist press.

In 2019 we generated 714 pieces of coverage with a reach of 1.3bn. Our research featured in a range of national and regional media, including *BBC Look North*, the *Times Educational Supplement* and *Chat* magazine and our fundraising events secured coverage in the *Sun* and the *Daily Mirror* as well as a variety of local and regional radio and print media.

We kept in touch with supporters through our *Touching Lives* and *Re:action* magazines and regular newsletters. We increased our reach and engagement with over 54,000 people through key social media channels and received around 3,500 page views to our blogs. [Our website](#) attracted over 336,100 visitors.

How we raised money

Our fundraising income was £5.5m in 2019, a tribute to the efforts of staff, volunteers and supporters. Delivering a very similar result to 2018 was a good achievement, particularly given our legacy income of £408k was less than the £743k of 2018.

Our fantastic community fundraising volunteers raised money through a variety of activities, including fashion shows, cake sales, quiz nights and lunches, generating important funds while keeping the charity's name prominent in local communities up and down the UK. We are grateful to a growing number of local groups and companies who raised money in aid of the charity, an important area of income development as more traditional sources of community support through fundraising committees reduce. Our Cream Teas direct promotion grew once again, as we delivered a record 8,630 teas to workplaces and homes across the country. With a number of local committees also coordinating their own cream tea deliveries, net income of over £40k was raised for vital medical research and all those volunteers involved should feel proud.

As well as those companies who supported our work through cream tea deliveries, we were delighted to secure new partnerships with DMH Stallard, Buckles Solicitors and Dietaplements. The continued support of BGC, Lendlease, Liberty Specialty Markets, Skeritts Financial Planning, The Gingerman Group, regional estate agents Arun Estates, Airport Parking & Hotels, Price Bailey, the UK BioIndustry Association, and Alliance Healthcare, together with other smaller corporate partnerships and some very generous individuals, raised over £800k (including £221k from bespoke cycling events) and was greatly appreciated. We are also grateful to the many trusts and foundations who support the charity.

Our weekly lottery grew again, a vital part of our fundraising because of the long-term income that it generates, and by year end we had over 8,000 live entries. We invested in recruiting new supporters primarily through face-to-face fundraising at private site venues in town centres and shopping centres. We worked with professional fundraising agencies to recruit these new supporters, as we do not have the capacity to carry out this activity with our own staff or volunteers. To ensure that the fundraisers are representing the charity in the way that we and the public expect, our team helps deliver training, monitors the activity through regular 'mystery shopping' and works closely with the agency to ensure any complaints are dealt with effectively and corrective actions taken as required. We ensure that our third party agencies are compliant with the Fundraising Regulator's Code of Fundraising Practice, and that they adhere to the Institute of Fundraising guidance on treating donors fairly, which includes guidance to protect vulnerable people. Overall the charity received 10 complaints in 2019 a reduction from previous years (18 in 2018, 25 in 2017 and 35 in 2016). This is a positive trend that we are working hard to maintain.

We received fewer gifts from wills than usual, partly, we believe, because of delays in achieving probate as a result of the Government rolling out new software at probate registries. We continued to promote the importance of gifts in wills in our supporter communications, at regional meetings, and on our website. This remains a vital and cost-effective part of our fundraising, and we are grateful for the kindness shown by all those who remember the charity in their will.

Despite ever-increasing competition from other charities and commercial suppliers, our challenge events – particularly cycling – continued to play an important part in our fundraising, for the income generated and also because of the opportunities it provides to build relationships with participants, a number of whom have gone onto support our work through further donations, introductions and corporate partnerships. London Marathon was once again the mainstay of our running programme, with £115k raised from this event alone.

Our autumn special events programme was successful. Dinner guests at our annual Champions of CycleSport dinner at the Hurlingham Club were joined by many of the UK's cycling elite as well as event sponsors Garmin and BDO, raising £184k. Our social lunches, Dine with Davina, the two Killer Heels and Cocktails events in Scotland and Celebration of Motorsport in Northern Ireland (in its twentieth and final year) together raised £228k. Much of the success of these events is due to the tremendous support of many dedicated volunteers, who make it possible to stage such a significant programme of activity. We were also fortunate to be able to host a supporter reception at the House of Lords and a successful wine-tasting event at the BT Tower.

Our BORN TOO SOON campaign, which shines a light on the important issue of premature birth, gained real momentum in 2019, with a number of new supporters joining the charity motivated by the cause and helping us to raise £520k by the end of the year, over halfway to our target of £1m by the end of 2020. Just over 5,000 people joined our fight for babies born too soon by signing our online 'join the fight' petition and opting in to receiving emails. We are now able to continue to engage with these people, inviting them to get involved with our fundraising. Further digital work on BORN TOO SOON helped us almost to double our social media following between 2018 and 2019, allowing us to reach more people with our fundraising messages. Our 60,000 Reasons virtual fundraising event, where people raised money by running or walking 60 miles in 60 days, proved a big hit, with almost £10k raised, while employees at a number of companies took on the challenge to Go Purple to mark World Prematurity Day. A wide variety of our fundraising events, including the inaugural Million Dreams Ball in Peterborough, raised money for the campaign.

Where we are going

Our strategy focuses on our core purpose of funding medical research in pregnancy and to help babies, children and young people. We are committed to funding high quality research most likely to make a difference that is identified through our rigorous peer review process. We plan to continue to use this strength to develop further partnerships with other charities to fund children's research. It is important to us to show the impact being delivered through our funding and to share this. Our plans going forward include developing fundraising further across a range of income streams to fund more vital research to help children and to address the key financial risk, in common with most charities, of maintaining voluntary income.

How we are governed

The charity was formed in 1952 and is registered as a charity in England and Wales number 208701 and in Scotland number SC039284. Its governing instruments are the Memorandum and Articles of Association which were adopted on 10 July 1996, and amended on 12 July 2000, 2 July 2003 and 30 October 2007. Action Medical Research is incorporated under the Companies Act 2006 as a company limited by guarantee having no share capital. For the purpose of this Act, the chair and other trustees (none of whom receives any remuneration) are the directors of the company. A full list of trustees, together with the charity's registered office, key management and advisers, is shown on the inside front cover of these financial statements.

On 31 December 2019 there were 10 trustees. Each year one third of the trustees retire or are eligible for re-election in accordance with the Memorandum and Articles of Association. The normal maximum tenure of trustees is nine years. Our thanks are extended to Val Remington-Hobbs who retired as a trustee during 2019 and remains a very loyal supporter. We welcomed Richard Stoneham-Buck who joined as a trustee in April and Karen Last who joined in November. The council of trustees currently meets at least four times a year and is supported by five advisory panels or sub committees involving trustees (see inside back cover). All key decisions, including the allocation of charitable funds for research, are made by the trustees in council.

Meetings of the council of trustees regularly address the following:

- the way ahead for the charity in our strategy
- the impact of the work of the charity
- the award of medical research grants
- the financial plan for the current year and further two years
- the lessons learnt from the review of risks
- the governance of the charity including in relation to the Charity Governance Code.

Each year, the skills and experience and diversity required within the council are reviewed to help the charity deliver its objectives. If gaps are identified or a vacancy occurs, new trustees are sought with the appropriate skills and expertise. Potential trustees are then interviewed by a nominating committee formed for the purpose and appointments considered by the council and, if agreed, confirmed at the Annual General Meeting. All trustees are given a full induction programme when they join and are offered opportunities to increase their knowledge and expertise. The trustees regularly undertake a review of their performance as a board, with the most recent review in 2019 and further discussions of our effectiveness early in 2020.

The Chief Executive is responsible for the management of the charity's affairs and for implementing the policies agreed by the trustees. Most staff are based at the Head Office in Horsham, West Sussex, from where fundraising, communications, finance and research administration are managed. The charity also employs 11 community fundraising staff responsible for charity activities and raising funds in regions around the UK.

The charity has adopted the Charity Governance Code for larger charities. This code, widely adopted within the charity sector, asks charities to apply the recommended practices set out in the code or to explain why such practices have not been applied. Previously the charity adopted the Charity Commission's guidance: Hallmarks of an Effective Charity.

The trustees believe that we have substantively applied the Code's recommended practices in all respects save as follows: we conduct formal reviews of the effectiveness of the trustee board every three years, aligned to our strategic planning cycle, rather than annually as recommended by the Code. In addition, we regularly discuss the board's effectiveness and there are mechanisms in place to raise and address issues as they arise. To date our effectiveness reviews have been conducted internally in an open and transparent fashion, led by the Chair and supported by the Honorary Treasurer in respect of the Chair's performance. We believe that this approach is appropriate for a charity of our nature and size, given the cost and induction time required to commission an external evaluation which Council has nonetheless agreed should remain an option open to us if important issues arise that warrant it.

Statement of trustees' responsibilities

The trustees (who are also directors of Action Medical Research for the purposes of company law) are responsible for preparing the report of the trustees 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 and of the income and expenditure of the 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 Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP FRS 102)
- make judgments and estimates that are reasonable and prudent
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements – and
- prepare the financial statements on a 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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.

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 accounts may differ from legislation in other jurisdictions.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware – and

- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Trading

The charity had one subsidiary at 31 December 2019 wholly owned and registered in England and Wales, Action Medical Research (Trading) Limited. There has been no activity on the company which was therefore dormant in 2019 and small scale trading has been carried out directly by the charity.

Risk management

The trustees consider that the charity has an effective continuous risk management mechanism and risk management is considered by the risk management committee and at every council meeting. A risk register is maintained that assesses the potential impact and likelihood of all major risks, including key financial risks, and is reviewed by management, the risk management committee and council. The trustees are satisfied that the right processes are in place to identify the major risks to which the charity is exposed and that systems are in place to manage them in so far as is possible.

The major risks identified relate to maintaining voluntary income and the performance of our invested funds, which in combination ultimately determine the level of new research grants that we can offer. Our strategy is based on a broad range of fundraising channels and the development of further streams to manage our income risks and we continue to address this actively. Our investments are overseen by an investment and audit committee with extensive investment management experience which considers reports quarterly. In addition, we continue actively to address issues of cybersecurity.

At the date of these accounts (April 2020), we are assessing the potential impact of COVID-19 on the key risks identified above and reviewing our plans accordingly. Our immediate priority has been to ensure our people's safety through home working and the safety of our supporters through the cancellation or postponement of fundraising events planned for the coming months. In keeping with many other UK charities, we therefore expect COVID-19 will significantly reduce our voluntary income and thus our ability to make research grants whilst the effects of the pandemic crisis last. It is also likely that some current research projects will be delayed as researchers may be required to pause their studies. It is unclear when normal operations, including the availability of staff, volunteers, researchers and expert panel members, will be able to resume but we expect that the consequences of the crisis, both operational and financial, will be felt for some time afterwards. The trustees will continue to consider these issues and how to manage them as the pandemic develops.

Staff management

Action Medical Research is fortunate in its skilled, committed and hard-working staff. The plan and budget produced each year and approved by the trustees allocates resources to develop and train staff in skills needed to meet the needs of the charity.

The average head count in 2019 was 55 (2018 55), full-time equivalent 44 (2018 45).

Key management personnel are defined by trustees as the Chief Executive and Directors of Research, Communications, Fundraising and Finance shown on the inside front cover of this report. The total remuneration of this group in 2019 was £424,212 (2018 £419,016). The pay of all staff, including key management personnel, is reviewed annually. This is considered by a sub committee of the Board of trustees which includes the Chair and Honorary Treasurer. Any increase relating to

cost of living may take into consideration external factors as well as the charity's financial position and the economic environment. Market rate reviews are also undertaken.

Investments

In 2019 the charity withdrew a net of £0.853m from its investments (2018 withdrew a net of £1.155m). After allowing for unrealised capital gains, in 2019 the value of investments closed the year at £11.657m (2018 £11.609m). These investments are held to ensure that the charity is able to meet its grant liabilities and as part of the free reserves of the charity.

Ruffer LLP manages investments for the charity on a discretionary basis. Their mandate from the trustees, which excludes tobacco-related investments, is to manage a globally diversified portfolio with the objectives of both preserving capital and achieving an absolute return in excess of at least twice the Bank of England base rate in any 12 month period after all expenses. In pursuit of these objectives, Ruffer LLP allocated a small component (0.5%) of the portfolio to Ruffer Illiquid Strategies Fund 2011 Ltd funds in 2019. In 2019 Ruffer LLP achieved a positive return of 8.4% net of fees (2018 a negative return of 6.4%) and thus the trustees consider that these investment objectives were met in the past year.

In February 2020 COVID-19 started to impact global financial markets. The approach adopted by Ruffer LLP has largely protected the value of the portfolio at the time of these accounts (April 2020) but trustees are monitoring the situation closely to ensure the charity's ability to realise assets from the portfolio to meet research payments as they fall due.

Reserves

On 31 December 2019, the charity's free reserves (unrestricted funds less tangible fixed assets) including unrealised investment gains stood at £5.736m (2018 £5.433m).

The trustees review their reserve policy annually and in 2019 continued a dynamic policy to enable the charity to cope in the face of a range of unlikely but plausible downside events which included circumstances that might lead to a significant temporary reduction in fundraising income such as that currently being experienced as a result of COVID-19. The trustees are currently working through the implications for the charity should we need to call on these reserves.

Fixed assets

Information relating to changes in tangible fixed assets is given in note 9 to the financial statements. The trustees are satisfied that the market value of Vincent House, Horsham, is in excess of the amount shown on the balance sheet, but do not consider that the cost of obtaining a professional valuation is currently justified.

By order of the council of trustees

Phil Hodkinson
Chair
22 April 2020



Independent auditor's report to the trustees and members of Action Medical Research

Opinion

We have audited the financial statements of Action Medical Research (the 'charitable company') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 December 2019 and of 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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.

Emphasis of matter – Effects of COVID-19

We draw attention to the trustees' report and Note 2(c), which describes the economic and social disruption the charity is facing as a result of COVID-19 and the impact this may have on the charity's finances. Our opinion is not modified in respect of this matter.

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 trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. 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 trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report including the strategic report has been prepared in accordance with applicable legal requirements.

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 trustees' report including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- ◆ proper and 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 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 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 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.



15 May 2020

Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

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

Action Medical Research

Statement of financial activities (incorporating an income & expenditure account) for the year ended 31 December 2019

		Unrestricted funds 2019	Restricted funds 2019	Total funds 2019	Unrestricted funds 2018	Restricted funds 2018	Total funds 2018
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	3	4,306,547	1,190,948	5,497,495	4,736,398	753,633	5,490,031
Investments	4	114,803	-	114,803	175,327	-	175,327
Total income		4,421,350	1,190,948	5,612,298	4,911,725	753,633	5,665,358
Expenditure on:							
Raising funds	6	2,885,931	-	2,885,931	2,935,105	-	2,935,105
Charitable activities							
Grants for medical research	6	2,011,424	586,700	2,598,124	2,475,049	166,956	2,642,005
Medical research dissemination	6	748,462	-	748,462	797,896	-	797,896
Total expenditure on charitable activities		2,759,886	586,700	3,346,586	3,272,945	166,956	3,439,901
Total expenditure	6	5,645,817	586,700	6,232,517	6,208,050	166,956	6,375,006
Net (expenditure)/income before transfers and investment gains		(1,224,467)	604,248	(620,219)	(1,296,326)	586,677	(709,649)
Net gains/(losses) on investments	10	900,966	-	900,966	(785,099)	-	(785,099)
Net (expenditure)/income before transfers		(323,501)	604,248	280,747	(2,081,424)	586,677	(1,494,746)
Transfers between funds	8	604,248	(604,248)	-	599,192	(599,192)	-
Net movements in funds		280,747	-	280,747	(1,482,232)	(12,515)	(1,494,746)
Balances brought forward at 1 January		5,766,105	-	5,766,105	7,248,337	12,515	7,260,852
Balances carried forward at 31 December		6,046,852	-	6,046,852	5,766,105	-	5,766,105

The notes on pages 18 to 30 form part of the financial statements. All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Action Medical Research**Balance sheet as at 31 December 2019 (company no. 549089 England and Wales)**

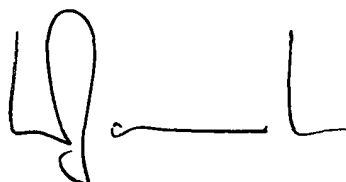
	Note	31 December 2019 £	31 December 2018 £
Fixed assets			
Tangible assets	9	310,553	333,336
Investments	10	11,656,618	11,608,922
		11,967,171	11,942,258
Current assets			
Debtors	11	1,104,850	806,425
Cash at bank and in hand		277,340	521,719
		1,382,190	1,328,144
Creditors			
Amounts falling due within one year	12	(5,293,165)	(5,309,256)
Net current liabilities		(3,910,975)	(3,981,112)
Total assets less current liabilities		8,056,196	7,961,146
Creditors			
Amounts falling due after more than one year	12	(2,009,344)	(2,195,041)
Total net assets		6,046,852	5,766,105
The funds of the charity			
Unrestricted funds		6,046,852	5,766,105
Restricted funds	16	-	-
Total charity funds		6,046,852	5,766,105

The notes on pages 18 to 30 form part of the financial statements.

The financial statements were approved and authorised for issue by the trustees on 22 April 2020 and were signed on their behalf by:



Phil Hodkinson
Chair



Luke Bordewich
Honorary Treasurer

Action Medical Research
Statement of cash flows for the year ended 31 December 2019

	Note	2019	2018
Cash flows from operating activities:		£	£
Net cash used in operating activities	a	(1,212,451)	(1,496,805)
Cash flows from investing activities:			
Investment income and interest receivable		114,803	175,327
Payments to acquire investments		(8,506,408)	(9,162,890)
Payments to acquire tangible fixed assets		-	(7,789)
Receipts from disposals of investments		9,402,279	10,268,901
Net cash provided by investing activities		956,674	1,273,549
Change in cash and cash equivalents in the reporting period		(255,777)	(223,256)
Cash and cash equivalents at the beginning of the period		896,848	1,120,104
Cash and cash equivalents at the end of the period	b	641,071	896,848

Notes to the statement of cash flows for the year ended 31 December 2019
a) Reconciliation of net Income
/(expenditure) to net cash flows from operating activities

Net Income /(expenditure) for the reporting period (as per the statement of financial activities)	280,747	(1,494,747)
Adjustments for:		
Depreciation charges	22,783	25,614
Investment income and interest receivable	(114,803)	(175,327)
(Gains)/ loss on investments	(900,966)	785,099
Grants authorised	2,252,327	2,286,193
Grants paid	(2,528,903)	(2,928,545)
(Increase) / decrease in debtors	(298,425)	72,650
Increase / (decrease) in non-grant creditors	74,789	(67,742)
Net cash used in operating activities	(1,212,451)	(1,496,805)

b) Analysis of cash and cash equivalents

Cash at bank and in hand	277,340	521,719
Cash held by investment managers	363,731	375,129
Total cash	641,071	896,848

Notes to the financial statements for the year ended 31 December 2019

1. Liability of members

The company is limited by guarantee having no share capital and, in accordance with Clause 7 of the Memorandum of Association, every Member, as defined by Clause 2 of the Articles of Association (as amended by Special Resolution passed 10 July 1996), is liable to contribute a sum not exceeding £10 in the event of the charity being wound up while a Member or within one year thereafter. At 31 December 2019 there were 23 Members.

2. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

a) Basis of preparation

The financial statements have been prepared for the year to 31 December 2019. Comparative information reflects the financial results for the year ended 31 December 2018.

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities FRS 102 SORP 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

b) Assessment of going concern

The charity has sufficient liquid resources to continue as a going concern for the foreseeable future and the trustees believe the charity will be able to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements.

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these accounts.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

The most significant areas of judgement that affect items in the financial statements are detailed below.

c) Critical accounting estimates and areas of judgement

The most significant areas of adjustment and key assumptions that affect items in the financial statements are in respect to:

- assessing the probability of receiving legacies where the charity has been notified of its entitlement;
- estimating the liability for multi-year grant commitments;
- estimating the useful economic life of tangible fixed assets for the purposes of determining the annual depreciation charge; and
- determining the basis for allocating support costs across expenditure classification.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy. Estimates used in the accounts, particularly with respect to the value of listed investments (see note 10) are subject to a greater degree of uncertainty and volatility.

As set out in these accounting policies under "going concern", the trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

d) Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, legacies, investment income and other income. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants and donations from government and other agencies and charitable foundations are included as income from activities in furtherance of the charity's objectives where these relate to a specific project or activity or take the form of a contract for services. Where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding, then the income is classified as a donation.

Donations and grants in respect to charitable activities are recognised when the charity has confirmation of both the amount and settlement date. In the event of amounts pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation or grant is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are included in the statement of financial activities when the charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the charity.

Entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Where legacies have been notified to the charity, or the charity is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the charity.

Investment income is recognised once the dividend or interest has been declared and notification has been received of the amount due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

e) **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds include the salaries, direct costs and support costs associated with generating donated income, with the exception of small regional events where it is not practicable to separate costs from income, together with the fees paid to investment managers in connection with the management of the charity's listed investments; and
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include charitable grants and donations, direct and support costs including governance costs.

Grants are included in full in the statement of financial activities in the year in which they are awarded.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned using percentages based on the time spent on the relevant activities by the employees of the charity.

f) **Fixed assets and depreciation**

All assets costing more than £2,000 are capitalised. Fixed assets are depreciated over their estimated useful life. Furniture and equipment and motor vehicles are depreciated at the rates of 20% and 25% per annum on cost respectively. IT equipment is depreciated at 33% per annum on cost. The building element of the freehold property is depreciated at 2% on cost.

g) **Investments**

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their mid-market value as at the balance sheet date. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise. Alternative investments for which there is no readily identifiable market price are included at the most recent valuations from their respective managers.

Realised gains and losses represent the differences between individual investment disposal proceeds and the related opening market values, or costs if acquired in the year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

h) Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. Debtors have been discounted to the present value of the future cash receipt where such discounting is material.

i) Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

k) Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

k) Fund structure

Unrestricted funds comprise amounts available for the general purposes of the charity. Restricted funds are donations or legacies which are given by the donor for a specific purpose within the overall aims of Action Medical Research.

l) Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

m) Pension costs

The charity continues to operate a defined contribution scheme. Contributions to this scheme are charged as expenditure when they are payable. The charity's contributions are restricted to the contributions disclosed in note 13. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

n) Subsidiary undertaking

The charity has one subsidiary undertaking, Action Medical Research (Trading) Limited. The company was dormant during the year. The 2019 results were not consolidated on the grounds of immateriality.

3. Donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
Donations	3,069,858	1,131,665	4,201,523	3,052,712	695,159	3,747,871
Legacies	370,386	37,370	407,756	707,340	35,226	742,566
Challenge events	866,303	21,913	888,216	976,346	23,248	999,594
Totals	4,306,547	1,190,948	5,497,495	4,736,398	753,633	5,490,031

Donations

Income received from supporters, local activities, trusts, regular donations and appeals.

Legacies

Income from legacies notified during the period that can be reasonably measured.

Challenge events

Income from events in UK and overseas organised on behalf of the charity.

4. Investment income

	Unrestricted funds 2019 £	Unrestricted funds 2018 £
UK equities	32,398	37,117
Overseas equities	69,681	68,921
UK fixed interest	7,090	8,296
Overseas fixed interest	2,211	19,821
Bank deposit interest	2,346	865
Royalties and profit sharing agreement	1,077	40,307
	114,803	175,327

5. Subsidiary undertaking

The charity has one subsidiary company limited by guarantee: Action Medical Research (Trading) Limited whose principal activity is derived from the sale of merchandise and other commercial activities.

For the year to 31 December 2019 the company was dormant. For the year to 31 December 2018, it was also dormant.

6. Analysis of expenditure

	2019 Staff costs £	2019 Other costs £	2019 Total £	2018 Staff costs £	2018 Other costs £	2018 Total £
Expenditure on raising funds						
Donations and legacies	1,164,341	1,604,708	2,769,049	1,167,131	1,637,217	2,804,348
Investment management fees (note 4)	-	116,882	116,882	-	130,757	130,757
Total expenditure on raising funds	1,164,341	1,721,590	2,885,931	1,167,131	1,767,974	2,935,105
Expenditure on charitable activities						
Grants for medical research	-	2,252,327	2,252,327	-	2,286,193	2,286,193
Grant administration costs	259,939	85,858	345,797	265,839	89,973	355,812
Total grant expenditure	259,939	2,338,185	2,598,124	265,839	2,376,166	2,642,005
Medical research dissemination	431,288	317,174	748,462	449,354	348,542	797,896
Total charitable expenditure	691,227	2,655,359	3,346,586	715,193	2,724,708	3,439,901
Total expenditure	1,855,568	4,376,949	6,232,517	1,882,324	4,492,682	6,375,006

The breakdown of 2019 and 2018 expenditure on charitable activities on restricted funds is given in note 16.

Grant administration includes central support costs of £59,893 (2018 £65,444).

Medical research dissemination includes central support costs of £89,238 (2018 £97,306).

Central support costs include the cost of running the administration, governance, finance and IT departments. Costs have been allocated based on usage of these services.

Staff costs:	2019 £	2018 £
Wages and salaries	1,590,541	1,606,368
Social security costs	154,461	156,188
Pension costs	110,566	119,768
Total	1,855,568	1,882,324

6. Analysis of expenditure (continued)

The average number of full-time equivalent employees, analysed by function, was :

	2019	2018
Grant administration	6	6
Medical research dissemination	8	8
Fundraising	29	30
Charity governance	1	1
Total	44	45

The average monthly headcount was 55 staff (2018 was 55).

The number of staff whose emoluments (including taxable benefits but excluding employer national insurance and pension contributions) were over £60,000 fell within the following bands:

	2019	2018
£60,001 to £70,000	1	2
£70,001 to £80,000	1	1
£90,001 to £100,000	1	1

Contributions totalling £33,564 were paid in the period to a defined contribution pension scheme in respect of the above employees (2018 £33,623).

The total remuneration (including taxable benefits, employer national insurance and pension contributions) of the key management personnel for the year was £424,212 (2018 £419,016).

Trustee remuneration

No fees are paid to trustees for their services as board members. Directly incurred expenses are reimbursed, if claimed, and in the year to 31 December 2019 £138 (2018 £92) was claimed for travel expenses by one trustee.

7. Expenditure

Included within expenditure are the following costs:	2019	2018
	£	£
Staff costs (note 6)	1,855,568	1,882,324
Auditor's remuneration for audit work – current year	18,000	17,700
Fees payable to the auditor for tax and other services	1,300	1,300
Operating lease payments	-	2,706
Depreciation	22,783	25,614

8. Transfers

During the year the charity was awarded grants from third parties to support specific research projects which had been funded in previous years from the charity's unrestricted funds. These grants have been recorded as restricted income and then transferred to reflect the reimbursement from the restricted to unrestricted funds.

9. Tangible fixed assets

	Freehold property £	Fixtures & fittings £	Motor vehicle £	Totals £
Costs				
At 1 January 2019	755,771	224,626	13,660	994,057
Additions	-	-	-	-
At 31 December 2019	755,771	224,626	13,660	994,057
Depreciation				
At 1 January 2019	434,638	212,423	13,660	660,721
Charge for period	13,915	8,868	-	22,783
At 31 December 2019	448,553	221,291	13,660	683,504
Net book value at 31 December 2019	307,218	3,335	-	310,553
Net book value at 31 December 2018	321,133	12,203	-	333,336

The land cost of the freehold property is estimated by the trustees at £60,000 (2018 £60,000).

All fixed assets are held for the charity's own use. The trustees are satisfied that the market value of Vincent House, Horsham is in excess of the amount shown on the balance sheet, but do not consider that the cost of obtaining a professional valuation is justified.

10. Fixed asset investments

	2019	2018
Market value:	£	£
At 1 January	11,608,922	13,548,910
Net funds withdrawn from portfolio	(853,270)	(1,154,889)
Realised gains	145,418	291,881
Unrealised gains /(losses)	755,548	(1,076,980)
At 31 December	11,656,618	11,608,922
Listed investments		
UK equities	2,766,414	2,098,781
Overseas equities	3,391,394	3,176,709
UK fixed interest	1,454,126	1,769,311
Overseas fixed interest	2,944,574	3,222,945
Foreign currency contracts	10,166	99,495
Cash held by investment manager	363,731	375,129
Unlisted investments		
Alternative investments	724,740	865,079
Associated company (see below)	1,473	1,473
	11,656,618	11,608,922
Cost of investments	11,818,656	11,506,554

At 31 December 2019 listed investments included the following material individual holdings:

	Market value of holding £	Percentage of overall portfolio
Ruffer SICAV Fixed Income	2,455,308	22.79%
Ruffer Multi Strategies Fund Limited	669,203	6.21%
Ruffer SICAV Uk Mid & Smaller Companies	554,600	5.15%
Ruffer Gold	626,680	5.82%

Foreign currency contracts - at 31 December 2019 the charity had open forward exchange contracts.

FWD: USD Vs. GBP 09/01/2020	£2,872.56
FWD: JPY Vs. GBP 09/01/2020	£7,293.61

Unlisted investments – associated company: this represents the charity's 24.9% shareholding in Helpcards Limited. The principal activity of Helpcards Limited is the publishing of Christmas cards. Its turnover for the year ended 30 April 2019 was £96,684 (2018 £101,781) with a profit of £84,692 (2018 £88,490). The total distribution to the charitable company's shareholders was £88,490 (2018 £102,900).

11. Debtors

	31 December 2019	31 December 2018
	£	£
Prepayments	170,779	163,828
Other debtors	837,978	609,248
Income tax recoverable	96,093	33,349
	1,104,850	806,425

12. Creditors

	Amounts falling due within one year		Amounts falling due after more than one year	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	£	£	£	£
Research grants payable (note 17)	5,026,791	5,117,671	2,009,344	2,195,041
Trade creditors	31,360	34,090	-	-
Accruals	100,777	92,178	-	-
Taxation and other social security costs	42,777	-	-	-
Deferred income	91,460	65,317	-	-
Total	5,293,165	5,309,256	2,009,344	2,195,041

13. Pension scheme

The pension charge for the year comprises:

	2019	2018
	£	£
Action Medical Research group personal pension plan	110,566	119,768

The Group Personal Pension Plan is a defined contribution scheme and the charge for the period represents those contributions payable to the scheme in respect of the accounting period.

14. Related party transactions

At the meeting of trustees held on 22 April 2020 the trustees confirmed that, following appropriate enquiries, they were not aware of any related party transactions which required disclosure in the financial statements, but wished to disclose the following trustee connection:

Due to the nature of the charity's operations and the composition of the trustees (some being drawn from medical or research organisations), it is possible that transactions may take place with organisations in which a trustee may have an interest, including the awarding of research grants (see note 19). All grant transactions involving organisations in which a trustee may have an interest are conducted at arms' length and in accordance with the charity's financial regulations and normal procedures. No such transactions were identified which should be disclosed under Financial Reporting Standard 102 Section 33.

Fundraising, sponsorship and donations totalling £230,071 (2018 £63,880) were received by the charity from trustees.

15. Operating lease commitments

At 31 December 2019 the charity had the following future minimum commitments in respect of operating leases:

	2019 £	2018 £
Amounts due:		
Within one year	-	3,172
Within two to five years	-	5,552
	-	8,724

16. Restricted funds

The charity receives restricted donations, legacies and events income to assist in the charity's funding of specific research projects. In 2019 the total of this restricted income was £1,190,948 (2018 £753,633) and the amount utilised from this to fund the relevant research and other related costs was £586,700 (2018 £166,956). During the year, £604,248 (2018 £599,192) was transferred to unrestricted funds being a reimbursement of expenditure incurred for restricted fund purposes but met out of the unrestricted fund balances in the first instance.

At 31 December 2019 the charity had a zero balance in restricted funds (2018 £0).

17. Research grants

	31 December 2019 £	31 December 2018 £
Research grants payable		
Amounts outstanding at 1 January	7,312,712	7,955,065
New research grants awarded (note 6)	2,252,327	2,286,193
Amounts paid during the year	(2,528,904)	(2,928,546)
Amount outstanding at 31 December	7,036,135	7,312,712
The outstanding balance is payable:		
Within one year (note 12)	5,026,791	5,117,671
After more than one year (note 12)	2,009,344	2,195,041
	7,036,135	7,312,712

Analysis of awards made in 2019 – please see list on pages 29 – 30.

18. Reconciliation of movements on unrealised gains

	2019 £	2018 £
Unrealised gains at 1 January	102,368	2,200,582
Less: in respect to disposals in year	(1,019,955)	(1,021,234)
Add: net gains/(losses) arising on revaluations in the year	755,549	(1,076,980)
Total unrealised gains at 31 December	(162,038)	102,368

19. Analysis of awards made in 2019

Institution	Title	Grant award £
Population Health Sciences Institute, Faculty of Medical Sciences, Newcastle University, Psychology and Language Sciences, University College London, Faculty of Health, Psychology and Social Care, Manchester Metropolitan University, Regional Communication Aid Service, Cumbria, Northumberland Tyne and Wear NHS Foundation Trust, Neurodisability Service, Great Ormond Street Hospital for Children NHS Foundation Trust, London.	Cerebral palsy and severe movement problems - assessing language comprehension	98,370
Institute of Cellular Medicine, Newcastle University and the Department of Infection, Immunity and Cardiovascular Disease, University of Sheffield.	Ear infections – understanding how the body responds	241,819
Reconstructive Surgery and Regenerative Medicine Research Group, Institute of Life Sciences 2, Swansea University, Welsh Centre for Burns and Plastic Surgery, Morriston Hospital, Swansea and the Welsh Centre for Printing and Coating, Department of Engineering, Swansea University.	Ear reconstruction - developing implants using tissue engineering	164,739
University Department of Obstetrics and Gynaecology and University Department of Paediatrics, University of Cambridge.#	Neurodevelopmental delay - predicting those at risk	138,073
Peter Gorer Department of Immunobiology, Guy's Hospital, King's College London and the Neonatal Unit, Homerton University NHS Trust, London.#	Preterm infants - diagnosing infections	107,918
Department of Comparative Biomedical Sciences, Royal Veterinary College, University of London, Department of Perinatal Imaging and Health, Department of Imaging Chemistry and Biology, St Thomas' Hospital, King's College London.#	Birth asphyxia - investigating mitochondrial treatment	57,798
Computational, Cognitive and Clinical Neuroimaging Laboratory and Division of Brain Sciences, Hammersmith Hospital, Imperial College London, Psychological Services - Neuropsychology and Paediatric Intensive Care Unit, Great Ormond Street Hospital for Children, London, Developmental Neuroscience, UCL Great Ormond Street Institute of Child Health, University College London.	Traumatic brain injury - long-term impact	199,235
Institute of Genetic Medicine and Institute of Cellular Medicine, Newcastle University and the Reproductive Health and Childbirth Specialty Group, Royal Victoria Infirmary, Newcastle upon Tyne Hospitals NHS Foundation Trust in conjunction with the Centre for Experimental Medicine, Queen's University Belfast.	Preterm birth - preventing premature contractions	197,990
Institute for Science and Technology in Medicine (ISTM), Keele University, ORLAU, Robert Jones and Agnes Hunt Orthopaedic Hospital, Oswestry, Department of Civil and Environmental Engineering, Imperial College London and the Oxford Gait Laboratory, Nuffield Department of Orthopaedics Rheumatology and Musculoskeletal Sciences, University of Oxford.	Cerebral palsy - understanding foot deformity	148,159
Centre for Movement, Occupational and Rehabilitation Science, Department of Sport, Health Science and Social Work, Oxford Brookes University, Wellcome Centre for Integrative Neuroimaging, FMRIB, University of Oxford, Nuffield Orthopaedic Centre, Oxford University Hospitals NHS Foundation Trust, Paediatric Occupational Therapy, Royal Free London NHS Foundation Trust, London, Department of Clinical Sciences, Brunel University London.	Cerebral palsy - improving movement with brain stimulation	205,322

Molecular and Cellular Immunology Section, UCL Great Ormond Street Institute of Child Health, University College London.	X-linked lymphoproliferative disease - gene editing	173,918
Academic Department of Obstetrics and Gynaecology, St Michael's Hospital, University Hospitals Bristol NHS Foundation Trust, University of Bristol, Reproductive Medicine Unit and Children and Young Peoples' Cancer service, University College London Hospitals, EGA Institute for Women's Health, University College London, Institute of Applied Health Research, University of Birmingham.	Preterm birth - understanding and reducing risks in mothers who have survived cancer treatment	51,650
Developmental Biology and Cancer Programme, UCL Great Ormond Street Institute of Child Health, University College London, Haematology and Oncology Department, Great Ormond Street Hospital for Children, Research Department of Haematology, UCL Cancer Institute, University College London.	Leukaemia - investigating new drug treatments	249,999
Stem Cell and Neurotherapies Group, Division of Cell Matrix Biology and Regenerative Medicine, The University of Manchester.	Hunter syndrome - improving gene therapy	249,458
Grants		2,284,448
Grant adjustments		(32,121)
Total grant spend 2019		£2,252,327

denotes a grant made to an institution with which a trustee, holding office at the time of the decision, had a related party connection: Any trustee with a related party connection is excluded from Council decisions approving such grants

Investment & audit committee

Chair
Luke Bordewich

Phil Hodgkinson
Richard Wild

Risk management committee

Chair
Richard Wild

Esther Alderson
Julie Buckler
Val Remington-Hobbs - retired July 2019
Karen Last – appointed Feb 2020

Steering committee

Chair
Phil Hodgkinson

Luke Bordewich
Julie Buckler

Marketing insight panel

Chair
Tobin Aldrich

Julie Buckler
Emily Casson – appointed October 2019
Kate Cox
Lewis Coghlin – appointed September 2019
Jenny Edwards – retired September 2019
David Haseler
Karen Jankel
Rachel Molho
Sarah Moss
Richard Stoneham Buck – appointed October 2019

Scientific advisory panel

Chair

Professor David Rowitch MD PhD ScD

Professor Graeme Black OBE DPhil, FRCOphth - retired June 2019
Dr Claire Booth MBBS MSc PhD MRCPCH
Professor Clare Bryant BSc PhD BVetMed
Professor Yanick Crow MBBS MRCP CCST PhD FMedSci - appointed Dec 2019
Professor Inderjeet Dokal MBChB, MD, FRCP, FRCPCH, FRCPath, FMedSci - retired March 2020
Professor Alicia El Haj FREng FRSB FEAMBES
Professor Jonathan Grigg BSc MBBS MD FRCPCH
Professor Catherine Hawrylowicz PhD
Professor Mark Johnson PhD MRCP MRCOG
Professor Samantha Johnson PhD CPsychol AFBPsS
Professor Fenella Kirkham MB BChir MD FRCPCH
Professor Scott Nelson PhD MRCOG - retired June 2019
Professor Andrea Nemeth BSc MBBS DPhil (Oxon) FRCP - appointed Dec 2019
Dr Adam Shortland BSc PhD MIPEM CSci
Professor Shiranee Sriskandan FRCP PhD
Professor Michael Taggart BSc PhD