

Financial Statements

31 December 2017

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

The Earl of Snowdon GCVO RDI FSIAD

– deceased January 2017

Trustees**Chair**

Phil Hodgkinson

Honorary Treasurer

Charles Jackson – retired July 2017

Luke Bordewich – from July 2017

Esther Alderson

Luke Bordewich

Professor Sarah Bray BA MPhil PhD FMedSci

Professor David Edwards MA MBBS DSc

MRCR FRCP FRCPC FMed Sci

Professor Nigel Klein BSc MBBS PhD MRCP FRCPC

Rachel Molho – retired February 2017

Nick Peters

Val Remington-Hobbs

Richard Wild – appointed November 2017

Charity Management**Chief Executive**

Julie Buckler

Director of Finance/Company Secretary

Martin Richardson FCMA ACIS

Director of Fundraising

Jenny Edwards

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

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41 Chipstead Valley Road

Coulsdon CR5 2RB

Company registration no. 549089
(England and Wales)

Charity registration nos. 208701
and SC039284

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Action Medical Research

Report of the trustees for the year ended 31 December 2017

Action Medical Research (company no. 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 2017.

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 proud that 2017 was our 65th year and that since we began the charity has funded over £120 million (c£118 million in today's terms) of medical research 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 which is 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.

Today we remain determined to tackle the challenges that disease and disability present by funding world-class medical research to help children. All around the UK today there are hundreds of thousands of children whose

lives are devastated by disease and disability. Research is the key for so many children who desperately need help.

At Action, we're on a mission to save and change children's lives through medical research, developing treatments, vaccinations and cures. We fund a broad range of medical research most likely to deliver real benefit in pregnancy and to babies, children and young people. We aim to make a difference in premature birth, pregnancy complications and treating sick and vulnerable babies, as well as in preventing infections and helping children affected by disabilities, disabling conditions and rare diseases.

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

We rely on voluntary income and with more resources could fund even more vital research to help children. We are ever grateful to our supporters, volunteers, committees, researchers, trustees, staff and expert advisers who together work so hard towards saving and changing children's lives.

Strategic report for 2017

Our achievements and performance in 2017

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

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

We awarded 17 new grants in 2017, with £2.662m committed to vital new medical research to help babies, children and young people, including research into premature birth, cerebral palsy and scarlet fever. We currently have over £11m invested in the work of 260 top researchers working on over 65 research projects across the UK. Details can be found on our website **www.action.org.uk**

2018 is the 45th year of our groundbreaking Research Training Fellowship scheme supporting the future leaders of research. Since this began we have awarded 177 Fellowships and invested over £13m in the scheme. In 2017 we funded two new Research Training Fellows, researching Crohn's disease in children and also surgery for babies born with heart defects.

To help move forward children's medical research, we work together with many other organisations and in 2017 this included funding research in partnership with 10 other charities including the Cystic Fibrosis Trust and Neuroblastoma UK. We are delighted to be partnering with the charity Borne to work together for three years from 2017 to co-fund £1.5m of research into the very important area of preterm birth.

Financial review

In 2017 we were pleased to fund 17 new medical research projects to help children. Total incoming resources were £5.908m (2016 £6.823m) with total expenditure of £6.918m (2016 £7.431m). Our voluntary income was £5.668m (2016 £6.661m). We spent £3.771m on medical research grants and dissemination (2016 £3.926m).

Total funds at the end of the year were £7.261m (2016 £7.949m), a decrease of £689k (2016 £971k increase) which, excluding movements in the market value of our investment portfolio, was in line with our plans. Total net gains on investments during 2017 were £321k (2016 £1.578m gain).

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 the medical progress being made to supporters and others interested in our work.

Success in 2017

Our independent scientific advisers examine and assess final reports when all projects are completed. In 2017, of 14 final reports assessed, 100 per cent were considered to be of a major, sizeable or marked potential level of clinical importance; 93 per cent were considered excellent or good; and 86 per cent to be of immediate, near or medium term clinical impact.

Positive outcomes identified in 2017 included funding £191,080 from Action together with partners Cure Kids and Sands to Dr Heazell at the Maternal and Fetal Health Research Centre, University of Manchester to investigate reducing the chances of women experiencing stillbirth. After the results were published in 2017, a public health campaign was launched advising women to go to sleep on their side rather than on their back in the third trimester of pregnancy, with the potential to save up to 100,000 babies a year internationally.

A further successful step forward resulted from a grant of £156,036 made in 2014 to support Dr Joanna Cook of Imperial College London in her Research Training Fellowship. During her Fellowship she made important steps towards developing a test that could be used in early pregnancy to identify women who are at high risk of going into labour too soon. The promising results will now be tested in a larger group of women and if successful it is hoped that a commercially available test will be ready in around five years.

Further key progress resulted from Action, together with Neuroblastoma UK, funding of £179,874 made in 2014 to Professor Robert Mairs of Glasgow's Institute of Cancer Sciences to test new drug combinations to make treatment more effective for the childhood cancer neuroblastoma. To enhance targeted molecular radiotherapy, where radioactive drugs injected into the bloodstream seek and destroy cancer cells, the team investigated using additional drugs designed to make cancer cells even more susceptible to radiation-induced damage. Two were found to work well and clinical trials in children are anticipated within two years.

Our impact over time

In addition, we carry out reviews each year to assess the impact of the charity's research funding over time. A new report in 2017 considered the impact of funding by Action between 1995 and 2002 to Professor Ian Swain at Salisbury District Hospital and the Universities of Surrey and Southampton to develop and test a new way of using electrical stimulation to help stroke patients walk again.

Thousands of children and adults around the world with cerebral palsy, who have had a stroke or who have multiple sclerosis find walking difficult because they have dropped foot and are unable to lift the front part of their foot while walking. Functional electrical stimulation (FES) involves specially timed electrical stimulation of muscles to help lift the foot which makes walking

faster and less tiring. Professor Swain's team had developed special FES devices in the early 1990s and our funding allowed them to adapt and further develop their solutions to stimulate two muscles simultaneously. The FES device proved to be an effective long-term intervention for correcting dropped foot, significantly increasing mobility, reducing falls and increasing quality of life. In 2009 the National Institute for Health and Clinical Excellence published guidelines recommending the use of FES for dropped foot caused by stroke, cerebral palsy, multiple sclerosis and spinal cord injury. Other conditions which may be treated with FES in the future are Parkinson's disease and paraparesis that cause difficulties with standing, balance and walking.

A second new report celebrated a Research Training Fellow funded by Action in 2008, paediatric neurologist Dr Manju Kurian. Her Action funded research led to the discovery of one gene linked to early onset epilepsy and another causing a movement disorder in children and to develop a diagnostic gene panel. Since her Fellowship, Dr Kurian has secured further funding of around £4 million, which has helped her establish her own independent research team to develop stem cell research and gene therapy strategies in neurological disorders. She supports other doctors and researchers and is now supervisor for two Action Research Training Fellows in her team. Her group has discovered a number of new disease genes linked to early onset epilepsy, a neurodegenerative disorder and dystonia. These important discoveries have enabled doctors to diagnose children, provide answers to families and to offer treatments and care.

For Action, these successes add to our long-standing history of funding research with a focus on pregnancy, babies, children and young people, which has included helping to develop ultrasound scanning in pregnancy, cooling therapy to prevent brain damage in babies who have been starved of oxygen at birth and to develop the Hib meningitis vaccine which is now a routine immunisation for young children.

Action Medical Research

Report of the trustees for the year ended 31 December 2017

Communicating our work

We make the results of the research we fund to benefit children freely available to the public and the research community. This includes through our website, literature and social media channels, as well as mainstream and specialist press.

In 2017 we generated 1,309 articles with a circulation of 928m and a total Advertising Value Equivalent of £1m. Our research projects featured in a range of national and regional media (including *The Guardian*, *Candis* magazine, *Pick Me Up* magazine, the *London Evening Standard* and *The Weekly News*) and our fundraising events gained coverage in lifestyle and fitness media (such as *Women's Own* magazine, *Cycling Weekly* and *Bike Radar*) as well as regional and local 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 46,000 people through key social media channels and received more than 16,000 visits to our blogs. Our website attracted over 768,000 visitors, with over 19,000 registrations for events, sponsorships and donations.

How we raised money

Our fundraising in 2017 raised £5.668m, thanks to the efforts of staff, committees, volunteers and supporters. The reduction in voluntary income from the previous year was in part due to several significant donations in 2016 that we did not benefit from in 2017.

Our community fundraising volunteers delivered a wide-ranging programme, including gift fairs, lunches, dinners, open gardens, golf days and concerts, generating important funds and publicity for the charity, with a number of successful events also held in support of Action by local businesses, groups and associations. The latter continues as an important area of income development as more traditional sources of community support through fundraising committees reduce. Our Cream Teas direct promotion was extended to two days and,

with local committees also coordinating their own campaigns, over 7,100 delicious teas were packed by local volunteers and delivered to homes and workplaces across the UK. Our thanks and appreciation go to everyone involved who made all these events such a success.

We continued to work on building our legacy programme, increasing promotion of gifts in wills at regional meetings, in our publications and on our website. We made good progress in speaking to supporters close to us, with a high proportion indicating commitment. This work will continue. Despite the unpredictable nature of this income stream, it is one of the most cost-effective forms of fundraising and we are asking all our supporters to consider leaving a gift to the charity.

We continued to build sustainable support through regular giving via our Weekly Lottery with recruitment mainly in supermarkets, hospitals and train stations. This activity delivered a further 7,480 entries. In an increasingly challenging market we have stabilised our regular giving base with this prize-led approach. During 2017 we worked with professional fundraising agencies to deliver fundraising activity to recruit these new long-term supporters to the charity. These fundraisers were bound by the Codes of Fundraising Practice as regulated by the Fundraising Regulator. Action monitored the activity carried out by fundraisers through mystery shopping, complaint monitoring and review of key performance indicators. Overall the charity received 25 complaints in 2017, a reduction from previous years (35 in 2016 and 32 in 2015). The charity ensures that all our third party agencies are compliant with the Institute of Fundraising's guidance on treating donors fairly, which includes guidance to protect vulnerable people and the Fundraising Regulator Code of Fundraising Practice.

Securing partnerships with individuals and corporates continued to develop with this activity contributing over £275k of which over £161k was from bespoke cycling events. Miss Scotland chose us as the beneficiary charity

Action Medical Research Report of the trustees for the year ended 31 December 2017

from her Sparkle Ball raising over £20k. Liberty Specialty Markets held an in-house cream tea, hosted our autumn reception and made a significant donation towards new research into Crohn's disease and childhood cancer. The continued support of BGC, One Stop convenience stores, regional estate agents Arun Estates and Next, who together raised over £101k, was also greatly appreciated.

Our events programme remained an important contributor to income, particularly from cycling activity. This has become a very competitive market amongst charities and commercial suppliers alike and achieving participant numbers remained challenging. Nevertheless, cyclists taking part in our established Action London to Paris bike ride raised £184k with a further £117k raised from our new Ziggurat London to Paris ride launched for the construction industry. Our overnight Trek the Night walks series raised £104k. We introduced a new Race the Sun event on the Isle of Wight which raised over £114k. Three of our runners in the Virgin Money London Marathon not only completed the course but did so in the fastest time dressed as a bishop, a monk and a nun securing a new Guinness World Record.

Other highlights of our events programme were the autumn special events. At the annual Champions of CycleSport dinner guests were joined by many of the UK's cycling elite as well as event sponsors Garmin and Maserati, raising £254k. Our social lunches, Dine with Davina, the two Killer Heels and Cocktails events in Scotland and Celebration of Motorsport in Northern Ireland, together raised a spectacular total of £224k. Much of the success of these events is due to the tremendous support of many dedicated volunteers, without whom it would not be possible to stage such a significant programme of activity.

We were delighted that our Patron HRH The Duke of Edinburgh hosted a reception at Buckingham Palace before retiring from public engagements. The evening was attended by over 130 guests who were able

to meet researchers first hand and talk to them about their work funded by Action. The event resulted in several welcome donations and commitments of support.

Where we are going

Our strategy reaffirms our core purpose and focus on funding medical research in pregnancy and to help babies, children and young people. We are confident of the impact delivered by our funding and the strength of our peer review process to fund the very best research most likely to make a difference. We use this strength to develop partnerships with other organisations to fund children's research. Our plans 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. In 2018, as we do every three years, we are developing and refreshing our strategy for 2019-21.

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 2017 there were nine trustees. Each year one third of the trustees retire or are eligible for re-election in accordance with the Memorandum and Articles of Association. Our thanks are extended to Charles Jackson and Rachel Molho who retired

Action Medical Research

Report of the trustees for the year ended 31 December 2017

as trustees during 2017 and remain loyal supporters, and we welcomed Richard Wild who joined as a trustee in November 2017. 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 expertise 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 or experience. Potential trustees are then interviewed 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 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 12 community fundraising staff who take responsibility for charity activities and raising funds in regions around the UK.

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 2017 wholly owned and registered in England and Wales, Action Medical Research (Trading) Limited. The activity of this company includes business derived from the sale of Christmas cards and ordinarily all profits of the subsidiary are gift aided to the charity. Further details can be found in note 5.

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 main major risks identified relate to maintaining voluntary income and the performance of our invested funds. Our strategy is based on a broad range of fundraising streams and the development of further income 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 who consider reports quarterly.

Staff management

Action Medical Research is fortunate in having skilled, dedicated and loyal staff. The plan and budget produced each year and approved by the trustees allocates resources to develop and train staff in skills to meet the needs of the charity.

The average head count in 2017 was 56 (2016 58), full time equivalent 46 (2016 50).

Key management personnel are defined by trustees as the chief executive and four paid directors as shown on the inside front cover of this report. The total remuneration of this group in 2017 was £375,224 (2016 £369,545). The pay of all staff is reviewed annually and 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 and considered using a charity rewards survey of approximately 280 other organisations.

Investments

In 2017 the charity withdrew a net of £1.484m from its investments (2016 withdrew a net of £0.487m). After allowing for unrealised capital gains, in 2017 the value of investments closed the year at £13.549m (2016 £14.712m). 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

Action Medical Research Report of the trustees for the year ended 31 December 2017

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 (0.8%) of the portfolio to Ruffer illiquid funds in 2017. In 2017 Ruffer LLP achieved a positive return of 2.7% net of fees during 2017 (2016 a positive return of 12.3%) and thus the trustees consider that these investment objectives were met in the past year and remain confident that our investment objectives remain appropriate and achievable over the medium term.

Reserves

On 31 December 2017, the charity's free reserves (unrestricted funds less fixed assets) including unrealised investment gains stood at £6.897m (2016 £7.476m).

The trustees review their reserve policy annually and in 2017 confirmed a dynamic reserve policy which would enable the charity to cope in the face of a range of unlikely but plausible downside events. On this basis our free reserve requirement at the end of 2017 was c£4.456m and expenditure plans for the next three years have been based on being able to maintain reserves in line with this policy.

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

25 April 2018





Photo: Ben Rector

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 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and 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).

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.

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 2017 and of its income and expenditure for the year then ended;

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

- 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.

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

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

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.



Katharine Patel

Senior Statutory Auditor
For and on behalf of
Buzzacott LLP, Statutory Auditor

130 Wood Street
London
EC2V 6DL

4 May 2018

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 for the year ended 31 December 2017

(incorporating an income and expenditure account)

		Unrestricted funds	Restricted funds	Total funds 2017	Total funds 2016
	Note	£	£	£	£
Income from:					
Donations and legacies	3	4,569,893	1,098,534	5,668,427	6,661,038
Investments	4	239,601	-	239,601	161,371
Gift Aid payment from trading subsidiary	5	-	-	-	544
Total income		4,809,494	1,098,534	5,908,028	6,822,953
Expenditure on:					
Raising funds	6	3,147,179	-	3,147,179	3,505,110
Charitable activities					
Grants for medical research	6	2,449,524	563,399	3,012,923	3,124,057
Medical research dissemination	6	757,674	-	757,674	801,564
Total expenditure on charitable activities		3,207,198	563,399	3,770,597	3,925,621
Total expenditure	6	6,354,377	563,399	6,917,776	7,430,731
Net (expenditure)/income before transfers and investment gains		(1,544,883)	535,135	(1,009,748)	(607,778)
Net gains on investments	10	321,138	-	321,138	1,578,447
Net (expenditure)/income before transfers		(1,223,745)	535,135	(688,610)	970,669
Transfers between funds	8	632,885	(632,885)	-	-
Net movement in funds		(590,860)	(97,750)	(688,610)	970,669
Balances brought forward at 1 January		7,839,197	110,265	7,949,462	6,978,793
Balances carried forward at 31 December		7,248,337	12,515	7,260,852	7,949,462

The notes on pages 17 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

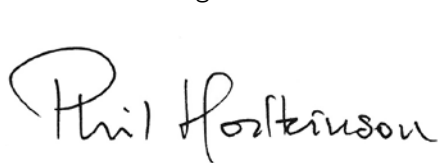
Balance sheet as at 31 December 2017

(Company No 549089 England and Wales)

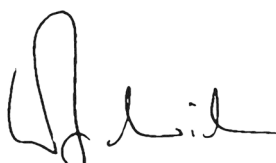
		31 December 2017	31 December 2016
	Note	£	£
Fixed assets			
Tangible assets	9	351,161	363,565
Investments	10	13,548,910	14,712,028
		13,900,071	15,075,593
Current assets			
Debtors	11	879,075	1,161,752
Cash at bank and in hand		696,098	843,799
		1,575,173	2,005,551
Creditors			
Amounts falling due within one year	12	(5,474,124)	(6,590,985)
Net current liabilities		(3,898,951)	(4,585,434)
Total assets less current liabilities		10,001,120	10,490,159
Creditors			
Amounts falling due after more than one year	12	(2,740,268)	(2,540,697)
Total net assets		7,260,852	7,949,462
The funds of the charity			
Unrestricted funds		7,248,337	7,839,197
Restricted funds	16	12,515	110,265
Total charity funds		7,260,852	7,949,462

The notes on pages 17 to 30 form part of the financial statements.

The financial statements were approved and authorised for issue by the trustees on 25 April 2018 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 2017

		2017	2016
	Note	£	£
Cash flows from operating activities:			
Net cash used in operating activities	a	(1,855,510)	(431,441)
Cash flows from investing activities:			
Investment income and interest receivable		239,601	161,371
Payments to acquire investments		(4,204,948)	(3,812,148)
Payments to acquire tangible fixed assets		(16,051)	(9,816)
Receipts from disposals of investments		5,794,310	3,863,715
Net cash provided by investing activities		1,812,912	203,122
Change in cash and cash equivalents in the reporting period		(42,598)	(228,319)
Cash and cash equivalents at the beginning of the period		1,162,702	1,391,021
Cash and cash equivalents at the end of the period	b	1,120,104	1,162,702
Notes to the statement of cash flows for the year ended 31 December 2017			
a) Reconciliation of net (expenditure) income to net cash flows from operating activities			
Net (expenditure) income for the reporting period (as per the statement of financial activities)		(688,610)	970,669
Adjustments for:			
Depreciation charges		28,454	31,206
Investment income and interest receivable		(239,601)	(161,371)
Gains on investments		(321,138)	(1,578,447)
Grants authorised		2,662,192	2,770,418
Grants paid		(3,503,966)	(3,161,835)
Decrease in debtors		282,677	701,095
Decrease in non-grant creditors		(75,515)	(3,176)
Net cash used in operating activities		(1,855,510)	(431,441)
b) Analysis of cash and cash equivalents			
Cash at bank and in hand		696,098	843,799
Cash held by investment managers		424,005	318,903
Total cash		1,120,104	1,162,702

Action Medical Research

Notes to the financial statements for the year ended 31 December 2017

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 2017 there were 22 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 2017. Comparative information reflects the financial results for the year ended 31 December 2016.

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 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. With regard to the next accounting period, the year ending 31 December 2018, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the trustees' report for more information).

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.

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 including the surplus made by the charity's trading subsidiary. 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.

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2017

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.

j) 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. This is not consolidated on the grounds of immateriality.

3. Donations and legacies

	Unrestricted funds	Restricted funds	2017	2016
Gross income	£	£	£	£
Donations	2,985,565	1,095,860	4,081,425	5,062,447
Legacies	423,334	2,674	426,008	232,865
Challenge events	1,160,994	-	1,160,994	1,365,726
Totals	4,569,893	1,098,534	5,668,427	6,661,038
2016 funds	5,044,108	1,616,930	6,661,038	

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

	2017	2016
	£	£
UK equities	114,793	55,327
Overseas equities	106,272	78,533
UK fixed interest	7,595	6,886
Overseas fixed interest	10,281	16,859
Bank deposit interest	660	3,766
	239,601	161,371

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 2017 its turnover was £145 (2016 £4,436) and the net loss was £3,819 (2016 profit £544). At 31 December 2017 the company had no capital and reserves and a balance was due to Action Medical Research of £598. (2016 due from Action Medical Research £266).

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2017

6. Analysis of expenditure

	Staff costs	Other costs	2017	2016
	£	£	£	£
Expenditure on raising funds				
Donations and legacies (note 3)	1,175,948	1,826,514	3,002,462	3,358,604
Investment management fees (note 4)	-	144,717	144,717	146,506
Total expenditure on raising funds	1,175,948	1,971,231	3,147,179	3,505,110
Expenditure on charitable activities				
Grants for medical research	-	2,662,192	2,662,192	2,770,418
Grant administration costs	262,876	87,855	350,731	353,639
Total grant expenditure	262,876	2,750,047	3,012,923	3,124,057
Medical research dissemination	491,674	266,000	757,674	801,564
Total charitable expenditure	754,550	3,016,047	3,770,597	3,925,621
Total expenditure	1,930,498	4,987,278	6,917,776	7,430,731

The breakdown of 2017 and 2016 expenditure on charitable activities on restricted funds is given in note 16.

Grant administration includes central support costs of £64,889 (2016 £68,242).

Medical research dissemination includes central support costs of £96,527 (2016 £101,486).

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:	2017	2016
	£	£
Wages and salaries	1,652,322	1,800,355
Social security costs	157,596	172,998
Pension costs	120,580	127,255
Total	1,930,498	2,100,608

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

	2017	2016
Grant administration	6	7
Medical research dissemination	8	9
Fundraising	31	33
Charity governance	1	1
Total	46	50

The average monthly headcount was 56 staff (2016 was 58).

6. Analysis of expenditure (continued)

The number of staff whose emoluments were over £60,000 fell within the following bands:

	2017	2016
£60,001 to £70,000	-	1
£70,001 to £80,000	2	1
£90,001 to £100,000	1	1

Contributions totalling £33,856 were paid in the period to a defined contribution pension scheme in respect of the above employees (2016 £33,630).

The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the year was £375,224 (2016 £369,545).

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 2017 £nil (2016 £227 by one trustee) was claimed for travel expenses.

7. Expenditure

Included within expenditure are the following costs:

	2017	2016
	£	£
Staff costs (note 6)	1,930,498	2,100,608
Auditors' remuneration for audit work – current year	16,524	16,200
Fees payable to the auditors for tax and other services	1,170	-
Operating lease payments	12,720	17,253
Depreciation	28,454	31,207

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 and fittings	Motor vehicle	Totals
	£	£	£	£
Costs				
At 1 January 2017	755,771	200,786	28,160	984,717
Additions	-	16,051	-	16,051
Disposals	-	-	(14,500)	(14,500)
At 31 December 2017	755,771	216,837	13,660	986,268
Depreciation				
At 1 January 2017	406,808	189,600	24,745	621,153
Charge for period	13,915	11,124	3,415	28,454
Eliminated on disposal	-	-	(14,500)	(14,500)
At 31 December 2017	420,723	200,724	13,660	635,107
Net book value at 31 December 2017	335,048	16,113	-	351,161
Net book value at 31 December 2016	348,963	11,187	3,415	363,565

The land cost of the freehold property is estimated by the trustees at £60,000 (2016 £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

	2017	2016
	£	£
Market value:		
At 1 January	14,712,028	13,620,216
Net funds withdrawn from portfolio	(1,484,256)	(486,635)
Realised gains/(losses)	35,465	(316,092)
Unrealised gains	285,673	1,894,539
At 31 December	13,548,910	14,712,028
Listed investments		
UK equities	2,495,017	2,159,458
Overseas equities	5,012,963	4,491,151
UK fixed interest	2,926,682	3,990,098
Overseas fixed interest	1,826,640	2,446,905
Foreign currency contracts	136,237	294,020
Cash held by investment manager	424,005	318,903
Unlisted investments		
Alternative investments	725,893	1,010,020
Associated company	1,473	1,473
	13,548,910	14,712,028
Cost of investments	11,348,328	11,929,363

At 31 December 2017 listed investments included the following material individual holdings:

	Market value of holding £	Percentage of overall portfolio
Treasury 0.125% 22/03/2068	725,701	5.76%
Treasury 0.125% 22/11/2019	645,685	5.12%
Treasury 1.25% 22/11/2055	722,657	5.73%
USA Treasury 0.125% 15/01/2022	1,184,788	9.40%

Foreign currency contracts – at 31 December 2017 the charity had open forward exchange contracts to sell Euros, Yen and US Dollars, with a total sterling value of £32k. The settlement date for these contracts was 13 April 2018. These contracts were entered into to reduce the charity's currency risk following the greater global diversification of its investment holdings. The forward exchange contracts have all been revalued at the applicable year end exchange rates and the resulting unrealised translation gains / (losses) are included within the overall value of the relevant investments above.

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 2017 was £123,112 (2016 £114,908) with a profit of £110,516 (2016 £101,181). The total distribution to the charitable company's shareholders was £102,900 (2016 £102,900).

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2017

11. Debtors

	31 December 2017	31 December 2016
	£	£
Prepayments	161,018	139,762
Other debtors	675,366	847,907
Income tax recoverable	42,093	174,083
Action Medical Research (Trading) Ltd.	598	-
	879,075	1,161,752

12. Creditors

Amounts falling due
within one year

Amounts falling due
after more than one year

	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	£	£	£	£
Research grants payable (note 17)	5,214,797	6,256,142	2,740,268	2,540,697
Trade creditors	25,029	28,357	-	-
Accruals	117,103	124,065	-	-
Action Medical Research (Trading) Ltd.	-	266	-	-
Taxation and other social security costs	37,940	53,503	-	-
Deferred income	79,255	128,652	-	-
Total	5,474,124	6,590,985	2,740,268	2,540,697

13. Pension scheme

The pension charge for the year comprises:

	2017	2016
	£	£
Action Medical Research group personal pension plan	120,580	127,255

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 25 April 2018 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 £50,730 (2016 £45,769) were received by the charity from trustees.

15. Operating lease commitments

At 31 December 2017 the charity had the following future minimum commitments in respect of operating leases:

Motor vehicles	2017	2016
Amounts due:	£	£
Within one year	2,706	12,720
Within two to five years	-	2,706
	2,706	15,426

16. Restricted funds

The charity receives restricted donations, legacies and events income to assist in the charity's funding of specific research projects. In 2017 the total of this restricted income was £1,098,534 (2016 £1,616,930) and the amount utilised from this to fund the relevant research and other related costs was £563,399 (2016 £579,311). During the year, £632,885 (2016 £927,354) 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 2017 the charity had a balance of £12,515 in restricted funds (2016 £110,265). This amount relates to the balance of a £200,000 grant awarded by Chief Scientist Office of the Scottish Government to support the work of the charity in Scotland.

17. Research grants

	31 December 2017	31 December 2016
Research grants payable	£	£
Amounts outstanding 1 January	8,796,839	9,188,256
New research grants awarded (note 6)	2,662,192	2,770,418
Amounts paid during the year	(3,503,966)	(3,161,835)
Amount outstanding at 31 December	7,955,065	8,796,839
The outstanding balance is payable:		
Within one year (note 12)	5,214,797	6,256,142
After more than one year (note 12)	2,740,268	2,540,697
	7,955,065	8,796,839

Analysis of awards made in 2017 – please see list on pages 28-30

18. Reconciliation of movements on unrealised gains

	2017	2016
	£	£
Unrealised gains at 1 January	2,782,664	930,126
Less: in respect to disposals in year	(867,755)	(42,001)
Add: net (losses) gains arising on revaluations in the year	285,673	1,894,539
Total unrealised gains at 31 December	2,200,582	2,782,664

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2017

Analysis of awards made in 2017

Institution	Short title	Grant award £
Human Development and Health, Clinical and Experimental Sciences, Southampton General Hospital, University of Southampton and Department of Paediatric Gastroenterology, Southampton Children's Hospital.	Crohn's disease – studying interactions between genes, the immune system and gut bacteria	240,640
Centre for Cardiovascular Imaging, University College London Institute of Cardiovascular Science, Great Ormond Street Hospital for Children, London and the Bristol Heart Institute School of Clinical Science, Bristol Royal Infirmary. #	Congenital heart disease – improving surgical treatment	155,516
Department of Health Sciences, University of Leicester; National Perinatal Epidemiology Unit (NPEU), Nuffield Department of Population Health, University of Oxford, School of Psychology, University of Warwick, Institute for Women's Health, University College London and the Institute of Applied Health Research, University of Birmingham. #	Developmental delay in young children – improving early identification	70,698
Genetics and Genomic Medicine Programme and Developmental Biology and Cancer Programme, Great Ormond Street Institute of Child Health, University College London, Clinical Genetics Group, Weatherall Institute of Molecular Medicine and Oxford Craniofacial Unit, John Radcliffe Hospital, University of Oxford, Department of Cell and Developmental Biology, University College London. #	Craniosynostosis – investigating drug treatment	160,610
Department of Medicine, Imperial College London, National Infection Service and South London Health Protection Team, Public Health England.	Scarlet fever and streptococcal infections – stopping the spread of infection	188,536
Department of Sport and Health Sciences, Oxford Brookes University, Nuffield Department of Orthopaedics Rheumatology and Musculoskeletal Sciences, Oxford University Hospitals NHSFT.	Cerebral palsy – measuring the benefits of physical activity	144,436

Analysis of awards made in 2017 continued

Institution	Short title	Grant award £
Department of Psychosis Studies and MRC Social, Genetic and Developmental Psychiatry Centre, Institute of Psychiatry, Psychology and Neuroscience; Centre for the Developing Brain, Department of Perinatal Imaging and Health, Faculty of Life Sciences and Medicine; King's College London. #	Preterm children – identifying those at risk of anxiety problems	185,999
Department of Paediatric Intensive Care and Department of Paediatric Neurology, Addenbrooke's Hospital, Department of Clinical Neuroscience, Cambridge University Hospitals, Department of Neurosurgery and Department of Brain Physics, University of Cambridge. #	Traumatic brain injury – monitoring to reduce complications	147,357
School of Medicine, University of St Andrews, Fife.	Developmental language disorder – understanding genetic mechanisms	195,500
Paediatric Ophthalmology, NIHR Biomedical Research Centre at Moorfields Eye Hospital and Institute of Ophthalmology, University College London. #	Amblyopia (lazy eye) – safety and acceptability of a new treatment	177,932
Section of Ophthalmology and Neurosciences, Leeds Institute of Biomedical and Clinical Sciences, St James' University Hospital and School of Chemistry, University of Leeds, Institute of Genetic Medicine, University of Newcastle.	Cystic kidney disease – finding new drug treatments	199,786
Department of Perinatal Imaging and Health, Centre for the Developing Brain, St Thomas' Hospital, King's College London and Department of Psychosis Studies, Institute of Psychiatry, Psychology and Neuroscience, King's College London and Department of Fetal Cardiology, Guy's and St Thomas' NHS Foundation Trust, London. #	Congenital heart disease – effects on brain development	174,035
Sir William Dunn School of Pathology, University of Oxford.	Cystic fibrosis – new treatment approaches for Pseudomonas aeruginosa infection	179,835

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2017

Analysis of awards made in 2017 continued

Institution	Short title	Grant award £
Department of Maternal and Fetal Medicine, Institute for Women's Health and School of Pharmacy, University College London. #	Preterm birth – preventing brain injury associated with being born too soon	141,949
Developmental Biology and Cancer Programme, UCL Great Ormond Street Institute of Child Health, University College London. #	Neural tube defects – prevention with inositol	189,516
Department of Women and Children's Health, St Thomas' Hospital, King's College London and Institute of Pharmaceutical Science, King's College London. #	Preterm birth – a new biomarker to identify women at risk	200,000
Department of Paediatrics, Wellcome Trust-MRC Cambridge Stem Cell Institute, University of Cambridge. #	Leukodystrophies – investigating drug treatments for Pelizaeus-Merzbacher disease	84,447
Grants		2,836,792
Grant adjustments		(174,600)
Total grant spend 2017		2,662,192

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.

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