

Financial Statements

31 December 2018

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
FRCPCH FMedSci
Kathy Harvey – appointed April 2018
Professor Nigel Klein BSc MBBS PhD MRCP FRCPCH
– retired October 2018
Nick Peters – retired November 2018
Val Remington-Hobbs
Professor David Rowitch MD PhD ScD – appointed
October 2018
Richard Wild

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
MW House
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 2018

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 2018.

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.

A community of parents, researchers and passionate individuals, we are 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 £122 million of medical research (c£320m 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.

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 there are hundreds of thousands of children who desperately need help and at Action we're on a mission to save and change lives through medical research.

We fund a broad range of research to deliver real benefit in pregnancy and to babies, children and young people. We make a difference across premature birth, pregnancy complications and in 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 to help 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 to save and change children's lives.

Strategic report for 2018

Our achievements and performance in 2018

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 researchers and doctors in hospitals, specialist units and universities across the UK, through our rigorous, open-competition, peer review process that meets the best 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 sixteen new grants in 2018, with £2.286m committed to vital new medical research to help children, including research into childhood leukaemia, ADHD and premature birth.

We currently have over £11m invested in the work of 260 top researchers working on over 60 research projects across the UK. Details can be found on our website **www.action.org.uk**

2018 was the 45th year of our groundbreaking Research Training Fellowship scheme, supporting the future leaders of research. Since this began we have awarded 178 Fellowships and invested over £13m in the scheme. In 2018 we funded a new Research Training Fellow researching gene therapy for mitochondrial disease.

To help move children's medical research forward, we work together with many organisations and in 2018 this included funding research in partnership with seven charities, including the Cystic Fibrosis Trust. We were pleased to partner with four charities to fund a new project at Oxford University researching Niemann-Pick disease type C. We launched a new partnership with LifeArc together to invest up to £1m in translational research into children's rare diseases in 2019. We were also pleased to be partnering with Borne to co-fund up to £1.5m of research over three years into the very important area of preterm birth.

Financial review

In 2018 we were pleased to fund 16 new medical research projects to help children. Total income was £5.665m (2017 £5.908m) with total expenditure of £6.375m (2017 £6.918m). Our voluntary income was £5.490m (2017 £5.668m). We spent £3.440m on medical research grants and dissemination (2017 £3.771m).

Total funds at the end of the year were £5.766m (2017 £7.261m), a decrease of £1.495m (2017 £689k decrease) which, excluding movements in the market value of our investment portfolio, was in line with our plans. Total net losses on investments during 2018 were £785k (2017 £321k 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.

Our independent scientific advisers examine and assess final reports when all projects that we fund are completed. In 2018, of 30 final reports assessed, 93 per cent were considered to be of a major, sizeable or marked potential level of clinical importance; 90 per cent were considered excellent or good; and 87 per cent to be of immediate, near or medium term clinical impact.

Key progress identified in 2018 included a breakthrough in juvenile Batten disease. Children with this devastating disease experience increasingly distressing symptoms, including sight loss and epilepsy, before tragically losing their lives. With Action funding awarded in 2015, Dr Emyr Lloyd-Evans and his team at Cardiff University report having made huge strides, with a breakthrough in understanding this disease and identifying two potential treatments using existing drugs. This could lead to a clinical trial later this year.

Also in 2018, Action-funded researchers took exciting steps towards a test to identify women most at risk of going into labour too soon. More than 61,000 babies are born prematurely every year in the UK and tragically more than 1,000 of these babies die. With Action funding, Professor Nigel Klein and his team at University College London's Institute of Child Health had already discovered that women who lack white blood cells at the opening to the womb were more likely to give birth prematurely. Further funding from Action in 2016, thanks to the generosity of Dangoor Education, helped simplify the method of detecting cells so that it could be developed into a test for use in early pregnancy. Work is now underway to see how this test performs on early-pregnancy samples from 400 women.

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

In addition, we invest in carrying out reviews each year to assess the impact of the charity's research funding over time. A new report in 2018 considered the impact of funding awarded by Action in 2012 of £54,500 to Dr Jean-Pierre Lin, a consultant paediatric neurologist at the Evelina Children's Hospital in London, to improve treatment for children affected by dystonia.

Dystonia is a movement disorder caused by incorrect signals from the brain to the rest of the body. It can cause uncontrollable and sometimes painful muscle spasms, in some so severe that they become life-threatening. 70,000 people live with dystonia in the UK, including at least 8,000 children and young people. There is no cure and treatment options for children are limited, as many medicines don't work or cause side effects.

The research funded by Action led to new insights into which areas of the brain should be targeted by a surgical treatment, deep brain

stimulation (DBS), that can dramatically improve a child's movement and quality of life. It helped doctors identify children who stand to benefit most from this treatment and to ensure that when surgery is done, it is as effective as possible.

More than 100 children have already benefited from the improved approaches to selection for DBS treatment for dystonia. Some have found their symptoms have improved vastly, with some able to progress from being unable to walk to walking independently within two to four years of starting the treatment. For other children with very complex dystonia, their skills using the large muscles of their bodies improved so they could sit comfortably for longer periods and return to school again.

It is hoped the technique will now be tested in clinical trials, following which Dr Lin estimates that several hundred children in the UK could benefit each year.

A second new report reviewed the impact of funding in 2016 of £88,000 for Dr Michael Clarke and his team from University College London to test a new way for doctors to assess how well children who cannot speak or point use their eyes for communication by using a brand-new scale.

Cerebral palsy is a lifelong condition caused by a problem with the brain usually before, during or just after birth, that affects movement and coordination. Around 2,000 babies are diagnosed with cerebral palsy every year in the UK alone. Children with severe cerebral palsy are often not able to speak or point, but may use their eyes to communicate, called eye-pointing. With funding from Action Medical Research, together with Great Ormond Street Hospital Children's Charity, the researchers developed a new scale called eyePoint to help doctors and families better understand how well children can use their eyes to engage with the world.

Action Medical Research Report of the trustees for the year ended 31 December 2018

The researchers showed that the new scale is reliable and consistent when used with children with severe cerebral palsy, giving doctors and families a better understanding of children's needs and abilities, informing plans for their development and support going forward. In November 2017 the scale was made available, free to clinicians worldwide, on the project website and there have since been over 600 downloads of the scale from at least 35 countries. The scale was also developed as an app launched early in 2019.

Other doctors have used this scale with children with disorders such as Rett syndrome, showing the potential to benefit many with conditions that make speaking difficult or impossible.

For Action, these successes add to our long-standing history of funding research to help children and families, including those affected by cerebral palsy. Over many years, our charity has supported research to prevent or treat cerebral palsy including contributing to the development of groundbreaking cooling therapy to prevent brain damage in babies, the development of functional electrical stimulation which helps improve walking, and the Oxford foot model which helps doctors decide on whether to perform surgery.

Communicating our work

We make information about the research we fund to benefit children and its results freely available. This includes through our website, materials and social media channels, as well as the mainstream and specialist press.

In 2018 we generated 800 pieces of coverage with a reach of 3.1bn. Our research featured in a range of national and regional media, including the *Daily Express*, the *Scottish Daily Express*, the *Mirror* online, the *Daily Mail* online, *Candis* magazine, the *London Evening Standard* and *The Weekly News*, and our fundraising events secured coverage in the *Daily Star*, the *Daily Mail* online 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 e-newsletters. We increased our reach and engagement with over 48,000 people through key social media channels and received around 12,000 visits to our blogs. Our website attracted over 420,000 visitors.

How we raised money

Our fundraising in 2018 raised £5.490m, thanks to the efforts of staff, committees, volunteers and supporters. The reduction in voluntary income from the previous year was largely due to lower numbers taking part in our cycling events and lower income raised from some key social events. Nevertheless we achieved a number of other notable successes.

Our community fundraising volunteers delivered a wide-ranging programme, including dinners, lunches, golf days, open gardens and concerts, generating important funds and publicity for the charity. A number of successful events were also held in support of Action by local groups, associations and businesses, an important area of income development as more traditional sources of community support through fundraising committees reduce. Our Cream Teas direct promotion reached record numbers with 8,300 teas delivered, including one for every member of staff at retailer Joules. Local committees also coordinated their own campaigns, giving a grand total of almost 11,500 teas packed by 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 received a high number of gifts from wills raising £743k whilst we continued the work on building our legacy programme, increasing promotion of gifts in wills at regional meetings, in our publications and on our website. This remains an important and cost-effective part of our fundraising and we are asking all our supporters to consider leaving a gift to the charity.

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Sustainable support through regular giving via our Weekly Lottery continued with recruitment mainly in shopping malls, high streets and retail parks, as well as online and by phone. This activity delivered a further 5,370 entries. During 2018 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 Code of Fundraising Practice as regulated by the Fundraising Regulator. The charity monitored the activity carried out by fundraisers through mystery shopping, the number and type of complaints and review of key performance indicators. Overall the charity received 15 complaints in 2018, a reduction from previous years (25 in 2017 and 35 in 2016). The charity ensures that all our third party agencies are compliant with the Institute of Fundraising guidance on treating donors fairly, which includes guidance to protect vulnerable people, as well as the Fundraising Regulator Code of Fundraising Practice.

Securing partnerships with individuals and companies continued to develop with this activity contributing over £798k, of which over £229k was from bespoke cycling events. We were delighted to achieve selection as charity of the year by Price Bailey, Airport Parking and Hotels, the UK BioIndustry Association, Alliance Healthcare and Tokio Marine Kiln. The continued support of BGC, Lendlease, Liberty Specialty Markets, One Stop convenience stores, Next, Skerritts Financial Planning, The Geringman Group and regional estate agents Arun Estates, together with other smaller corporate partnerships, raised over £197k and was also greatly appreciated.

Our events programme remained an important contributor to our income, including our 55 runners in the Virgin Money London Marathon who raised a record-breaking £156k. Our cycling programme is key to much fundraising by delivering income and also bringing new and often influential supporters who introduce us to others or continue their support in other ways.

Nevertheless competition from other charities and commercial suppliers remained intense and achieving participant numbers equally challenging.

We worked hard to be ready for the introduction of the General Data Protection Regulation (GDPR). Our events will be the area of fundraising most affected and resource was devoted to encouraging existing supporters to opt in to ensure they could continue to receive invitations to future events and updates on the charity's work.

Other highlights included our special events in the autumn. Dinner guests at our annual Champions of CycleSport dinner were joined by many of the UK's cycling elite as well as event sponsors Garmin and Frog Bikes, raising £176k. Our social lunches, Dine with Davina, the two Killer Heels and Cocktails events in Scotland and Celebration of Motorsport in Northern Ireland, together raised £244k. 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 launched our BORN TOO SOON campaign in September 2018, shining a spotlight on an important area of our work, researching premature birth, and aiming to raise awareness and funds. At a reception for key supporters in October, Professor David Edwards introduced the campaign and guests met researchers working on two of our premature birth projects. The campaign has started to attract new supporters and we will continue to build on this activity in 2019 and 2020.

Where we are going

A review of our strategy in 2018 reaffirmed 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 charities to fund

Action Medical Research Report of the trustees for the year ended 31 December 2018

children's research. 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 2018 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. The normal maximum tenure of trustees is nine years. Our thanks are extended to Professor Nigel Klein and Nick Peters who retired as trustees during 2018 and remain loyal supporters. We welcomed Kathy Harvey who joined as a trustee in April 2018 and Professor David Rowitch who joined in October 2018. 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 page 33). 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 Spring 2019.

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 responsible for charity activities and raising funds in regions around the UK.

During 2018, the charity adopted the recently published 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.

Action Medical Research Report of the trustees for the year ended 31 December 2018

In addition, we regularly discuss the board's effectiveness and there are mechanisms in place to raise and address issues as they arise. Thus far 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 2018 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 2018 and small scale trading has been carried out directly by the charity. Further details can be found in note 5.

Action Medical Research

Report of the trustees for the year ended 31 December 2018

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 grants and fellowships 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.

Staff management

Action Medical Research is fortunate in its loyal, skilled and dedicated staff team. 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 2018 was 55 (2017 56), full-time equivalent 45 (2017 46).

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 2018 was £419,016 (2017 £412,137). 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.

Investments

In 2018 the charity withdrew a net of £1.155m from its investments (2017 withdrew a net of £1.484m). After allowing for unrealised capital losses, in 2018 the value of investments closed the year at £11.609m (2017 £13.549m). 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 (1%) of the portfolio to Ruffer illiquid funds in 2018. In 2018 Ruffer LLP achieved a negative return of 6.4% net of fees (2017 a positive return of 2.7%) and thus the trustees consider that these investment objectives were not met in the past year but remain confident that our investment objectives remain appropriate and achievable over the medium term.

Reserves

On 31 December 2018, the charity's free reserves (unrestricted funds less tangible fixed assets) including unrealised investment gains stood at £5.433m (2017 £6.897m).

The trustees review their reserve policy annually and in 2018 continued a dynamic 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 2018 was £4.089m and expenditure plans for the next three years are 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

Phil Hodkinson

Chair

24 April 2019



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 2018 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 2018 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.

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.

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

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

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

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.

Buzzacott LLP

Katharine Patel (Senior Statutory Auditor)

For and on behalf of

Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

3 May 2019

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 2018

(incorporating an income and expenditure account)

		Unrestricted funds 2018	Restricted funds 2018	Total funds 2018	Unrestricted funds 2017	Restricted funds 2017	Total funds 2017
	Note	£	£	£	£	£	£
Income from:							
Donations and legacies	3	4,736,398	753,633	5,490,031	4,569,893	1,098,534	5,668,427
Investments	4	175,327	-	175,327	239,601	-	239,601
Total income		4,911,725	753,633	5,665,358	4,809,494	1,098,534	5,908,028
Expenditure on:							
Raising funds	6	2,935,105	-	2,935,105	3,147,179	-	3,147,179
Charitable activities							
Grants for medical research	6	2,475,049	166,956	2,642,005	2,449,524	563,399	3,012,923
Medical research dissemination	6	797,896	-	797,896	757,674	-	757,674
Total expenditure on charitable activities		3,272,945	166,956	3,439,901	3,207,198	563,399	3,770,597
Total expenditure	6	6,208,050	166,956	6,375,006	6,354,377	563,399	6,917,776
Net (expenditure)/income before transfers and investment gains		(1,296,325)	586,677	(709,648)	(1,544,833)	535,135	(1,009,748)
Net (losses)/gains on investments	10	(785,099)	-	(785,099)	321,138	-	321,138
Net (expenditure)/income before transfers		(2,081,424)	586,677	(1,494,747)	(1,223,745)	535,135	(688,610)
Transfers between funds	8	599,192	(599,192)	-	632,885	(632,885)	-
Net movements in funds		(1,482,232)	(12,515)	(1,494,747)	(590,860)	(97,750)	(688,610)
Balances brought forward at 1 January		7,248,337	12,515	7,260,852	7,839,197	110,265	7,949,462
Balances carried forward at 31 December		5,766,105	-	5,766,105	7,248,337	12,515	7,260,852

The notes on pages 19 to 32 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 2018

(Company no. 549089 England and Wales)

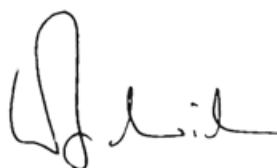
		31 December 2018	31 December 2017
	Note	£	£
Fixed assets			
Tangible assets	9	333,336	351,161
Investments	10	11,608,922	13,548,910
		11,942,258	13,900,071
Current assets			
Debtors	11	806,425	879,075
Cash at bank and in hand		521,719	696,098
		1,328,144	1,575,173
Creditors			
Amounts falling due within one year	12	(5,309,256)	(5,474,124)
Net current liabilities		(3,981,112)	(3,898,951)
Total assets less current liabilities		7,961,146	10,001,120
Creditors			
Amounts falling due after more than one year	12	(2,195,041)	(2,740,268)
Total net assets		5,766,105	7,260,852
The funds of the charity			
Unrestricted funds		5,766,105	7,248,337
Restricted funds	16	-	12,515
Total charity funds		5,766,105	7,260,852

The notes on pages 19 to 32 form part of the financial statements.

The financial statements were approved and authorised for issue by the trustees on 24 April 2019 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 2018

		2018	2017
	Note	£	£
Cash flows from operating activities:			
Net cash used in operating activities	a	(1,496,805)	(1,855,510)
Cash flows from investing activities:			
Investment income and interest receivable		175,327	239,601
Payments to acquire investments		(9,162,890)	(4,204,948)
Payments to acquire tangible fixed assets		(7,789)	(16,051)
Receipts from disposals of investments		10,268,901	5,794,310
Net cash provided by investing activities		1,273,549	1,812,912
Change in cash and cash equivalents in the reporting period		(223,256)	(42,598)
Cash and cash equivalents at the beginning of the period		1,120,104	1,162,702
Cash and cash equivalents at the end of the period	b	896,848	1,120,104
Notes to the statement of cash flows for the year ended 31 December 2018			
a) Reconciliation of net expenditure to net cash flows from operating activities			
Net expenditure for the reporting period (as per the statement of financial activities)		(1,494,747)	(688,610)
Adjustments for:			
Depreciation charges		25,614	28,454
Investment income and interest receivable		(175,327)	(239,601)
Loss/ (gains) on investments		785,099	(321,138)
Grants authorised		2,286,193	2,662,192
Grants paid		(2,928,546)	(3,503,966)
Decrease in debtors		72,650	282,677
Decrease in non-grant creditors		(67,742)	(75,515)
Net cash used in operating activities		(1,496,805)	(1,855,510)
b) Analysis of cash and cash equivalents			
Cash at bank and in hand		521,719	696,098
Cash held by investment managers		375,129	424,005
Total cash		896,848	1,120,104

Action Medical Research

Notes to the financial statements for the year ended 31 December 2018

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 2018 there were 21 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 2018. Comparative information reflects the financial results for the year ended 31 December 2017.

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 2019, 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. 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 being 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.

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. The company was dormant during the year. The 2017 results were not consolidated on the grounds of immateriality.

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2018

3. Donations and legacies

	Unrestricted funds 2018	Restricted funds 2018	Total 2018	Unrestricted funds 2017	Restricted funds 2017	Total 2017
	£	£	£	£	£	£
Donations	3,052,712	695,159	3,747,871	2,985,565	1,095,860	4,081,425
Legacies	707,340	35,226	742,566	423,334	2,674	426,008
Challenge events	976,346	23,248	999,594	1,160,994	-	1,160,994
Totals	4,736,398	753,633	5,490,031	4,569,893	1,098,534	5,668,427

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 2018	Unrestricted funds 2017
	£	£
UK equities	37,117	114,793
Overseas equities	68,921	106,272
UK fixed interest	8,296	7,595
Overseas fixed interest	19,821	10,281
Bank deposit interest	865	660
Royalties and profit sharing agreement	40,307	-
	175,327	239,601

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 2018 the company was dormant. For the year to 31 December 2017 its turnover was £145 and net loss was £3,819. A balance of £598 was due to Action Medical Research at 31 December 2017.

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2018

6. Analysis of expenditure

	2018 Staff costs	2018 Other costs	2018 Total	2017 Staff costs	2017 Other costs	2017 Total
	£	£	£	£	£	£
Expenditure on raising funds						
Donations and legacies	1,167,131	1,637,217	2,804,348	1,175,948	1,826,514	3,002,462
Investment management fees (note 4)	-	130,757	130,757	-	144,717	144,717
Total expenditure on raising funds	1,167,131	1,767,974	2,935,105	1,175,948	1,971,231	3,147,179
Expenditure on charitable activities						
Grants for medical research	-	2,286,193	2,286,193	-	2,662,192	2,662,192
Grant administration costs	265,839	89,973	355,812	262,876	87,855	350,731
Total grant expenditure	265,839	2,376,166	2,642,005	262,876	2,750,047	3,012,923
Medical research dissemination	449,354	348,542	797,896	491,674	266,000	757,674
Total charitable expenditure	715,193	2,724,708	3,439,901	754,550	3,016,047	3,770,597
Total expenditure	1,882,324	4,492,682	6,375,006	1,930,498	4,987,278	6,917,776

The breakdown of 2018 and 2017 expenditure on charitable activities on restricted funds is given in note 16.

Grant administration includes central support costs of £65,444 (2017 £64,889).

Medical research dissemination includes central support costs of £97,306 (2017 £96,527).

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:	2018	2017
	£	£
Wages and salaries	1,606,368	1,652,322
Social security costs	156,188	157,596
Pension costs	119,768	120,580
Total	1,882,324	1,930,498

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

	2018	2017
Grant administration	6	6
Medical research dissemination	8	8
Fundraising	30	31
Charity governance	1	1
Total	45	46

The average monthly headcount was 55 staff (2017 was 56).

6. Analysis of expenditure (continued)

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:

	2018	2017
£60,001 to £70,000	2	-
£70,001 to £80,000	1	2
£90,001 to £100,000	1	1

Contributions totalling £33,623 were paid in the period to a defined contribution pension scheme in respect of the above employees (2017 £33,856).

The total remuneration (including taxable benefits, employer national insurance and pension contributions) of the key management personnel for the year was £419,016 (2017 £412,137).

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 2018 £92 (2017 £nil) was claimed for travel expenses by one trustee.

7. Expenditure

Included within expenditure are the following costs:

	2018	2017
	£	£
Staff costs (note 6)	1,882,324	1,930,498
Auditor's remuneration for audit work – current year	17,700	16,524
Fees payable to the auditor for tax and other services	1,300	1,170
Operating lease payments	2,706	12,720
Depreciation	25,614	28,454

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 2018	755,771	216,837	13,660	986,268
Additions	-	7,789	-	7,789
At 31 December 2018	755,771	224,626	13,660	994,057
Depreciation				
At 1 January 2018	420,723	200,724	13,660	635,107
Charge for period	13,915	11,699	-	25,614
At 31 December 2018	434,638	212,423	13,660	660,721
Net book value at 31 December 2018	321,133	12,203	-	333,336
Net book value at 31 December 2017	335,048	16,113	-	351,161

The land cost of the freehold property is estimated by the trustees at £60,000 (2017 £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.

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2018

10. Fixed asset investments

	2018	2017
	£	£
Market value:		
At January 1	13,548,910	14,712,028
Net funds withdrawn from portfolio	(1,154,889)	(1,484,256)
Realised gains/(losses)	291,881	35,465
Unrealised gains	(1,076,980)	285,673
At 31 December	11,608,922	13,548,910
Listed investments		
UK equities	2,098,781	2,495,017
Overseas equities	3,176,709	5,012,963
UK fixed interest	1,769,311	2,926,682
Overseas fixed interest	3,222,945	1,826,640
Foreign currency contracts	99,495	136,237
Cash held by investment manager	375,129	424,005
Unlisted investments		
Alternative investments	865,079	725,893
Associated company (see below)	1,473	1,473
	11,608,922	13,548,910
Cost of investments	11,506,554	11,348,328

At 31 December 2018 listed investments included the following material individual holdings:

	Market value of holding £	Percentage of overall portfolio
USA Treasury 1.125% 15/01/2021	544,972	5.09%
USA (Govt Of) 0.25% 15/01/2025	568,652	5.31%
Ruffer Gold	578,726	5.40%
Ruffer Multi Strategies	757,933	7.07%
USA Treasury 0.125% 15/01/2022	1,173,285	10.95%

Foreign currency contracts – at 31 December 2018 the charity had open forward exchange contracts.

FWD: USD Vs. GBP 11/01/2019	£73,738
FWD: JPY Vs. GBP 11/01/2019	£18,802

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 2018 was £101,781 (2017 £123,112) with a profit of £88,490 (2017 £110,516). The total distribution to the charitable company's shareholders was £102,900 (2017 £102,900).

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2018

11. Debtors

	31 December 2018	31 December 2017
	£	£
Prepayments	163,828	161,018
Other debtors	609,248	675,366
Income tax recoverable	33,349	42,093
Action Medical Research (Trading) Ltd.	-	598
	806,425	879,075

12. Creditors

Amounts falling due
within one year

Amounts falling due
after more than one year

	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	£	£	£	£
Research grants payable (note 17)	5,117,671	5,214,797	2,195,041	2,740,268
Trade creditors	34,090	25,029	-	-
Accruals	92,178	117,103	-	-
Taxation and other social security costs	-	37,940	-	-
Deferred income	65,317	79,255	-	-
Total	5,309,256	5,474,124	2,195,041	2,740,268

13. Pension scheme

The pension charge for the year comprises:

	2018	2017
	£	£
Action Medical Research group personal pension plan	119,768	120,580

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 24 April 2019 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 £63,880 (2017 £50,730) were received by the charity from trustees.

15. Operating lease commitments

At 31 December 2018 the charity had the following future minimum commitments in respect of operating leases:

	2018	2017
	£	£
Amounts due:		
Within one year	3,173	2,706
Within two to five years	5,552	-
	8,724	2,706

16. Restricted funds

The charity receives restricted donations, legacies and events income to assist in the charity's funding of specific research projects. In 2018 the total of this restricted income was £753,633 (2017 £1,098,534) and the amount utilised from this to fund the relevant research and other related costs was £166,956 (2017 £563,399). During the year, £599,192 (2017 £632,885) 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 2018 the charity had a zero balance in restricted funds (2017 £12,515).

17. Research grants

	31 December 2018	31 December 2017
	£	£
Research grants payable		
Amounts outstanding at 1 January	7,955,065	8,796,839
New research grants awarded (note 6)	2,286,193	2,662,192
Amounts paid during the year	(2,928,546)	(3,503,966)
Amount outstanding at 31 December	7,312,712	7,955,065
The outstanding balance is payable:		
Within one year (note 12)	5,117,671	5,214,797
After more than one year (note 12)	2,195,041	2,740,268
	7,312,712	7,955,065

Analysis of awards made in 2018 – please see list on pages 30 – 32.

18. Reconciliation of movements on unrealised gains

	2018	2017
	£	£
Unrealised gains at 1 January	2,200,582	2,782,664
Less: in respect to disposals in year	(1,021,234)	(867,755)
Add: net (losses) gains arising on revaluations in the year	(1,076,980)	285,673
Total unrealised gains at 31 December	102,368	2,200,582

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2018

Analysis of awards made in 2018

Institution	Title	Grant award £
Genetics and Genomic Medicine Programme, UCL Great Ormond Street Institute of Child Health and Maternal and Fetal Medicine, Institute for Women's Health, University College London. #	Mitochondrial disease – investigating gene therapy	229,924
Centre for Medical Imaging and Centre for Medical Image Computing, University College London and Arthritis Research UK Centre for Adolescent Rheumatology, Rayne Institute, University College London. #	Juvenile idiopathic arthritis – developing scans to assess joint inflammation	196,088
University of Edinburgh Centre for Inflammation Research, Medical Research Council Centre for Reproductive Health and Department of Child Life and Health, University of Edinburgh.	Respiratory syncytial virus infection – harnessing the body's natural defences	180,527
Institute of Health and Society, Institute of Neuroscience, and School of Computing, Newcastle University, Departments of Paediatric Neurology and Therapy Services, Newcastle upon Tyne Hospitals NHS Foundation Trust, Paediatric Neurosciences, Evelina London Children's Hospital, Guy's and St Thomas' NHS Foundation Trust, Department of Social Work, Education and Community Wellbeing, Northumbria University. #	Cerebral palsy – hand and arm rehabilitation	68,563
Northern Institute for Cancer Research, Wolfson Childhood Cancer Research Centre, Newcastle University and Wolfson Wohl Cancer Research Centre, Institute of Cancer Sciences, University of Glasgow.	Leukaemia – reversing drug resistance if the cancer comes back	208,120
Department of Pharmacology, University of Oxford.	Lysosomal storage diseases – testing a potential new drug treatment	152,716
Paediatric Orthopaedic Department, Oxford Gait Laboratory and Centre for Statistics in Medicine, Nuffield Department of Orthopaedics, Rheumatology and Musculoskeletal Science, University of Oxford.	Cerebral palsy – investigating surgery to help walking	199,889

Analysis of awards made in 2018 continued

Institution	Title	Grant award £
Department of Perinatal Imaging and Health and Department of Biomedical Engineering and Imaging Sciences, St Thomas' Hospital, King's College London, Department of Forensic and Neurodevelopmental Sciences, Institute of Psychiatry, King's College London. #	Autism spectrum conditions and ADHD – early diagnosis in babies at risk	199,968
Department of Applied Sciences, University of Northumbria at Newcastle, Neonatal Unit, Royal Victoria Infirmary, Newcastle upon Tyne Hospitals NHS Foundation Trust.	Preterm infants – protection against necrotising enterocolitis and serious bacterial infections	175,826
Departments of Experimental and Personalised Medicine and Respiratory, Critical Care and Anaesthesia, UCL Great Ormond Street Institute of Child Health, UCL Respiratory, Centre for Inflammation and Tissue Repair, University College London. #	Cystic fibrosis – developing a new type of gene therapy	154,634
Department of Paediatrics and Department of Medicine, University of Cambridge, Infectious Disease and Immunology, UCL Great Ormond Street Institute of Child Health and Department of Computational Biology, University College London, Paediatric Intensive Care, Great Ormond Street Hospital, London, Paediatric Infectious Diseases, St George's University of London, Department of Pathogen Genomics, Wellcome Trust Sanger Institute, Cambridge. #	Infection prevention – antibiotic use and resistance in critically ill children	192,758
Immunisation, Hepatitis and Blood Safety Department (IHBSD), Public Health England, London, and the Paediatric Infectious Diseases Research Group, Institute for Infection and Immunity, St. George's, University of London and St George's Hospital, London.	Pneumococcal meningitis – improving diagnosis and management	19,850
School of Medicine, Institute for Science and Technology in Medicine, Keele University	Spinal muscular atrophy – evaluating drug treatment	27,714

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2018

Analysis of awards made in 2018 continued

Institution	Title	Grant award £
Clinical Neurosciences, University of Southampton, School of Psychology, University of East London, Department of Women's and Children's Health, University of Liverpool, Department of Biomedical Engineering, King's College London, Medical Physics, University Hospital Southampton, Primary Care and Population Sciences, University of Southampton. #	Birth asphyxia – predicting long-term effects	180,783
Developmental Biology and Cancer Programme, UCL Great Ormond Street Institute of Child Health, University College London. #	XIAP deficiency – developing gene therapy	141,793
School of Health Sciences, Queen Margaret University, Department of Clinical Sciences, Brunel University, School of Sport and Exercise, University of Gloucestershire, Institute for Sport, Physical Education and Health Sciences, University of Edinburgh.	Cerebral palsy – can regular exercise improve health and mobility?	72,422
Grants		2,401,575
Grant adjustments		(115,382)
Total grant spend 2018		2,286,193

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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Phil Hodgkinson

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– from October 2018

Professor Michael Taggart BSc PhD

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