

Financial Statements

31 December 2022

Former Patron

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

President

Field Marshal The Lord Guthrie GCB LVO OBE DL

Vice Presidents

Phil Hodgkinson
Stephen May
Richard Price
The Duchess of Northumberland

Trustees**Chair**

Luke Bordewich

Honorary Treasurer

Richard Wild

Esther Alderson – retired 20 July 2022
Professor David Edwards MA MBBS DSc
MRCR FRCP FRCPCH FMedSci
Kathy Harvey
Karen Last
Professor David Rowitch MD PhD ScD
Professor Stephanie Schorge PhD – appointed
1 October 2022
Rajat Sharma – appointed 24 November 2022
Richard Stoneham-Buck

Charity Management**Chief Executive**

Julie Buckler

Director of Finance/Company Secretary

Kabba Njie

Director of Fundraising

Lewis Coghlin

Director of Research

Dr Tracy Swinfield

Director of Communications

Sarah Moss

Principal Advisers**Auditors**

Buzzacott LLP
130 Wood Street
London EC2V 6DL

Bankers

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

Investment Managers

Ruffer LLP
80 Victoria Street
London SW1E 5JL

Solicitors

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

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

Registered office:

5th Floor
167-169 Great Portland Street
London W1W 5PF

Formerly (to 1 January 2023)

Vincent House
Horsham
West Sussex RH12 2DP

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Action Medical Research

Report of the trustees for the year ended 31 December 2022

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 2022.

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

At Action Medical Research we are committed to fighting for answers that can lead to medical breakthroughs, treatments and cures for some of the toughest fights our children face.

As the leading UK-wide charity dedicated to saving and changing children's lives through medical research, 2022 marked our 70th anniversary. Since 1952 we are proud to have funded over £131m of medical research (over £355m in today's terms). This has led 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.
- Funding research to reduce stillbirth which led to new advice for pregnant women to go to sleep on their side, rather than their back, in the third trimester of pregnancy.
- Helping bring dedicated eye services to children in special schools across the UK.

Today our charity remains dedicated to fighting diseases and tackling challenges that disability can present by funding high quality medical research to help children. We are proud to fund a broad range to help babies, children and young people. We make a difference by targeting rare diseases; preventing infections; tackling premature birth and pregnancy complications and developing treatments for sick and vulnerable babies; and helping children affected by disabilities and disabling conditions. There are still hundreds of thousands of children all around the UK who desperately need help and we continue on our mission to save and change lives through cutting-edge medical research.

The medical research we fund at leading research institutions across the UK is recommended by our expert Scientific Advisory Panel. We develop partnerships with other charities to move research forward. We assess the success and impact of the research we fund and we share the results. To make vital research possible we work hard to raise funds.

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

Action Medical Research

Report of the trustees for the year ended 31 December 2022

Strategic report for 2022

Our achievements and performance in 2022

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

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

Despite the ongoing challenges from the pandemic and the tougher economic environment, in 2022 we successfully awarded thirteen new grants, committing £2.549m (2021 £1.758m) to vital new medical research projects. We currently have around £10m invested in the work of more than 260 top researchers working on over 50 research projects across the UK and more information can be found on our website www.action.org.uk

In 2022 we funded research projects across a range of conditions affecting children including brain cancer, epilepsy, preterm birth, congenital heart disease and multiple sclerosis.

Our work together with other charities included funding research in partnership with Borne and a joint Research Training Fellowship with the British Paediatric Neurology Association. We were proud to fund four new awards in partnership with LifeArc and launch a further call for research into children's rare diseases to make further awards together in 2023.

We adapt our fundraising to the changing environment and assess how best to fund and deliver our income generation over time to enable the charity to support new medical research. Together our staff, supporters, volunteers and researchers once again made possible a successful year in demanding circumstances. Our sincere thanks go to everyone who contributed to Action over 2022.

We were successful in managing our income, expenditure and investments, maintaining a strong financial position and reserves. In 2022 we received £467,782 from the UK Government COVID Medical Research Charity Support Fund. At the year end, despite the challenges faced, we were pleased to exceed £6m income, an increase from pre-pandemic levels. Despite the continuing uncertainty arising from the external environment, we moved into 2023 with confidence.

Financial review

In 2022 we funded thirteen new medical research projects to help children. Our total income was £6.113m (2021 £4.452m) with total expenditure of £7.225m (2021 £5.342m). Our voluntary income was £5.541m (2021 £4.325m). We spent £3.646m on medical research grants and dissemination (2021 £2.783m).

Total funds at the end of the year were £6.542m (2021 £6.804m), a decrease of £0.262m (2021 £0.160m increase), with total net gains on investments during 2022 of £0.850m (2021 £1.051m).

At 31 December 2022, in addition to tangible fixed asset and investment holdings and long-term grant commitments, the charity had net current liabilities of £4.043m (2021 £4.344m). The trustees do not anticipate that this financial position will require a considerable drawdown from the investment portfolio in 2023 given that these short-term grant commitments will be partly met from future income and, although technically falling due within one year, some are likely to be paid after the 2023 financial year.

The public benefit and impact of our work

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

The outcomes of the research we fund are published in peer-reviewed journals and shared at national and international meetings of researchers. We also share news of progress with our supporters.

Our independent scientific advisers examine and assess final reports when all projects that we fund

Action Medical Research Report of the trustees for the year ended 31 December 2022

are completed. In 2022, of seven final reports assessed, 71% were rated as excellent or good and considered to be of a major, sizeable or marked potential level of clinical importance; and 57% to be of immediate, near or medium-term clinical impact.

We also carry out reviews each year to assess the impact of our research funding over time. A new report in 2022 evaluated the impact of Action funding in 2014 of £193,328 to Dr Emyr Lloyd-Evans and team at Cardiff University to research juvenile Batten disease.

Juvenile Batten disease is a rare genetic condition that affects the nervous system. Children affected usually develop as expected in early childhood, often with no concerns. When they reach primary school age, they start to lose their sight, develop epileptic seizures and go on to lose many skills they had previously acquired, including the ability to move and speak. There is no cure and children affected sadly lose their lives in their late teens or twenties.

While the faulty gene and associated faulty protein (CLN3) which cause juvenile Batten disease were discovered around 20 years ago, the exact mechanisms that lead to changes inside cells and the symptoms remained poorly understood. Without this understanding, it was difficult to develop new treatments.

The researchers explored the function of the faulty protein and how this affects cell communication. They made a breakthrough in finding its function, acting as a transporter for potassium within cells. Two potential new treatment strategies were also identified using existing drugs already used to treat other conditions. This research has led to an exciting new clinical trial for the treatment of juvenile Batten disease.

A second new report considered the impact of Action funding of £161,875 in 2016, assisted by a grant from The Peter Stebbings Memorial Charity, to Professor Bill Newman at the University of Manchester to research Perrault syndrome. This rare inherited condition affecting boys and girls is linked to hearing loss, sometimes also accompanied by learning difficulties, developmental delay and nerve damage. Girls experience reproductive problems and may not be able to have biological children of their own.

While Perrault syndrome was first identified in the 1950s, its underlying causes were still not well understood at the turn of the millennium, hampering both diagnosis and treatment. As new laboratory techniques became available, researchers made progress exploring some of the genetic changes that can lead to Perrault syndrome and in 2013, Professor Newman and colleagues managed to identify a new gene not previously linked to the condition.

The Action Medical Research grant in 2016 continued the work to understand better the genetic changes and causes of Perrault syndrome. By 2021 the researchers had identified four new genes linked to the condition, as well as different genetic changes within them, and they found a common mechanism showing these changes affect the energy bundles in cells. These discoveries provided families previously with no clear diagnosis the certainty of knowing the cause of their child's symptoms. The research has informed new approaches to and improvements in genetic testing, helping families to get accurate diagnoses earlier and to access the right care and support. The findings are informing future work on treatments, for Perrault syndrome and potentially also for hearing loss and female infertility more generally.

Other exciting progress in 2022 included researchers moving a step closer to developing safer and more effective treatments for children with high-risk neuroblastoma and other solid cancers. Children with high-risk neuroblastoma may need extremely intensive treatment that can last for many years. This does not always work and tragically, some lose their lives at a young age.

With funding from Action Medical Research and Great Ormond Street Hospital Children's Charity together with Neuroblastoma UK, Professor John Anderson at UCL Great Ormond Street Institute of Child Health evaluated a new treatment approach already proven effective for treating other types of cancer. It involves collecting T cells from the child's blood, genetically modifying them to recognise and kill cancer cells and putting them back into their bloodstream to fight the disease. As a result of the funding, refinements to treatments have been developed that may be implemented into the next clinical trials of cutting-edge immunotherapy for children with

Action Medical Research

Report of the trustees for the year ended 31 December 2022

high-risk neuroblastoma. The hope is to boost the chances of the treatment working while also reducing the risk of unwanted side effects.

In another key development, research has moved a step closer to developing a new preventative treatment which could reduce the risk of babies being born with disabling neural tube defects, severe developmental abnormalities that affect a baby's brain, spine, or spinal column such as spina bifida.

Taking folic acid during pregnancy can reduce the risk to babies, but it is not always effective. With Action funding, Professor Nicholas Greene at the UCL Great Ormond Street Institute of Child Health has been investigating if giving women a vitamin called inositol can also help protect babies inside the womb. The findings will inform the design of a clinical trial to test how well inositol works in preventing neural tube defects over and above the protection currently provided by folic acid. If positive, implementation of inositol supplementation to prevent neural tube defects could begin within five years and have worldwide impact.

In a further important step, advances have been made in the early identification of neurodevelopmental disorders in babies such as autism spectrum conditions and attention deficit hyperactivity disorder.

With Action funding, Dr Tomoki Arichi and his team at King's College London have been researching new brain images acquired from babies scanned on the most powerful MRI scanner (7T) available. These are revealing insights into how these conditions develop, which could help identify and provide support sooner for children. The researchers are excited about the extra detail and information they can see on these images and the possibilities for the technology moving forwards, improving understanding of how the brain develops during the crucial first few weeks after birth.

As we celebrated our 70th anniversary in 2022, such progress added to Action's long-standing record of success in funding research to help children and our determination to save and change young lives.

Communicating our work

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

In 2022 we generated 529 pieces of coverage with a potential reach 2.1bn. Our research and fundraising activities featured in a range of national and regional media, including the *Daily Express*, *BBC South Today*, *BBC Look North*, *Yorkshire Post*, *Charity Today*, *Yahoo News UK* and various regional BBC radio stations and media.

We communicated with supporters through our magazines and regular bi-monthly e-newsletters. Our social media content was displayed to people 71.5m times and our followers on our social media platforms increased by 9% to over 68,231 people. We received 4,536 page views to our blogs and over 3,000 page views to our news pages. Our website attracted 278,831 visitors.

How we raised money

2022 was a strong year for our fundraising, with limited residual disruption from the pandemic which had affected both previous years. Voluntary income increased to £5.541m, a 28% improvement on the previous year and reassurance that our fundraising strategy is robust, although the rising cost of living had an impact and will remain an issue as we move forward.

With extra investment in acquisition, our weekly lottery programme grew significantly, with the number of players increasing from 5,375 at the end of 2021 to 10,200 at the end of 2022, representing vital long-term income for the charity. We are hugely grateful to the loyalty and generosity of our direct debit supporters, whose contributions help the charity to plan future research spend and provide resilience in difficult times.

Cycling has for many years been a vital part of Action's fundraising. With restrictions of prior years now behind us, in 2022 we expanded the portfolio by launching a new Wessex Downs ride, our sixth one-day sportive, which 300 riders attended. Our annual gala dinner, Champions of CycleSport, made a triumphant return to Battersea Evolution, raising over £100k net.

Action Medical Research Report of the trustees for the year ended 31 December 2022

Other challenge events also delivered strong results: 145 teams took on our Race the Sun challenge and we received some wonderful feedback from participating teams and are already operating a waiting list for the same events in 2023, demonstrating the popularity of this event; and 63 runners raised money for the charity in the London Marathon.

We tested a Facebook Challenge for the first time, with people encouraged to walk 55 minutes a day throughout October. Although results were a little below those expected, we were sufficiently encouraged to look to build on this in 2023.

Our volunteer-delivered social events programme returned superb results, with the Aberdeen and Glasgow Killer Heels and Cocktails events, Dine with Davina, the Motorsport event in Northern Ireland and the Tony Hadley Classic Golf Day in Peterborough, collectively netting around £200k. We are grateful to the many volunteers who helped make these and many other wonderful events happen. We set up a new advisory group composed of experienced Action fundraising volunteers, who provided excellent insights and shared advice about how to make our social events and other community fundraising activity even more successful.

Income from trusts and foundations was as always significant, with encouragingly high response rates to our bids, and we continued to provide feedback reports to selected trusts to help them understand the impact of donations made to past medical research projects.

The support of our major donors and corporate partners was vital and we were hugely grateful for the kind support of BDO, BGC Brokers, Brett Group, Brit Insurance, DMH Stallard, Buckles Solicitors, Willmott Dixon, Garmin, AON, Liberty Specialty Markets, The Gingerman Group, The Rooney Foundation, Touchstone Underwriting, Next, Airport Parking & Hotels, and a range of other companies and generous individuals. We were delighted to be named as the Charity of the Year for the Chaucer Group, and we developed new partnerships with Next Phase Recruitment, Lucky Saint and Mass Consultants. The Big Give matched funding week in December was our most successful ever, with a fantastic £90k raised by some of our higher value supporters. We also received a fantastic £27,500 from Christmas card sales from Helpcards Ltd.

In November we launched a new fundraising campaign to raise additional funds for our work helping children affected by devastating rare diseases. Inspired by this, the Raring to Row crew rowed across the Atlantic in the Talisker Whisky Challenge and raised c£40k for our rare disease campaign. Remarkably, this was the second consecutive year that a team has fundraised for us in this event.

Twelve people pledged to leave a legacy to Action in 2022, bringing the total number of people who have done so to over 260. Legacy income was again lower than expected, with fewer gifts in wills, probably partly due to the ongoing backlog in achieving probate, which we understand is finally due to clear in 2023. Legacy income is a vital, cost-effective part of our fundraising, and we are grateful for the kindness shown by all those who remember the charity in their will.

We worked with professional fundraising agencies to recruit new supporters in private sites (shopping centres and town centres) and through door-to-door fundraising, as it is more effective than using our own staff or volunteers. To ensure the fundraising is carried out in a courteous and compliant manner, our team helps deliver training, monitors the activity through regular mystery shopping and works closely with the agency to ensure any complaints are dealt with effectively and corrective actions taken as required. We ensure that all those agency staff representing the charity comply with the Fundraising Regulator's Code of Fundraising Practice and adhere to the Chartered Institute of Fundraising guidance on treating donors fairly, which includes a particular focus on protecting vulnerable people.

We received a total of eight complaints about our fundraising in 2022 (eight in 2021). We had no requests from members of the public via the Fundraising Preference Service to be suppressed from future activity.

Where we are going

Our core purpose and strategy is to fund medical research to help babies, children and young people. The need for and importance of medical research remains evident and in our 70th anniversary year we were proud to celebrate the very real difference our funding can make over time.

Action Medical Research

Report of the trustees for the year ended 31 December 2022

Using our rigorous peer review process, we remain committed to funding high-quality research most likely to make a difference to children. Our plans include to continue to use this strength by working in partnership with other charities to fund children's research. It remains very important to us to show the impact being delivered through our funding and to share this.

Plans for the charity 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.

Throughout 2022 we continued to adapt flexibly as needed, as well as to consider what might be the longer-term implications of the economic environment for our charity and work. We anticipate the need to continue this approach over the year ahead.

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, 30 October 2007 and 17 June 2022. 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 receive 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 2022 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. We were sorry to say farewell in July 2022 to trustee Esther Alderson as she completed nine years of service and she remains a loyal supporter of the charity. We were pleased to welcome Rajat Sharma to the trustee body in November 2022 and in October Professor Stephanie Schorge, who now chairs the Scientific Advisory Panel.

The council of trustees currently meets at least three times a year and is supported by five advisory panels or sub-committees involving trustees (see inside back cover). All key decisions, including the allocation of charitable funds for research, are made by the trustees in council.

Meetings of the council of trustees regularly address the following:

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

Each year, the skills and experience and diversity needed within the trustee body 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 an induction programme when they join and offered opportunities to increase their knowledge and expertise. The trustees regularly review their performance as a board, with further discussions of effectiveness held in 2022.

The Chief Executive is responsible for the management of the charity's business and for implementing the policies agreed by the trustees. We now operate as a remote charity from January 2022, with home-based staff who deliver the charity's activities and raise funds around the UK.

The charity has adopted the Charity Governance Code for larger charities. This code 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

Action Medical Research Report of the trustees for the year ended 31 December 2022

all respects save as follows: we conduct formal reviews of the effectiveness of the trustee board aligned to our strategic planning cycle, rather than annually as recommended by the Code. In addition, we regularly discuss the board's effectiveness and there are mechanisms in place to raise and address issues as they arise. To date our effectiveness reviews have been conducted internally in an open and transparent manner, 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 our trustees have agreed should remain an option 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 they ought to have taken as a trustee in order to make themselves 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 2022 wholly owned and registered in England and Wales, Action Medical Research (Trading) Limited. There has been no activity in the company which therefore remained dormant in 2022 and any limited and small-scale trading has been carried out directly by the charity.

Risk management

The trustees consider that the charity has an effective continuous risk management mechanism. Risk management is considered by the Risk Management Committee and at each council meeting. A risk register is maintained assessing the potential impact and likelihood of all major risks, including key financial risks, and is reviewed by

Action Medical Research

Report of the trustees for the year ended 31 December 2022

management, the Risk Management Committee and council. The trustees are satisfied that the correct 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.

Throughout 2022 the trustees continued to monitor, assess and respond to risks. The major risks identified relate to maintaining voluntary income and the performance of invested funds. These in combination ultimately determine the level of new research grants that can be awarded. The charity's strategy is based on a broad range of fundraising channels and active development of further streams to manage income risks. Investments are overseen by our Investment & Audit Committee with extensive investment management experience which considers reports at each meeting. In addition, we continue actively to address issues of cybersecurity and develop our technology systems.

Staff management

The charity has committed, talented and hard-working staff. The plan and budget approved by the trustees each year continues to allocate resources to train and develop staff in skills needed to meet the charity's needs.

Our average head count in 2022 was 48 (2021 47), full-time equivalent 38 (2021 38).

Key management personnel are defined by trustees as the Chief Executive and Directors of Research, Communications, Fundraising and Finance shown on the inside front cover of this report. The total remuneration of this group in 2022 was £426,523 (2021 £423,732). The pay of all staff, including key management personnel, is reviewed annually and considered by a sub-committee of the Board of trustees including the Chair and Honorary Treasurer. Any increase relating to cost of living may take into consideration external factors as well as the charity's financial position and the economic environment, and market rate reviews are also undertaken.

Investments

In 2022 the charity withdrew a net of £1.233m from its investments (2021 withdrew a net of £0.506m). Taken into account unrealised capital gains, the value of investments closed the year at £12.113m (2021 £12.496m) despite these withdrawals and increased level of macro-economic uncertainty in the UK. 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.

The charity has a risk averse investment policy, with the trustees' first priority being to preserve capital in order to meet existing and future research grant commitments. The Investment & Audit Committee, a sub-committee of the Board of trustees, continues to keep under review the charity's investment strategy and, in coordination with our Investment Managers Ruffer LLP, explore ways of implementing investment strategies that minimise the risk of capital loss. The Committee will continue to review the allocation of the investment portfolio to ensure it remains appropriate for the charity's funding plans.

Ruffer LLP manages the investment portfolio for the charity on a discretionary basis, which follows strict guidelines in line with the charity's investment policy. The mandate from the trustees specifies that the charity does not invest in tobacco or any stock in which tobacco manufacture is the main or a material element due to the negative impact on health. The investments are managed in 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 twelve-month period after all expenses. In pursuit of these objectives, Ruffer LLP allocated a component (22.13%) of the portfolio to key assets as part of their protection strategy in the year. In 2022 the portfolio achieved a positive return of 6.8% net of fees (2021 a return of 8.8%) and thus the trustees consider that these investment objectives were met in the past year.

Ruffer LLP has been successful in protecting the value of the charity's portfolio in the year against the financial markets' uncertainty and volatility. The trustees continue to monitor the situation closely to ensure the charity's ability to realise assets from the portfolio as and when required to fulfil its current and future commitments.

Action Medical Research Report of the trustees for the year ended 31 December 2022

Reserves

On 31 December 2022, the charity's free reserves (unrestricted funds less tangible fixed assets) including unrealised investment gains stood at £6.259m (2021 £6.502m).

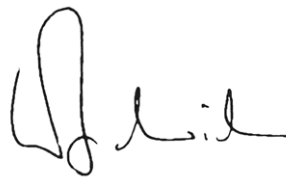
The trustees review their reserve policy annually, in 2022 continuing a dynamic policy to enable the charity to cope in the face of a range of unlikely but plausible downside events including circumstances that might lead to a significant temporary reduction in fundraising income, such as that recently experienced as a result of the pandemic. Our financial modelling indicates a steady increase to our income, building from very strong performance this year but also factoring the impact of current macro-economic challenges. A check on the charity's financial position and medium-term projections indicate that the charity would be able to continue delivering on its objectives and fulfil commitments as they fall due. Notwithstanding the uncertainty from the current economic challenges, given our reserves position we can and do approach 2023 with

a degree of confidence and have continued to adopt the going concern basis of accounting.

Fixed assets

Information relating to changes in tangible fixed assets is given in note 10 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. The property was valued during the year in preparation for a potential commercial transaction that does not have any current effect on these accounts but may materialise during subsequent years.

By order of the council of trustees



Luke Bordewich

Chair

27 April 2023



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 2022 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 2022 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charity through discussions with key management and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019); and

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

- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of key management and review of minutes of Trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Their knowledge of actual, suspected and alleged fraud;
- Making enquiries of key management as to where they considered there was susceptibility to fraud, and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of Trustees; and
- Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws

and regulations to enquiry of key management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel

(Senior Statutory Auditor)

For and on behalf of
Buzzacott LLP, Statutory Auditor

130 Wood Street
London
EC2V 6DL

10 May 2023

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 2022

(incorporating an income and expenditure account)

		Unrestricted funds	Restricted funds	Total funds 2022	Unrestricted funds	Restricted funds	Total funds 2021
Income from:	Note	£	£	£	£	£	£
Donations and legacies	3.1	4,507,680	1,033,314	5,540,994	3,181,902	1,143,110	4,325,012
Investments	3.2	103,925	-	103,925	123,152	-	123,152
Charitable activities	3.3	-	467,782	467,782	-	-	-
Other income	3.4	-	-	-	4,289	-	4,289
Total income		4,611,605	1,501,096	6,112,701	3,309,343	1,143,110	4,452,453
Expenditure on:							
Raising funds	6.1	3,578,913	-	3,578,913	2,559,745	-	2,559,745
Charitable activities							
Grants for medical research	6.2	1,642,284	1,287,176	2,929,460	1,975,539	138,305	2,113,844
Medical research dissemination	6.2	716,417	-	716,417	668,838	-	668,838
Total expenditure on charitable activities		2,358,701	1,287,176	3,645,876	2,644,377	138,305	2,782,682
Total expenditure		5,937,614	1,287,176	7,224,790	5,204,122	138,305	5,342,427
Net (expenditure)/income before investments		(1,326,009)	213,920	(1,112,089)	(1,894,779)	1,004,805	(889,974)
Net gains on investments	11	849,858	-	849,858	1,050,562	-	1,050,562
Net (expenditure)/income before transfer between funds		(476,151)	213,920	(262,231)	(844,217)	1,004,805	160,588
Transfers between funds	9	213,920	(213,920)	-	1,004,805	(1,004,805)	-
Net movement in funds		(262,231)	-	(262,231)	160,588	-	160,588
Balances brought forward at 1 January		6,804,215	-	6,804,215	6,643,627	-	6,643,627
Balances carried forward at 31 December		6,541,984	-	6,541,984	6,804,215	-	6,804,215

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

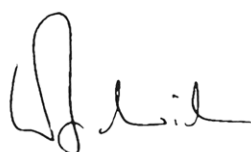
Balance sheet as at 31 December 2022

(company no. 549089 England and Wales)

		31 December 2022	31 December 2021
	Note	£	£
Fixed assets			
Tangible assets	10	282,516	302,274
Investments	11	12,113,327	12,496,400
		12,395,843	12,798,674
Current assets			
Debtors	12	1,254,874	655,418
Cash at bank and in hand		423,692	530,895
		1,678,566	1,186,313
Creditors			
Amounts falling due within one year	13	(5,721,328)	(5,530,487)
Net current liabilities		(4,042,762)	(4,344,174)
Total assets less current liabilities		8,353,081	8,454,500
Creditors			
Amounts falling due after more than one year	13	(1,811,097)	(1,650,285)
Total net assets		6,541,984	6,804,215
The funds of the charity			
Unrestricted funds		6,541,984	6,804,215
Restricted funds	15	-	-
Total charity funds		6,541,984	6,804,215

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 27 April 2023 and were signed on their behalf by:



Luke Bordewich
Chair



Richard Wild
Honorary Treasurer

Action Medical Research

Statement of cash flows for the year ended 31 December 2022

		2022	2021
	Note	£	£
Cash flows from operating activities:			
Net cash used in operating activities	a	(1,440,383)	(340,363)
Cash flows from investing activities:			
Investment income and interest receivable		103,925	123,152
Payments to acquire investments		(9,939,595)	(6,687,584)
Payments to acquire tangible fixed assets		(3,820)	(30,665)
Receipts from disposals of investments		10,505,993	7,222,326
Net cash provided by investing activities		666,503	627,229
Change in cash and cash equivalents in the reporting period		(773,880)	286,866
Cash and cash equivalents at the beginning of the period		1,242,435	955,569
Cash and cash equivalents at the end of the period	b	468,554	1,242,435
Notes to the statement of cash flows for the year ended 31 December 2022			
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)		(262,231)	160,588
Adjustments for:			
Depreciation charges		23,578	22,902
Investment income and interest receivable		(103,925)	(123,152)
(Gains) on investments		(849,858)	(1,050,562)
Grants authorised		2,548,746	1,757,894
Grants paid		(2,795,677)	(2,130,448)
(Increase)/decrease in debtors		(599,457)	592,455
Increase in non-grant creditors		598,441	429,960
Net cash used in operating activities		(1,440,383)	(340,363)
b) Analysis of cash and cash equivalents			
Cash at bank and in hand		423,692	530,895
Cash held by investment managers		44,862	711,540
Total cash		468,554	1,242,435

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Action Medical Research

Notes to the financial statements for the year ended 31 December 2022

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 2022 there were 23 Members.

2. Accounting policies

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

a) Basis of preparation and comparative information

The financial statements have been prepared for the year to 31 December 2022. Comparative information reflects the financial results for the year ended 31 December 2021.

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), 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.

Our financial modelling indicates a steady increase to our income, building from very strong performance this year but also factoring the impact of current macro-economic challenges. A check on the charity's financial position and medium-term projections indicate that the charity would be able to continue delivering on its objectives and fulfil commitments as they fall due. Notwithstanding the uncertainty from the current economic challenges, given our reserves position we can and do approach 2023 with a degree of confidence and have continued to adopt the going concern basis of accounting.

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

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.

Action Medical Research

Notes to the financial statements for the year ended 31 December 2022

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.

As set out in these accounting policies under going concern, the trustees have concluded that it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

d) Income recognition

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

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

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

Donations and grants in respect to charitable activities are recognised when the charity has confirmation of both the amount and settlement

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

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

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

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

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

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

e) Expenditure recognition

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

All expenditure is accounted for on an accrual 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 include the cost of running the administration, governance, finance and IT departments.

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

Action Medical Research

Notes to the financial statements for the year ended 31 December 2022

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 8. 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.

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2022

3. Income

	Unrestricted funds	Restricted funds	Total 2022	Unrestricted funds	Restricted funds	Total 2021
	£	£	£	£	£	£
3.1 Donations and legacies						
Direct gifts from individuals and trusts	2,300,174	864,439	3,164,613	1,280,122	1,066,592	2,346,714
Legacies	53,742	141,370	195,112	264,411	12,473	276,884
Community & Events income	2,153,764	27,505	2,181,269	1,637,369	64,045	1,701,414
	4,507,680	1,033,314	5,540,994	3,181,902	1,143,110	4,325,012
3.2 Investments						
Investment income	103,925	-	103,925	123,152	-	123,152
	103,925	-	103,925	123,152	-	123,152
3.3 Charitable activities						
Government grant	-	467,782	467,782	-	-	-
	-	467,782	467,782	-	-	-
3.4 Other income						
Government coronavirus job retention scheme	-	-	-	4,289	-	4,289
Total income	4,611,605	1,501,096	6,112,701	3,309,343	1,143,110	4,452,453

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.

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

Government grant Income from government grant represents funding from Business, Energy and Industrial Strategy (BEIS) to help sustain early-career researchers supported by medical research charities.

4. Investment income

	2022	2021
	£	£
UK equities	46,837	73,713
Overseas equities	36,346	43,490
UK fixed interest	6,534	5,787
Overseas fixed interest	13,049	109
Bank deposit interest	1,159	53
	103,925	123,152

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2022

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 years to 31 December 2022 and 31 December 2021 the company was dormant.

6. Expenditure

	Grant awards	Direct costs	Support costs	Total 2022
31 December 2022	£	£	£	£
6.1 Raising funds				
Cost of fundraising		3,143,351	301,026	3,444,377
Investment management costs		134,536	-	134,536
		3,277,887	301,026	3,578,913
6.2 Charitable activities				
Grants for medical research	2,548,746	206,700	174,013	2,929,460
Medical research dissemination	-	424,284	292,133	716,417
	2,548,746	630,984	466,146	3,645,877
Total expenditure	2,548,746	3,908,871	767,172	7,224,790

	Grant awards	Direct costs	Support costs	Total 2021
31 December 2021	£	£	£	£
6.1 Raising funds				
Cost of fundraising		2,178,872	246,789	2,425,661
Investment management costs		134,084	-	134,084
		2,312,956	246,789	2,559,745
6.2 Charitable activities				
Grants for medical research	1,757,894	192,060	163,890	2,113,844
Medical research dissemination	-	398,820	270,018	668,838
	1,757,894	590,880	433,908	2,782,682
Total expenditure	1,757,894	2,903,836	680,697	5,342,427

6.3 Expenditure include charges for:

	Total 2022	Total 2021
	£	£
Lease rentals	-	3,173
Fees payable to the charity's auditors for audit of the financial statements	20,820	18,540
Other fees payable to the charity's auditors	1,339	1,300
Depreciation (note 10)	23,578	22,902

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2022

7. Support costs

	Staff costs	Other overheads	Total 2022	Total 2021
	£	£	£	£
Cost of raising funds	109,897	191,129	301,026	246,789
Research	113,211	60,802	174,013	163,890
Medical research dissemination	192,197	99,936	292,133	270,018
	415,305	351,867	767,172	680,697

Support costs include the cost of running the administration, governance, finance and IT departments. Support costs are apportioned using percentages based on the time spent on the relevant activities by the employees of the charity.

8. Analysis of staff costs

	2022	2021
	£	£
Wages and salaries	1,481,654	1,438,008
Social security costs	154,839	143,700
Pension costs	75,111	92,179
Redundancy	-	5,891
Total	1,711,604	1,679,778

The pension charge for the year comprises of Action Medical Research Group Personal Pension Plan which is a defined contribution scheme and the charge for the period represents those contributions payable to the scheme in respect of the accounting period.

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

	2022	2021
Grant administration	4	4
Medical research dissemination	4	4
Fundraising	22	22
Support	7	7
Charity governance	1	1
	38	38

The average monthly headcount was 48 staff (2021 47).

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

	2022	2021
£60,001 to £70,000	1	2
£70,001 to £80,000	2	1
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2022

8. Analysis of staff costs (continued)

Contributions totalling £12,561 (2021 £27,987) were paid in the period to a defined contribution pension scheme in respect of the above employees.

The total remuneration (including taxable benefits, employer national insurance and pension contributions) of the key management personnel for the year was £426,523 (2021 £423,732).

Trustee remuneration

No fees are paid to trustees for their services as board members. Directly incurred expenses are reimbursed, if claimed. In the year to 31 December 2022 £nil was claimed (2021 £nil).

9. 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.

10. Tangible fixed assets

	Freehold property	Fixtures and fittings	Motor vehicle	Totals
	£	£	£	£
Costs				
At 1 January 2022	755,771	259,611	13,660	1,029,042
Additions	-	3,820	-	3,820
At 31 December 2022	755,771	263,431	13,660	1,032,862
Depreciation				
At 1 January 2022	476,384	236,724	13,660	726,768
Charge for period	12,153	11,425	-	23,578
At 31 December 2022	488,537	248,149	13,660	750,346
Net book value at 31 December 2022	267,234	15,283	-	282,516
Net book value at 31 December 2021	279,387	22,887	-	302,274

The land cost of the freehold property is estimated by the trustees at £60,000 (2021 £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. The property was valued during the year in preparation for a potential commercial transaction that does not have any current effect on these accounts but may materialise during subsequent years.

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2022

11. Fixed asset investments

	2022	2021
	£	£
Market value:		
At 1 January	12,496,400	11,952,382
Net funds withdrawn from portfolio	(1,232,931)	(506,544)
Realised gains	704,764	1,448,336
Unrealised gains/(losses)	145,094	(397,774)
At 31 December	12,113,327	12,496,400
Listed investments		
UK equities	1,835,775	3,274,162
Overseas equities	1,443,601	2,786,940
UK fixed interest	2,481,551	2,377,193
Overseas fixed interest	4,283,385	1,941,422
Foreign currency contracts	(8,687)	40,700
Cash held by investment manager	44,862	711,540
Unlisted investments		
Alternative investments	2,031,367	1,362,970
Associated company (see below)	1,473	1,473
	12,113,327	12,496,400
Cost of investments	10,829,205	11,469,617

At 31 December 2022 listed investments included the following material individual holdings:

	Market value of holding £	Percentage of overall portfolio
Ruffer SICAV Fixed Income	3,514,728	29.02%
Ruffer Multi Strategies Fund Limited	1,244,740	10.28%
Ruffer SICAV UK Mid and Smaller Companies	1,435,243	11.85%

Foreign currency contracts – at 31 December 2022 the charity had open forward exchange contracts.

FWD: USD Vs. GBP 19/01/2023	(£8,687)
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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 2022 was £127,612 (2021 £120,942) with a profit of £99,750 (2021 £96,856). The total distribution to the charitable company's shareholders was £105,000 (2021 £79,700).

Action Medical Research
Notes to the financial statements for
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12. Debtors

	31 December 2022	31 December 2021
	£	£
Prepayments	343,266	127,075
Accrued income due within 1 year	501,463	333,853
Accrued income due in more than 1 year	199,934	41,302
Other debtors	158,520	41,787
Income tax recoverable	51,691	111,401
	1,254,874	655,418

13. Creditors

	Amounts falling due within one year		Amounts falling due after more than one year	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£	£	£	£
Research grants payable (note 16)	4,208,956	4,616,555	1,811,097	1,650,285
Trade creditors	1,261,432	609,403	-	-
Accruals	53,650	106,306	-	-
Taxation and other social security costs	43,562	44,094	-	-
Deferred income	153,728	154,129	-	-
Total	5,721,328	5,530,487	1,811,097	1,650,285

At 31 December 2022, in addition to its tangible fixed asset and investment holdings and long term grant commitments, the charity had net current liabilities of £4.0m (2021 £4.3m). The trustees do not anticipate that this financial position will require a considerable drawdown from the investment portfolio in 2023 given that these short term grant commitments will be partly met from future income and, furthermore, although technically falling due within one year, some of these grant commitments are likely to be paid after the 2023 financial year.

14. Related party transactions

At the meeting of trustees held on 27 April 2023 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 18). 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 £10,843 (2021 £17,620) were received by the charity from trustees.

Action Medical Research
Notes to the financial statements for
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15. Restricted funds

The charity receives restricted donations, legacies and events income to assist in the charity's funding of specific research projects. In 2022 the total of this restricted income was £1,501,096 (2021 £1,143,110) and the amount utilised from this to fund the relevant research and other related costs was £1,287,176 (2021 £138,305). During the year, £213,920 (2021 £1,004,805) 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 2022 the charity had a nil balance in restricted funds (2021 £nil).

16. Research grants

	31 December 2022	31 December 2021
Research grants payable	£	£
Amounts outstanding at 1 January	6,266,840	6,639,395
New research grants awarded (note 6)	2,548,746	1,757,894
Amounts paid during the year	(2,795,533)	(2,130,448)
Amount outstanding at 31 December	6,020,053	6,266,840
The outstanding balance is payable:		
Within one year (note 13)	4,208,956	4,616,555
After more than one year (note 13)	1,811,097	1,650,285
	6,020,053	6,266,840

Analysis of awards made in 2022 – please see list on pages 30-32.

17. Reconciliation of movements on unrealised gains

	2022	2021
	£	£
Unrealised gains at 1 January	1,026,783	1,294,168
Add: in respect to disposals in year	(143,731)	130,389
Add: net gains/(losses) arising on revaluations in the year	145,094	(397,774)
Total unrealised gains at 31 December	1,028,146	1,026,783

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2022

18. Analysis of awards made in 2022

Institution	Title	Grant award £
School of Biomedical Engineering and Imaging Sciences, King's College London; Pediatric Cardiology Department, Evelina London Children's Hospital, Guy's and St Thomas' NHS Foundation Trust; Leeds Institute of Cardiovascular and Metabolic Medicine, University of Leeds. #	Congenital heart disease – predicting the outcome of surgical reconstruction of the aorta	£64,015
Developmental Neurosciences and Developmental Biology and Cancer, UCL Great Ormond Street Institute of Child Health, University College London; Computer Science, University College London; Department of Neurosurgery, Great Ormond Street Hospital, London. #	Epilepsy – investigating a new imaging technique to detect brain lesions	£123,799
MRC Lifecourse Epidemiology Centre, NIHR BRC-supported Clinical Metabolomics Unit, University of Southampton; Paediatric Endocrinology, University Hospital Southampton NHS Foundation Trust.	Vitamin D supplementation during pregnancy and child health	£187,294
Infection, Immunity and Inflammation Research & Teaching Department, Genetics and Genomic Medicine Research and Teaching Department, Regenerative Medicine Research and Teaching Department, UCL Great Ormond Street Institute of Child Health, University College London; Respiratory Sciences, University of Leicester. #	Primary ciliary dyskinesia – restoring ciliary function	£172,064
Department of Metabolism, Digestion and Reproduction, Chelsea and Westminster Hospital Campus, Imperial College London.	Preterm birth – understanding how labour begins	£204,974
Department of Cell and Developmental Biology, University College London. #	Vici syndrome – developing a potential new drug treatment	£199,171
Cancer Section, Developmental Biology and Cancer Programme, UCL Great Ormond Street Institute of Child Health, University College London.	Brain cancer – developing immunotherapy for medulloblastoma and high-grade glioma	£246,014

Action Medical Research
Notes to the financial statements for
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Analysis of awards made in 2022 continued

Institution	Title	Grant award £
Radcliffe Department of Medicine, Nuffield Division of Clinical Laboratory Sciences, University of Oxford.	Lung disease in babies – developing gene therapy for lung surfactant deficiency	£272,474
Department of Clinical and Experimental Epilepsy, UCL Queen Square Institute of Neurology and the Department of Neuroscience, Physiology and Pharmacology, University College London.	Epilepsy – gene therapy for severe childhood epilepsy	£247,521
Human Genetics, Wellcome Sanger Institute, Cambridge and the Department of Paediatrics, Addenbrooke's Hospital, University of Cambridge. #	Developmental disorders – improving genetic diagnosis	£228,620
Research Training Fellowship at the Reconstructive Surgery and Regenerative Medicine Research Centre and In Vitro Toxicology Group, Swansea University Medical School, Swansea University.	Facial disfigurement – investigating the safety and biocompatibility of novel implants	£189,184
Research Training Fellowship at the Centre for Perinatal Research, School of Medicine and School of Computer Science, University of Nottingham.	Premature babies – developing a clinical prediction tool to guide treatment decisions	£195,383
Research Training Fellowship at the Department of Clinical Neurosciences, University of Cambridge and the Department of Paediatric Neurology, Child Development Centre, Addenbrooke's Hospital, Cambridge University Hospitals NHS Foundation Trust. #	Multiple sclerosis – assessing brain repair in children	£250,000
Grants		2,580,513
Grant adjustments		(31,767)
Total grants spend 2022 (note 6)		2,548,746

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.

Action Medical Research
Notes to the financial statements for
the year ended 31 December 2022

19. Operating lease commitments

	31 December 2022	31 December 2021
	£	£
Amount falling due within 1 year	-	1,833
Total	-	1,833



Advisory Committees serving Council of Trustees

Investment and Audit Committee

Chair and Honorary Treasurer

Richard Wild

Mark Everitt

Rajat Sharma

Risk Management Committee

Chair

Richard Stoneham-Buck

Esther Alderson – retired 20 July 2022

Julie Buckler

Karen Last

Kathy Harvey – appointed 20 July 2022

Steering Committee

Chair

Luke Bordewich

Richard Wild

Julie Buckler

Marketing Insights Panel

Chair

Tobin Aldrich

Julie Buckler

Emily Casson

Kate Cox

Lewis Coghlin

David Haseler

Karen Jankel

Rachel Molho

Sarah Moss

Richard Stoneham-Buck

Robert MacDonald

Scientific advisory panel

Chair

Professor David Rowitch MD PhD ScD

– retired 30 September 2022

Professor Stephanie Schorge PhD Chair

– appointed 1 October 2022

Professor Claire Booth MBBS MSc PhD MRCPCH

Professor Alicia El Haj FEng FRSB FEAMBES

Professor Andrea Nemeth BSc MBBS DPhil (Oxon) FRCP

Professor Shiranee Sriskandan FRCP PhD

Professor Muzlifah Haniffa BSc MBCh MRCP PhD FMedSci

– appointed March 2022

Professor Ed Johnstone MBChB PhD MRCOG

– appointed October 2022

Professor Michael Taggart BSc PhD – retired December 2022

Professor Yanick Crow MBBS MRCP CCST PhD FMedSci

– retired May 2022

Professor Jonathan Grigg BSc MBBS MD FRCPCH

– retired May 2022

Professor Catherine Hawrylowicz PhD – retired February 2022

Professor Samantha Johnson PhD CPsychol AFBPsS

– retired October 2022

Dr Adam Shortland BSc PhD MIPEM CSci – retired October 2022

Professor Sarah Stock BSc (Hons) MBChB (Hons) PhD

– appointed Feb 2022 and retired May 2022

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