



Annual Report 2021

& financial statements year ended 31 March 2021



Photo: Nicholas Irving

Contents

Our vision	5
How we arose	6
A note from the MRC's Executive Chair	7
Welcome	8-9
Our objectives and activities	10-11
Our achievements and performance	12-19
COVID-19 – responding to the pandemic	20-22
New research that we supported	23-25
Raising funds and awareness	26
Thank you to all our supporters and donors	27
Our key linked charities	28-31
Our finances in 2020/21	32-37
Our structure, governance and management	38-41
Statement of Trustees' responsibilities	43
Independent auditor's report	44-45
Statement of financial activities	46
Balance sheet	47
Statement of cash flows	48
Notes to the financial statements	49-74
Legal and administrative information	75



Our vision

Changing medicine today.
Changing lives tomorrow.

The Medical Research Foundation's vision is to advance medical research, improve human health and change people's lives.

Many of the diseases and conditions that affect human health have been cured or overcome as a result of medical research. But there will always be more to do. Although significant resources are being spent around the world on developing exciting new treatments and therapies, there are areas of medical need that receive little or no support – and people's lives that see no improvement. That is where we step in.

As the charitable foundation of the Medical Research Council (MRC) we are inspired by the responsibility and independence that our donated income gives us. We are guided by the wealth of expertise available to us and are bold and ambitious in the science we choose to support. We fund and support the most promising new medical research, wherever we discover great opportunities that are not being pursued.



How we arose



The Medical Research Foundation is the charitable foundation of the MRC. The MRC, as part of UK Research and Innovation, is the UK's main government-funded body charged with improving human health through medical research.

In addition to its government funding, the MRC has been eligible to accept income from the giving-public since its inception in 1920 and separately registered these charitable funds with

the Charity Commission in 1968. In 2010, the funds of this predecessor charity were transferred to a new, modern charitable company, the Medical Research Foundation. A Declaration of Trust and a subsequent Deed of Assignment allows for charity funds gifted to benefit the MRC, to be assigned to the Medical Research Foundation.

The Medical Research Foundation is the trustee of 21 linked charities whose vision and aims to improve human health through research align with its own.

A note from the MRC's Executive Chair



In my first note as President of the Foundation, I am eager to reflect on the strength of the Foundation's relationship with the MRC, and the charity's unique role in the medical research funding landscape.

In order to make an impact in areas of health where people's lives see little improvement, the Foundation allocates funding to the most promising health research, by drawing on advice from the MRC's research board and training panels.

And as we continue through these challenging times, the charity's unique ability to respond flexibly – funding research where it is needed most – has been more important than ever. The Emerging Leaders Prize is an excellent example of the Foundation's agility as a funder, recognising pain researchers in 2020 and dedicating a prize specifically to COVID-19 research in 2021.

There has never been a time where the global community has better understood the importance of medical research. With the help of its generous supporters, the Foundation will continue to invest in bold and ambitious areas of medical research for many years to come.

Professor Fiona Watt
Executive Chair, Medical Research Council
President, Medical Research Foundation

A handwritten signature in blue ink that reads "Fiona M. Watt". The signature is written in a cursive, flowing style.

The MRC is part of UK Research and Innovation.

Welcome

From our Chief Executive and Chair of the Board of Trustees



For most organisations, 2020/21 was an extremely challenging year.

The abrupt shift to homeworking meant that lots of our funded researchers had to put their projects on hold as a result of laboratory and clinic closures. Many of our researchers also diverted their efforts towards combatting COVID-19, and we have taken immense pride in supporting and hearing about this work – from investigating potential treatments and examining the impact of the virus, to helping the NHS prepare for incoming patients. You can read about some of these stories on pages 20–22.

Fulfilling the wishes of our donors

We have worked hard to support our research community in any way we can, so that together we can continue to fulfil the wishes of our donors. At the same time, we have also had to manage the economic consequences of COVID-19, including a significant reduction in our fundraising income. Despite all of this, thanks to careful investments and a prudent approach to our financial reserves, we still took great strides this year towards our longer-term ambition; namely, to invest £25 million in new research between 2019/20 and 2023/24.

In 2020/21, we invested a further £2 million into life-changing new medical research, including 28 new grants, fellowships and studentship awards. This funding will help to tackle key

health issues that have only deepened in severity and scale during the course of the pandemic – including eating disorders and self-harm in young people, and the pain conditions which affect many millions of people in the UK. We also avoided having to cancel any rounds of grant funding, and only delayed some smaller funding schemes which relied on international travel.

As ever, none of this would have been possible without our supporters, so we are incredibly grateful for the support we have received this year. You can read about some of these contributions on page 27.

Our linked charities

As you may know, the Foundation has 21 linked charities. These connections give smaller charities access to vital shared resource, services and governance expertise, but they are also mutually beneficial in various ways. We can share our skills and experience across the charities, while working towards the same overall vision: to improve human health. The objectives and activities of our linked charities are embedded throughout this report, apart from the Africa Research Excellence Fund (AREF) and the Global Alliance for Chronic Diseases Action charity (GACD); their many achievements we highlight on pages 28–31.

Trustees' Annual Report

Protecting the health of future generations

18 months into a pandemic which has claimed millions of lives across the globe, it is impossible to overstate the importance of medical research. With COVID-19 and other health crises like Ebola and before that HIV/AIDs, we have seen how quickly they can emerge, and how much we depend on science to offer a way out. While we cannot predict the next global health emergency, we can be certain that it is only through considered, quality medical research that we will meet whatever new challenges come our way.

Together with our fantastic research community, and thanks to the generous support of our donors, we will continue to provide the science that will protect the health of future generations.



Dr Angela Hind
Chief Executive



Professor Nicholas Lemoine
Chair of the Board of Trustees

The Trustees present their report and the audited financial statements of the charity and its 21 connected charities for the year ended 31 March 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice “Accounting and Reporting by Charities” (“FRS 102 SORP”) in preparing the annual report and financial statements of the charities.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charities governing documents, the Companies Act 2006, Charities Act 2011 and the FRS102 SORP.

Trustees of the charity

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are listed on page 75.

Public benefit statement

The Charities Act 2011 requires that every charity meets the legal requirement that its aims are for the public benefit. The Trustees confirm that they have had regard to the guidance on public benefit issued by the Charity Commission when considering the objectives and activities of the Medical Research Foundation and its connected charities. The charities provide public benefit through the funding, capacity building and co-ordination of medical research.



Guided by the expertise available to us through our association with the MRC, we identify the health issues with the most pressing need for new research.

Some of the research areas we fund are specified by individual supporters, who restrict their gifts to fund research on particular diseases or by specific research teams. In these cases, we rely on independent scientific experts to advise us on the most urgent questions that need to be addressed and the most effective way to do so.



Our objectives and activities

We take a targeted approach; only funding research that aligns with one of our key strategic research themes:



Increasing understanding

Support for the discovery science that increases understanding of the processes underpinning all human health and disease.



High need, low research investment

Support for research on the conditions and diseases that devastate lives, where there is unmet need for new research but a low research investment.



Emerging research leaders

Opportunities for the emerging research leaders who will address the biomedical research questions of the future and support for their cutting-edge research today.



Changing policy and practice

Support to disseminate research results beyond the scientific press to people and places that will influence healthcare policy and practice as well as personal life choices.

£25 million

committed to funding high-quality medical research up to 2023/24.

Funding more research to improve health

One of our key strategic objectives is to invest £25 million in high-quality new research by 2023/24.

It takes time to develop appropriate funding schemes and identify the best science to support and, despite the difficulties created by COVID-19, in 2020/21 we invested another £2 million (2020: £4 million) in medical research and training. We also developed many new funding opportunities that are now in the pipeline and we plan to commit around £9 million on new research next year; we are on track to commit £25 million by the end of the quinquennium. You can read more about these research grants, fellowships and studentships over the pages that follow.

Our achievements and performance



High need,
low research
investment

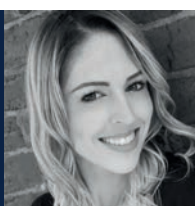
Tackling eating disorders and self-harm

Despite growing awareness around the importance of adolescent mental health, research into eating disorders and self-harm is still scarce and underfunded, relative to other areas of health. Combined with the increased pressure on these groups of young people during the pandemic, there is an urgent need for new research into how these devastating mental health problems develop and what can be done to tackle them.

We awarded £1.1 million of new funding for much-needed research into eating disorders and self-harm in young people.

£1.1 million

of new funding awarded for much-needed research into eating disorders and self-harm in young people



A project led by **Dr Dawn Branley-Bell** from Northumbria University is exploring what we can learn about the causes, prevention and future

treatment of eating disorders following the rapid transition to remote care during the COVID-19 pandemic.

Recent research by Dr Branley-Bell suggests that many individuals with eating disorders have experienced worsened symptoms during the COVID-19 pandemic and reported concerns around the suitability of healthcare delivered remotely.

Dr Branley-Bell will work alongside people with lived experience of eating disorders, healthcare providers, eating disorder charities, technology designers and other experts in the field to identify why symptoms worsened during the pandemic and to explore the challenges experienced with remote treatment. This research will help to improve our understanding of eating disorders, and will also inform future healthcare, technology design, guidance and policy.



Dr Samuel Chawner from Cardiff University is investigating two rare genetic conditions that are linked with extreme differences in body weight

and abnormal eating behaviour in children and adolescents. The genetic conditions are caused by DNA being deleted or duplicated on one of the chromosomes, known as '16p11.2 deletion syndrome' and '16p11.2 duplication syndrome'. Individuals with 16p11.2 deletion syndrome are at high risk of obesity and eating binges, whereas patients with 16p11.2 duplication syndrome tend to be very underweight and at higher risk of anorexia.

This project will increase our knowledge of the development and early signs of eating disorders and provide vital information to the families affected by these rare genetic conditions.



Dr Zuo Zhang from King's College London is aiming to better understand the risk factors, causes, and interconnections between eating disorders, using

machine learning. Machine learning uses algorithms to look at lots of different factors at once and pick out the ones that best predict a given behaviour or disorder – in this instance, eating disorders.

Dr Zhang will interrogate large sets of data, from more than 2,000 adolescents, to identify risk factors and common characteristics of eating disorders, including measures of the brain, personalities, environment and genetics. He will then examine how accurately the risk factors can predict future symptoms, as well as investigating how the risk factors and symptoms interact with one another. This project hopes to uncover some of the causes of eating disorders, in order to help detect people at risk and aid earlier intervention.



To ensure young people who experience self-harm thoughts and behaviours (SHTB) get the help they need, it is crucial for researchers like **Dr Becky**

Mars from the University of Bristol to identify both 'who' is at risk, and also 'when' these thoughts and behaviours are most likely to happen. Dr Mars is using a method called 'Ecological Momentary Assessment', which is like a digital diary, to look at how patterns of SHTB in young people change over short periods of time (hours/days/weeks).

She will also identify factors that predict changes in these patterns, which could be psychological – like feeling trapped or feeling disconnected from other people, or physiological – like sleep problems or changes in heart rate.

Dr Mars will find out whether young people who self-harm are either (a) not visiting a GP or (b) visiting a GP for other reasons and not telling them about their self-harm. She will also look for factors that could help GPs to better identify young people who have self-harmed, using both traditional statistical methods and machine learning techniques.

Our achievements and performance



Maximising the impact of medical research

It can take an average of 17 years for scientific discoveries to translate into changes in policy and practice that directly benefit people. Our Changing Policy and Practice Awards are designed to help close this gap by maximising the real-world impact of Medical Research Council (MRC) and Medical Research Foundation-funded research.

We announced new funding for three projects in South Asia and Africa, which are tackling health issues such as high blood pressure, asthma care, and access to sexual and reproductive health services.



In a previous study, **Professor Tazeen Jafar** from Duke-NUS Medical School in Singapore tested the delivery of blood pressure interventions by

community health workers in Bangladesh, Pakistan and Sri Lanka. She found that the intervention was more effective than routine care in rural communities, and it only cost \$2 (US dollars) per person annually.

With our support, Professor Jafar and her team will be able to disseminate these findings to the general public, health professionals, policymakers, donor agencies, and health ministries. They will advocate for the inclusion of community health care worker-led strategies to fight the rising rates of poorly controlled blood pressure in South Asia and other countries.





£89,180

funding awarded to three projects in South Asia and Africa



Professor Ernestina Coast from the London School of Economics and Political Science has previously investigated how adolescent access

to contraception and abortion-related care is perceived and experienced by adolescents in urban Ethiopia, Malawi and Zambia, finding variations in service accessibility, availability and laws surrounding abortion.

With our funding, Professor Coast will be able to launch a multi-country social media campaign using specially designed animations for adolescents, providing tailored clinical information and a higher standard of care. Her team will also design a virtual short course that targets healthcare workers and students, engaging NGO and Ministry of Health officials in its rollout.



Professor Kevin Mortimer from Liverpool School of Tropical Medicine has conducted trials to evaluate an enhanced asthma care

package (including improved use of inhaler treatments) for children in Malawi. He found that children receiving the enhanced care package had improved asthma outcomes after three months, including fewer symptoms and asthma attacks, reducing emergency healthcare attendance and school absence by 70 per cent.

Using this new award, Professor Mortimer and his team will share the trial results with local community leaders, healthcare staff and policy makers. They plan to increase understanding of asthma and inhaler treatment, through sessions delivered by Malawian facilitators. It is hoped these interventions will result in real improvements in care for asthmatic patients and their families in Malawi.

Our achievements and performance



New collaborative projects to tackle tuberculosis

According to the World Health Organization (WHO), 1.4 million people died from TB in 2019 alone, with nearly a quarter of these cases occurring in African countries. Although there has been significant progress in the understanding and treatment of TB in the past two decades, no country has successfully eradicated the disease.

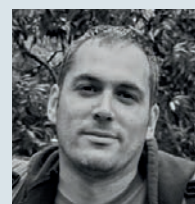
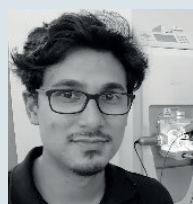
These new research awards have been made possible by a new scheme that is funded by one of the oldest gifts we hold, the Dorothy Temple Cross Fund, which was originally set up by Florence Temple Cross in 1929 in memory of her daughter who died from TB, to support Fellows undertaking research or teaching in TB overseas. The new scheme was launched as the Dorothy Temple Cross International TB Collaboration Grant in September 2020 to support international collaborations between researchers in the UK and Africa.

Collaboration grants such as these are important for researchers to test their ideas and gather pilot data, in order to prove to other research funders that their work has the potential to have a significant impact on human health.

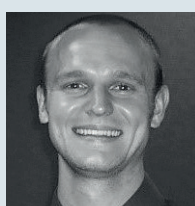
In the year, we awarded over

£130,000

to five new collaborative TB projects, led by mid-career researchers in Africa and the UK.



During treatment for TB meningitis (TMB), increased pressure on the brain is relieved by draining excess fluid, which may contain molecules to help us understand the progression of the disease. **Dr Tariq A. Ganief** from the University of Cape Town and **Dr Karl Burgess** from the University of Edinburgh are investigating these molecules to try and guide diagnosis of TMB in children and develop effective treatment strategies.



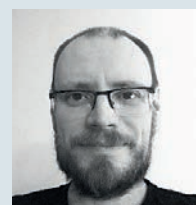
Dr Robert Krause from the African Health Research Institute, South Africa and **Professor Paul Elkington** from the University of Southampton, are looking at the effect of different types of immune cells on TB progression, known as 'B cells'. Previous research has found that these 'B cells' stop bacterial growth in the lungs of people infected with TB, so this project will build on these findings to gain a deeper insight.



Dr Sabrina Bakeera-Kitaka from Makerere University in Uganda and **Dr Robindra Basu Roy** from the London School of Hygiene & Tropical Medicine (LSHTM) are evaluating whether new diagnostic tests can differentiate between samples from children with TB meningitis (TMB), and samples from children with other similar illnesses at Mulago National Referral Hospital, Kampala, Uganda. This research will provide the foundations for larger studies to ensure that diagnostic tests do not miss potentially deadly cases of TMB in the future.



Approximately one-quarter of the world's population has a TB infection, but the majority of people never develop disease as the immune system controls the infection. **Dr Fatoumatta Darboe** from the Medical Research Council Unit (MRC) The Gambia at the London School of Hygiene and Tropical Medicine (LSHTM) and **Dr Jackie Cliff** from the LSHTM are collaborating on a research project investigating the role of certain immune cells known as 'unconventional T cells' in protecting the body against the progression of TB.



TB is treatable and curable, but treatment typically takes six months and involves four antimicrobial drugs. The effectiveness of these treatments is becoming compromised due to the emergence of multidrug-resistant (MDR) and extensively drug-resistant (XDR) strains of TB. **Dr Elizabeth V.M. Kigundu** from the Kenya Medical Research Institute and **Dr Paul Race** from the University of Bristol are investigating new natural drug combinations for the treatment of drug-resistant TB, including newly discovered natural product antibiotics with molecules that block common drug resistance mechanisms.

Our achievements and performance

“When the Foundation called me, to tell me I’d won first prize, I almost fell off my chair! This award is a true turning point in my career.”



1st place prize winner
Dr Lorenzo Fabrizi, University
College London (UCL)



Emerging
research
leaders



High need,
low research
investment

Celebrating pain research leaders of the future

Our fourth Emerging Leaders Prize recognised outstanding researchers who are making a significant impact in the field of pain research, with a total of £200,000 distributed to the winners.

Pain affects around 28 million people in the UK, which is around two-fifths of the UK population. Despite the deep personal and broad societal and economic burden imposed by pain, there is still a significant gap in our understanding – in particular, anticipatory care of pain, understanding of pain in children and adolescents, managing co-morbidities in patients with pain (those who may have more than one condition) and public health strategies to deal with pain.

We also need a better understanding of molecular mechanisms involved in the experience of both acute and chronic pain, which means studying both the body’s biological pathways leading to pain but also developing new treatment options.

1st place prize £100,000

Dr Lorenzo Fabrizi, University College London (UCL)

Dr Fabrizi's work aims to understand how the neonatal brain processes pain, and the longer-term impact of pain experienced by very young babies. Using mice as an experimental model, Dr Fabrizi is studying early development of networks in the brain that are responsible for processing pain, which is important for understanding when the neuronal architecture that allows babies to feel pain is fully developed. It is not possible to study this in humans, and insights from Dr Fabrizi's research in animals could have vast clinical benefits – including the development of targeted treatments aimed at alleviating pain, especially in premature babies.

Dr Fabrizi said: "When the Foundation called me, to tell me I'd won first prize, I almost fell off my chair! This award is a true turning point in my career. I had hit a wall in the interpretation of brain imaging of human preterm neonatal pain, as we had concurrent results that did not clearly fit together. This project will allow me to start a new line of models of preterm pain in order to understand the developmental biology underpinning my observations in humans."

2nd place prize £80,000

Dr Annina Schmid, University of Oxford



Dr Schmid is a Specialist Physiotherapist and an Associate Professor at the University of Oxford. The prize funding will allow Dr Schmid to build on her recent discoveries in patients with whiplash injury. She is examining whether injury to small nerve fibres in the skin explains why up to 50 per cent of people develop persistent pain after whiplash injury, and will also explore whether there are differences in skin gene expression between patients who have and have not recovered.

Dr Schmid said: "I am honoured to be the first allied health professional to receive this prestigious prize. It will not only allow me to answer an innovative and potentially game-changing research question, but it will also put physiotherapy pain research in the international spotlight."

Highly commended £10,000

Dr Philip Holland, King's College London



Dr Holland aims to understand why the brain of a migraine patient abnormally processes pain signals during an attack and how we can develop new treatments to reduce the impact of migraine on everyday life. Dr Holland said: "This award will be transformative for my research, but it will also increase my visibility and that of migraine, supporting my long-term aim of using innovative technology to explore mechanism-based research that will underpin future clinical translation."

Highly commended £10,000

Dr Franziska Denk, King's College London



Dr Denk researches the molecular mechanisms of chronic pain and is particularly interested in the sensory neurons, which are the first to report on what happens in our environment. In chronic pain, they are known to be hypersensitive, a state thought to be caused by their exposure to substances released from non-neuronal cell types. Dr Denk said: "With the Foundation's prize funding, this work can now be taken a step further, actually studying this miscommunication 'in real time', using cell culture

models that combine human immune cells with stem-cell derived human nerves. This will be a crucial step towards developing better analgesics (i.e. pain-relieving treatments) for the many individuals who have to live with pain every day."

COVID-19 – responding to the pandemic



For many scientists across the globe, the pandemic put a halt to their non-COVID research. This was due to lab and clinic closures, as well as a worldwide shift to studying the disease. We have worked hard to support and reassure our funded researchers, by allowing them to apply for extensions to their projects and by supporting their efforts to contribute towards the pandemic response – whether that be stepping away from research to provide clinical care or pivoting their work towards COVID-19.

Our funded researchers have helped to combat COVID-19 in various ways, from investigating treatments and examining how the virus affects the lungs, to helping the NHS prepare for incoming patients.

Identifying treatments for COVID-19

A range of potential treatments were initially suggested for COVID-19, but it was unclear whether any of them would turn out to be more effective than the usual standard of hospital care, which all patients will receive.



Our 2019 Emerging Leaders Prize-winner **Dr Tihana Bicanic** has played a vital role in the part MRC-funded RECOVERY trial, which is the world's largest clinical trial into treatments for COVID-19, with more than 40,000 participants across some 180 trial sites. Dr Bicanic, the trial's Principal Investigator at St George's University Hospital, said: "We hoped to rapidly find some answers to what may or may not work as treatment for COVID-19. With

so many sites contributing, we can arrive at these answers at remarkable speed, which is exactly what's needed in this fast-moving pandemic."

Most notably, the trial found one of the world's first COVID-19 treatments, dexamethasone. This cheap, readily available steroid was shown to reduce deaths of patients in hospital with COVID-19 by one third. It is estimated that dexamethasone has saved the lives of around 22,000 COVID-19 patients in the UK and one million lives globally. The RECOVERY trial continues to assess a range of potential treatments.

Robotic testing and mathematical modelling

A number of students from our National PhD Training Programme in Antimicrobial Resistance also joined the pandemic response. While for some this meant putting their PhD studies on hold, it also provided an invaluable opportunity to apply their skills in a real-world setting.



Kevin Chau utilised lab skills picked up during this PhD as part of the Modernising Medical Microbiology team at John Radcliffe Hospital in Oxford. "I contributed to setting-up and running a liquid handling robotics lab to process thousands of blood samples for coronavirus antibody testing every day," said Kevin.

"Thanks to a massive joint effort, we converted a disused storeroom laboratory into a safe and fully operational robotics laboratory in just nine days – a task which would normally take months. Previous manual processing was slow and labour-intensive, which bottlenecked testing capacity, but the functional robotics laboratory has increased processing speed from hundreds of samples per day to thousands."



Another student on our AMR PhD programme, **Ashleigh Myall**, used mathematical modelling to help Imperial College Healthcare NHS Trust forecast and prepare for incoming patients with COVID-19.

"As part of this group of mathematicians, epidemiologists, and doctors, I've been working to forecast one- and two-week pictures of what the likely scenarios will be for Imperial's NHS Trust. Combining Imperial's own COVID-19 patient numbers with data taken from published research on length of stays and mortality rates, we're able to specifically forecast demand for beds," said Ashleigh.

"It's essential to tailor these forecasts to specific hospitals and bring in experts that understand both the mathematical models and the operational needs of each hospital, as the picture of COVID-19 across the UK can vary hugely. Working alongside the NHS in this pandemic has highlighted the need for interdisciplinary teams, linking experts key in the fight against infectious disease."

Studying the impact of lung damage



Dr Franco Conforti's research into idiopathic pulmonary fibrosis (IPF) took on a whole new level of urgency and importance during the pandemic. IPF is an incurable lung disease which causes shortness of breath, coughing and fatigue. Before the pandemic, 15,000 people in the UK were thought to be living with IPF, but there is growing concern that long-term lung damage could now be much more widespread.

Dr Conforti said: "I'm really thankful to the Medical Research Foundation for allowing me to repurpose my funding, which will help me continue my respiratory research and answer important questions around the long-term impact of SARS-CoV-2 on the lungs.

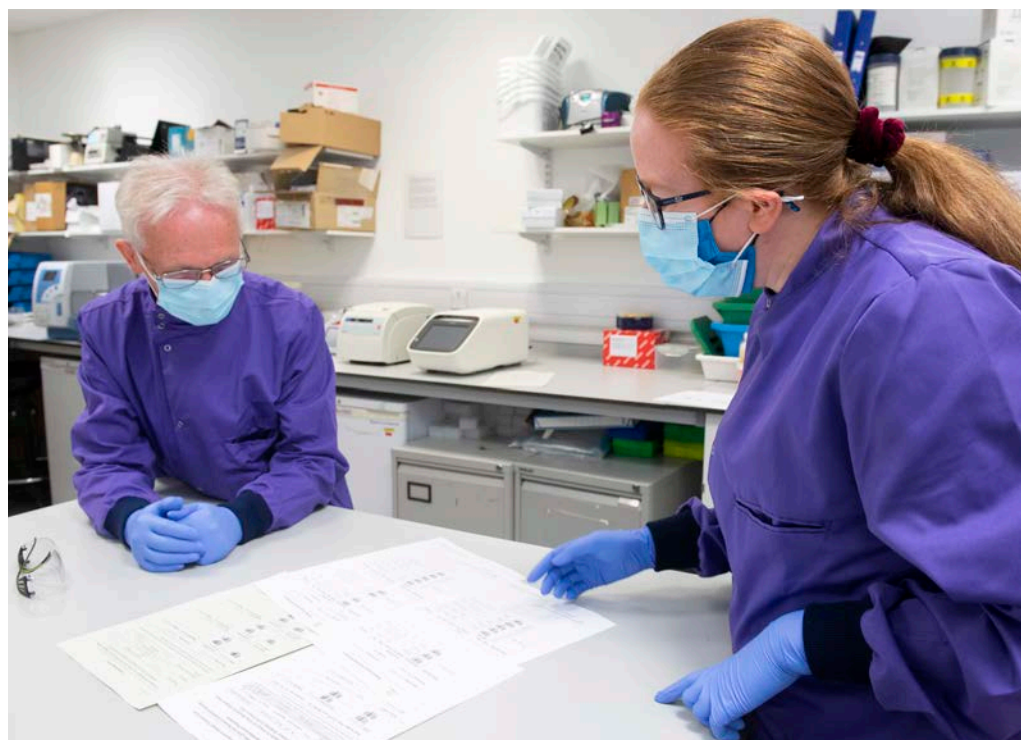
"It's very important to investigate how the virus finds its way down into the lungs and how it compromises the ability of cells to heal the lung. We need to know the secondary, long-term impact of the virus. What is the extent of the lung damage, and is it likely to be get worse over time? The ultimate aim of my research is to find potential targets to treat COVID-19 and prevent the development of lung fibrosis."



Dr Amanda Tatler's Foundation-funded work is helping researchers to understand how structural changes in the lungs of people with asthma can reduce

lung function over time. However, during the pandemic, Dr Tatler contributed her skills and experience to Nottingham University's COVID Research Group – a diverse team of researchers investigating lung disease caused by the SARS-CoV-2 virus.

Dr Tatler said: "We're investigating how the novel coronavirus (SARS-CoV-2) enters lung epithelial cells to cause damage, and why some people develop acute respiratory distress syndrome (ARDS) following infection. We know that many people suffer relatively mild, flu-like symptoms following infection but that a minority of patients develop pneumonia and ARDS, which can be fatal. Understanding why some people develop severe disease is vital for preventing ARDS or treating it once it has developed."



New research that we supported

We have highlighted some of the 28 new grants, fellowships and studentships that we made during 2020/2021 in the earlier section; here we provide summary information on each of the new research awards that we made during the year.

These new awards amounted to an additional investment of

£2 million

in new medical research and training



Increasing
understanding

We provided support for discovery science aimed at increasing our understanding of the biological processes that determine all human health and disease.

£100,000

Awarded to Professor Nigel Unwin at the Medical Research Council (MRC) Laboratory of Molecular Biology, for research into synaptic transmission in the brain.

£81,718

Two awards to Professor Massimo Zeviani at the Veneto Institute of Molecular Medicine for studentship and fellowship costs, collaborative visits and equipment transfer to support research into therapeutic approaches against mitochondrial disorders.

£70,645

Awarded to Dr James Peters, to investigate inflammation-related proteins and their role in coronary heart disease.

£69,516

Awarded to Dr Beatrice Filippi, to study how changes in mitochondria morphology in the brain affect obesity and contribute to diabetes.

£60,000

Two awards to Professor Ian Holt, for research into developing treatments for mitochondrial disorders, carried out at University College London in collaboration with Professor Antonella Spinazzola.

£30,000

Awarded to Professor Mahesh Parmer at the MRC Clinical Trials Unit, to develop innovative trial design studies in neurodegenerative disease.

£21,939

Awarded to the MRC Laboratory of Molecular Biology's Dr Andrew McKenzie, to support the research of Dr Ana Tufegdiz Vidakovicis, investigating how RNA polymerase II responds to DNA damage on the DNA template strand.

£191

Awarded to Professor John Collinge, at the MRC Prion Unit, for conference travel.

New research that we supported



High need,
low research
investment

Eating disorders and self-harm

Four Fellowships funded through a gift in Will from Catherine Evans:

- Dr Zuo Zhang (King's College London) to investigate the risk factors, causes, and interconnections between eating disorders, using machine learning.
- Dr Becky Mars (University of Bristol) to identify predictors and patterns of self-harm thoughts and behaviours.
- Dr Samuel Chawner (Cardiff University) to investigate two rare genetic conditions that are linked with extreme differences in body weight and abnormal eating behaviour.
- Dr Dawn Branley-Bell (Northumbria University) to explore what can be learnt about the causes, prevention and future treatment of eating disorders following the rapid transition to remote care during the COVID-19 pandemic.

£1,143,641

Viral hepatitis

Awarded to Dr Leo Swadling (University College London), a supplement to a fellowship to investigate bioinformatic delineation of the T-cell receptor signature of hepatitis B virus control.

£9,435



Emerging
research
leaders

Pain research

Funded by a gift in Will from Professor Victor Louis Ménage and Mrs Johanna Alicia Ménage, four Emerging Leader's Prizes to scientists in the field of pain research, identified as being potential research leaders of the future:

- Dr Lorenzo Fabrizi (University College London) to understand how the neonatal brain processes pain, and the longer-term impact of pain.
- Dr Annina Schmid (University of Oxford) to examine why some patients with nerve injuries recover whereas others develop persistent pain.
- Dr Franziska Denk (King's College London) to use cell culture models that combine human immune cells with stem-cell derived human nerves.
- Dr Philip Holland (King's College London) to understand why the brain of a migraine patient abnormally processes pain signals during an attack, and how to develop new treatments to reduce the impact of migraine on everyday life.

£200,000

Health research capacity building in Africa

Awarded to the Africa Research Excellence Fund to supplement a programme of Research Development Fellowships for African mid-career scientists.

£24,023



Emerging
research
leaders

Tuberculosis research

Five Dorothy Temple Cross International Tuberculosis Collaboration Grants for research partnerships between Africa-based and UK-based researchers to tackle tuberculosis (TB):

- Dr Sabrina Bakeera-Kitaka (Makerere University, Uganda) and Dr Robindra Basu Roy (London School of Hygiene & Tropical Medicine – LSHTM) to evaluate whether new diagnostic tests can differentiate between samples from children with TB meningitis, and samples from children with other similar illnesses at Mulago National Referral Hospital, Kampala, Uganda.
- Dr Robert Krause (African Health Research Institute, South Africa) and Professor Paul Elkington (University of Southampton) to investigate the role of B cells in the body during TB progression.
- Dr Fatoumatta Darboe (MRC Unit, The Gambia at LSHTM) and Dr Jackie Cliff (LSHTM) to investigate the role of unconventional T cells in the body during TB progression.
- Dr Elizabeth V.M. Kigundu (Kenya Medical Research Institute) and Dr Paul Race (University of Bristol) to investigate new natural drug combinations for the treatment of drug-resistant TB.
- Dr Tariq A. Ganief (University of Cape Town) and Dr Karl Burgess (University of Edinburgh), to guide diagnosis of TB meningitis and develop effective treatment strategies.

£136,951



Changing
policy and
practice

Changing policy and practice

Three awards to support researchers to disseminate their findings beyond the scientific press to people who are able to influence healthcare policy and practice as well as personal life-choices:

- Professor Tazeen Jafar (Duke-NUS Medical School, Singapore) to disseminate the finding that a low-cost community health intervention for lowering blood pressure was more effective than routine care to the general public, health professionals, policymakers, donor agencies, and health ministries.
- Professor Kevin Mortimer (Liverpool School of Tropical Medicine) to disseminate the conclusions of an enhanced asthma care package trial for children in Malawi, to local community leaders, healthcare staff and policy makers.
- Professor Ernestina Coast (London School of Economics and Political Science) to launch a multi-country social media campaign in Zambia, Malawi and Ethiopia using specially designed animations for adolescents, providing tailored information on abortion-related care.

£89,180

Raising funds and awareness

2020/21 was an especially challenging year for fundraising, as in-person events could not take place. Fundraising is critical to our long-term sustainability and we had to try to find new ways to fundraise virtually and took steps to secure our voluntary income for the future – including the launch of a new legacy advertising campaign.

We delivered a comprehensive programme of communications activity linked to the pandemic, key announcements and international awareness days, as well as promoting the activities of our funded researchers. Awareness of the Foundation has grown significantly among our key audiences and we have seen a marked increase in our online following – up 40 per cent, 90 per cent and 200 per cent across Twitter, Facebook and LinkedIn respectively. Traffic to our website has almost doubled, up 84 per cent year-on-year.

An article from our legacy advertising campaign.

AN IMPORTANT MESSAGE FROM PROFESSOR NICK LEMOINE MD PhD FMedSci, CHAIR OF THE MEDICAL RESEARCH FOUNDATION

Gifts in Wills could be the key to protecting the future of human health

Our experience of COVID-19 shows how suddenly a global health challenge can appear. As a member of our medical community, you will understand that while nobody can predict what we will face next, we can be certain that the future will bring many more threats to human health.

Without support at the crucial early stages, researchers like Dr Kafaru can be forced to abandon their passion and leave science altogether, with an immeasurable loss to future human health. Gifts in Wills provide the long term funding and security that allows the Foundation to invest in projects like Dr Kafaru's and by the foundations for quality research in years to come.

As Chair of the Medical Research Foundation – the charitable arm of the Medical Research Council – I have seen the incredible impact that individuals who remember the Foundation in their Wills can have on the future of our health and wellbeing here in the UK. These gifts fund research and researchers which can have far-reaching implications for human health.

With a gift in your Will you can play a key role in providing the science that will protect the health of future generations.

Right now, the Foundation is funding research to tackle antimicrobial resistance, and investing in researchers like Dr Myrini Kafaru – who will make the fight against antimicrobial resistance her life's work.

Without support at the crucial early stages, researchers like Dr Kafaru can be forced to abandon their passion and leave science altogether, with an immeasurable loss to future human health. Gifts in Wills provide the long term funding and security that allows the Foundation to invest in projects like Dr Kafaru's and by the foundations for quality research in years to come.

“As scientists, our duty is to secure the future of research for the generations that follow.”

Professor Nick Lemoine, President of the Medical Research Foundation and Executive Chair of the Medical Research Council.

Your Will can fund the rational response to health challenges that medical science provides. While we don't know what the future holds for human health in the UK, we do know that research, and the brilliant scientists driving that research forward, are the key to meeting those challenges for years to come.

But many of these scientists rely on the generosity and foresight of fellow members of the medical community who understand the power of science and are willing to leave a gift to medical research in their Wills. At the Medical Research Foundation, over 50% of our voluntary income comes from individuals who choose to include a gift in their Will – they are crucial in the Foundation's ability to fund research that will enable the next generation of scientists to make real world discoveries in the future.

I firmly believe that a gift in your Will to the Medical Research Foundation is an excellent investment and will have a lasting impact on science and on the future of human health in the UK.

Please consider this very special gift today.

Nick Lemoine
Professor Nick Lemoine
MD PhD FMedSci
Chair of the Medical Research Foundation

Get your free guide to supporting research in your Will.

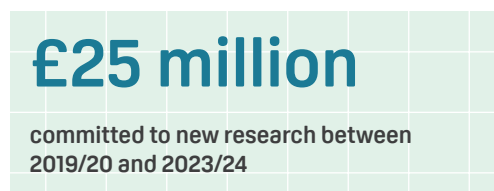
To request your free guide to gifts in Wills fill in this form and return to Freepost, MEDICAL RESEARCH FOUNDATION. You don't need a stamp. OR visit medicalresearchfoundation.org.uk/support-us/wills

Name _____
Address _____ Postcode _____
Email address _____

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Plans for future periods



Funding more research to change lives

Despite the economic impacts of the COVID-19 pandemic, we are committed to delivering our vision of advancing medical research, improving human health and changing people's lives.

This means continuing with the funding commitments set out in our research funding strategy, to invest £25 million in new research between 2019/20 and 2023/24.

In 2021, our Emerging Leaders Prize will celebrate outstanding scientists whose research has made a significant impact in the fight against COVID-19. We will also support new research in much-needed areas of pain,

adolescent skin disorders and adolescent mental health, as well as continuing our support for antimicrobial resistance research.

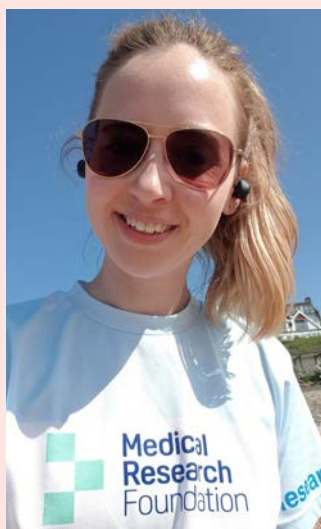
Raising funds and awareness

Gifts in Wills continue to form a significant part of our voluntary income and, to ensure this continues, we are planning to extend our legacy advertising campaign to reach the general public.

We are also seeking to develop relationships with a greater number of corporate partners, expand our Trusts and Foundations fundraising programme, and grow the number of individual donors.

We are continuing to expand our communications offering, while consolidating and refining what we have achieved so far. Among existing audiences, this means deepening their understanding of what we do, while also engaging with audiences beyond those who already know about us.

Thank you to all our supporters and donors



The life-changing research we fund is only possible thanks to the generosity of our supporters and donors. Without them we could not continue to support the UK's next generation of research leaders, who will make a difference to human health for decades to come.

We were fortunate to receive a number of generous donations, including a gift in Will from Margaret McFarlane, as well as in-memory donations from the family and friends of James Ashley, Leonard Baters, Lee Gothard-Smith, Gertrude Graham, Shelley Marie Newton, Peter Sweeting and Brenda Whyte.

Robert Colville continued his remarkable fundraising campaign for autoimmune hepatitis research, in memory of his wife Andrea. An article in *The Sunday Times*, published on the anniversary of Andrea's death, included a fundraising appeal which raised over £3,000.

As always, we are immensely grateful to our friends and colleagues at the MRC for giving us guidance, advice and other pro bono support – particularly as we adapted to new ways of working during the pandemic.

Due to COVID-19 government restrictions, we were unable to organise any face-to-face fundraising events. However, our supporters embraced the 2.6 challenge in May 2020, undertaking a range of creative challenges and raising over £1,100.

We were also delighted to be part of a fundraising campaign by one of Japan's leading banks – Sumitomo Mitsui Banking Corporation (SMBC) – which is helping us support much-needed new research into eating disorders. SMBC and staff in their London office raised more than £8,000 through the 'Give Back – Change Lives' fundraising campaign, which the company set up to support charities that are responding to the COVID-19 pandemic.



Our supporters embracing the 2.6 challenge in May 2020.

ROBERT COLVILLE

My boys got me through the toughest year of my life

Twelve months after his wife's death from liver disease, Robert Colville and his young sons have rebuilt their lives with the help of the in-laws, Paw Patrol and Reigate's answer to Mary Poppins



Robert Colville with Alexander, 22 months, and Edward, 5
JACK HILL/COURTESY OF ROBERT COLVILLE

Robert Colville writing in *The Sunday Times* continued his remarkable fundraising campaign for autoimmune hepatitis research.

Our key linked charities



We are the trustee of 21 linked charities, two of which – the Africa Research Excellence Fund charity (AREF) and the Global Alliance for Chronic Diseases Action charity (GACD) – are outlined below. These small, specialist charities help to fulfil our wider mission of improving human health by targeting their efforts at particular aspects of health research.

Africa Research Excellence Fund (AREF)



Professor Sir Tumani Corrah, an African clinician and scientist, with the Foundation founded AREF in 2015 when he saw how few African health researchers were reaching senior levels, despite there being a wealth of potential scientific talent in Africa.

AREF's mission is to strengthen health research capacity in Africa by tackling some of the barriers that talented African researchers face, so they have greater opportunities to become international research leaders, win competitive funding, and address key health issues in the continent, which faces some of the world's greatest health challenges.

There has never been a time where the global community has better understood how inter-dependent we are on each other to maintain global health. The next pandemic could start in Africa. Strengthening health capacity in Africa helps reduce the burden of disease on the continent, but it does more than this. Improving African research will improve health and save lives in Africa and beyond.

AREF's programmes provide support in areas that African scientists have identified as a priority. This includes grant-writing workshops to win research funding, mentoring, leadership academies and research development fellowships, to support them in their career development and to build their networks in the scientific community.

AREF has supported over 250 of Africa's best and brightest early-career researchers from 31 countries since its inception. The evidence shows it's working, as collectively AREF trainees have been awarded £9.5 million in new grant funding. Over time, the return on AREF's initial investment will continue to grow even more.

In this past year, all programmes have been adapted to virtual format to accommodate ongoing international COVID-19 restrictions.

AREF has supported over

250

of Africa's best and brightest
early-career researchers from

31 countries

since its inception

Building collaborative partnerships

Nurturing the next generation of potential research leaders is central to AREF's work. Their Research Development Fellowships enable early-career postdoctoral researchers to pursue three- to nine-month placements at an overseas research institution of excellence. This strengthens health research capacity in African institutions, by allowing fellows to develop new skills which they then bring back and share in their home institution, while also providing a key stepping-stone for African researchers aspiring to lead new collaborations with researchers from around the world.

This year four promising scientists were awarded joint AREF-EDCTP (European & Developing Countries Clinical Trials Partnership) Research Development Fellowships. A further 15 researchers were selected to receive AREF Fellowships in the next financial year and AREF has worked closely with them to help them navigate the challenges they faced in taking up their Fellowships during the pandemic.

Competing for international research funding

For any scientist, winning competitive research grants, fellowships and awards is vital, yet many African health researchers face barriers in accessing funding and the support required to do so.

AREF's grant-writing workshops enable talented early-career researchers to build skills



to develop their own research and fellowship proposals of the quality required to win competitive international, national and regional funding. 33 new scientific researchers attended these workshops in the year.

Empowering research leaders of the future

Health research leadership is one of AREF's key priorities and with the support of the Robert Bosch Foundation, the AREF Excell Research and Leadership Development programme has transformed the research leadership capabilities of six African partner institutions and their 26 nominated fellows.

This year marked the completion of the leadership workshops, when the last of five workshops was delivered for its 20 developing leaders. A second phase, was launched in June 2020 and was funded for another 15 months to enable partner institutions to cascade, consolidate and embed the knowledge and skills acquired from the first part of the leadership training into their organisations.

AREF delivered a programme of professional development coaching and active learning groups for the 26 fellows and institutional leads virtually throughout 2020-21. In addition, a total of €120,000 was awarded to the six participating African institutions to embed researcher-led projects within each institution specifically designed to address the career development needs of early career researchers within their institutions.

Supporters of capacity building

AREF would like to thank all its donors for their generous support, which provides opportunities to African researchers to make

a real difference to the health issues facing Africa. AREF is supported by the Medical Research Council (MRC), which funds some of its core activities. The MRC continued to provide funding of over £400,000 this year, which is an endorsement of AREF's strategy and achievements and provides the financial core for a strong operational platform on which to sustain AREF's programmes and develop new sources and models of funding.

AREF would like to thank the MRC Unit The Gambia at the London School of Hygiene & Tropical Medicine (LSHTM) for kindly hosting its Africa office.

AREF received an additional €35,394 from the Robert Bosch Stiftung to continue delivering the Excell-2 Leadership and Development Programme.

A supplementary award of £24,023 from the Sir Leonard Roger's Fund for Tropical Medicine Research was made to provide fellowships, mentorships and seed funds to African researchers working on tropical infectious diseases. (This was in addition to a grant of over £1.15 million awarded last year).

A generous contribution of £343,000 was received from a donor who wishes to remain anonymous to support AREF's Research Development Fellowships.

The Eurofins Foundation kindly donated £32,000 to support AREF's Research Development Fellowships.

With the support of donors and friends, AREF is helping to strengthen ground-breaking health research in Africa, for Africa, by Africans.

Our key linked charities



Global Alliance for Chronic Diseases Action (GACD)

In 2019 the Global Alliance for Chronic Diseases (GACD) became formally linked to the Foundation. The GACD's mission is to reduce the burden of chronic non-communicable diseases (NCDs) in low- and middle-income countries (LMICs), and in vulnerable populations in high income countries, by building evidence to inform national and international NCD policies. It focuses on implementation science and unites researchers and policymakers worldwide.



Investing in NCD implementation research

GACD thrives on a mutual interest of international funding agencies, representing over 80 per cent of all public funding for health research worldwide. Over the last 10 years, GACD members have invested over \$223 million into NCD research in more than 70 countries. The COVID-19 pandemic brought with it significant uncertainty, global economic downturn and potential deflection of interest and commitment to this new infection. However, in GACD it was recognised that those living with chronic NCDs were more vulnerable to COVID-19 and at much higher risk of severe disease. The need for evidence-based decision making on prevention and management of NCDs was never stronger.

Therefore in 2020, GACD continued to foster international collaborative science in a call for proposals in cancer prevention. The call timeframe was extended to give greater opportunity for researchers around the world impacted by COVID-19 to submit an application. As a result, application evaluation by the joint peer review panel was only completed in March 2021. Awards however have been agreed and were announced in mid 2021.

Importantly during 2020, the GACD agreed a three-year forward plan to hold future funding calls on an annual basis. Themes for these calls were informed by an independent expert advisory group of science and policy experts who provided recommendations on priority,

tractable, implementation science topics. It is anticipated that these annual calls will increase the profile and momentum of GACD and impact on those living with NCDs around the world.

Global research network and capacity strengthening

In addition to funding impactful health research, GACD provides key networking events and capacity strengthening activities to nurture the field of implementation science amongst the GACD Research Network.

This year the GACD staff team adapted in *real life* activities including the Annual Scientific Meeting 2020 to a virtual event, over four days on a schedule accommodating very different time zones. Despite the pandemic, this attracted good engagement from the GACD Research Network who prepared and shared over forty-eight hours of original video content on NCDs and implementation science.

GACD also held a first virtual Implementation Science School 2020, convening a senior worldwide faculty from the GACD Research Network. 47 enthusiastic, early career scientists (from 119 applicants) participated in the mix of live, recorded and group work sessions. This Class of 2020 continue to come together in quarterly reunion meetings to sustain their learnings.

A new online training platform, the GACD implementation science e-Hub, was developed, piloted and launched in 2020. The e-Hub, overseen by an international advisory group, offers a well curated, self-guided, training programme; a suite of implementation science case studies in NCDs; as well as a hub of relevant resources. The development of the e-Hub, whilst initiated prior to the pandemic, could not have come at a better time to offer an excellent, free, online resource accessible to the global research community.

Impact

GACD launched its first call for proposals a decade ago and in 2020 commissioned an independent review of its impact to date – ‘A decade of GACD’. The report on this activity is due in the middle of 2021.

GACD represents over

80 per cent

of all public research funding in the world and over the last ten years has invested

\$223 million

in NCD research in more than

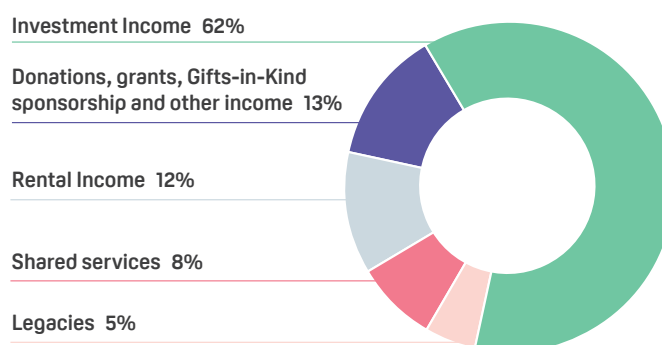
70 countries

Our finances in 2020/21

Income

Consolidated position: Medical Research Foundation and all 21 linked charities

This year's total income of £3.3m is £5.9m less than the prior year (2020: £9.2m).



Medical Research Foundation prior to consolidation with AREF and GACD

This year's total income of £1.9m is £5.4m less than the prior year (2020: £7.3m). The difference can be attributed to a particularly large legacy received by the Medical Research Foundation in 2020 and, in addition, investment income reduced in the year as a result of the pandemic.

Voluntary income is vastly reduced from the prior year. We received £0.1m of legacy income (2020: £5.0m); 2021 was a particularly low year for legacy income whereas 2020 included a particularly large individual legacy of £5m. Legacy income represented 27% (2020: 93%) of £0.4m voluntary income (2020: £5.4m). £0.1m was derived from donations, gift aid and gifts-in-kind (2020: £0.2m) and £0.2m from grants (2020: £0.2m), being an award from the MRC towards office costs.

Income generated from charitable activities includes rental income from our residential property of £0.2m which is consistent with prior year and reflects the lease that is in place (2020: £0.2m).

£0.2m was generated from recharges of shared services to AREF and GACD (2020: £0.1m).

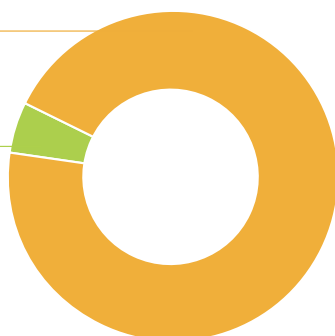
Our investments provided £1.1m of income in 2021, a reduction of £0.5m from the previous year as a result of the economic and regulatory consequences of the pandemic (2020: £1.6m).

However, despite the pandemic, at year-end we had recorded net realised and unrealised gains on our investment assets of £12.9m (2020: £3.1m loss).



Donations & grants 95%

Gifts in Kind and other income including investment and trading 5%



Africa Research Excellence Fund (AREF)

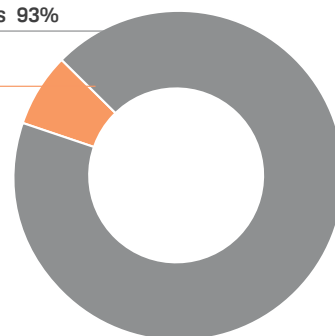
AREF received £0.9m of grant income (2020: £2.1m), of which £0.5m was provided by the MRC towards running costs and workshop activities.

Gifts-in-kind were provided to a value of £44k (2020: £229k); the MRC provided £12k of desk space and IT equipment; £20k was provided by the London School of Hygiene and Tropical Medicine for overheads incurred in hosting AREF's staff at their Africa office; £8k was the value assigned to experts who provided pro-bono support in delivering AREF's workshop programmes; and £4k was provided by various other sources.



Associate Member Contributions 93%

Gifts-in-Kind 7%



Global Alliance for Chronic Diseases (GACD)

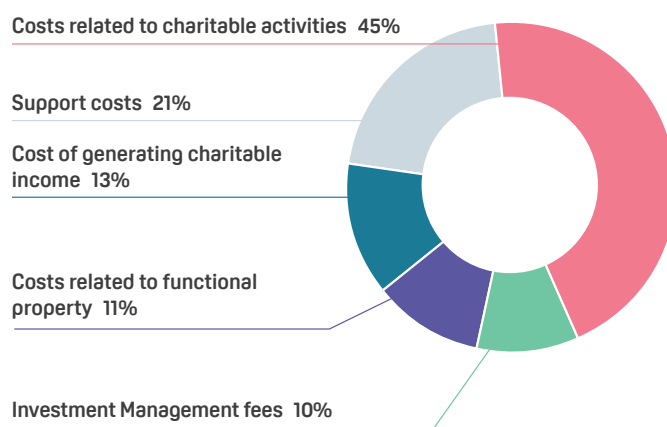
£0.6m of GACD income is from Associate Member contributions, a decrease from the prior year (2020: £0.7m); the key change is that the EU contribution is in the form of a grant which spans more than one year and was recognised fully in the prior period. Gifts-in-kind were provided to a value of £45k (2020: £86k); £10k was provided by Wellcome for office services and £35k was the expenditure incurred by experts in the research network who provided pro-bono support in facilitating programmes and research.

Our finances in 2020/21

Expenditure

Consolidated position: Medical Research Foundation and all 21 linked charities

Total expenditure during the year was £4.1m, a decrease from the previous year (2020: £5.8m).



Medical Research Foundation prior to consolidation with AREF and GACD

Total expenditure during the year was £2.6m, a decrease from the previous year (2020: £5.7m).

Direct expenditure on research activities decreased to £1.2m (2020: £4.3m). Our commitments to grants were reduced by £1.1m, arranged in response to the COVID-19 pandemic when the economic effects of the pandemic on the value of our investments was highly uncertain; £0.8m relates to joint awards with the MRC where the MRC have taken on a greater share of the award and £0.3m relates to savings identified on another research grant. Additionally, we were in a development phase of our planning cycle and were creating future funding calls, which was fortuitous as the pandemic might have reduced numbers of applications from those most impacted (e.g. clinical researchers and scientists with caring responsibilities). £9m of funding calls are planned for 2021/22 as part of the delivery of our Research Strategy to spend £25m on new research over the five-year period to 2023/24. Research awards are expected to average 75% of total expenditure to the end of our current strategic period.

Support costs, including governance costs, were £0.5m (2020: £0.6m) this reduction largely reflects the curtailment of in person activities due to the COVID-19 pandemic, resulting in savings in meeting and travel costs. Functional property costs of £0.3m were in line with the prior year (2020: £0.3m).

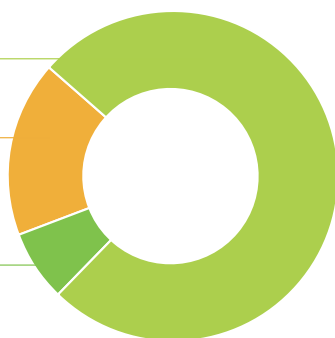
The costs of raising funds was £0.6m (2020: £0.5m). We continued with the implementation of our fundraising and investment strategies and spend included advice on legacy and trusts and foundations campaigns. Investment management fees of £249k were in line with the previous year (2020: £255k), reflecting the portfolio value over the year.



Costs related to charitable activities 76%

Support costs 17%

Cost of generating charitable income 7%



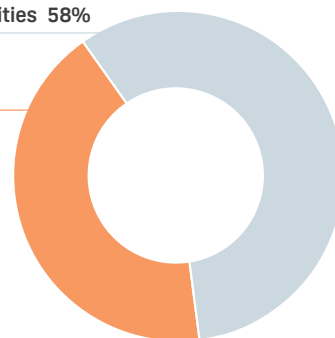
Africa Research Excellence Fund (AREF)

Total expenditure during the year was £1.2m, an increase from the previous year (2020: £0.8m). Direct expenditure on research activities of £0.9m (2020: £0.4m) reflects increased expenditure on new fellowships using funds received in the previous year. Support costs decreased to £0.2m (2020: £0.3m), as a result of staffing changes. The costs of raising funds £0.1m was in line with prior year (2020: £0.1m).



Costs related to charitable activities 58%

Support costs 42%



Global Alliance for Chronic Diseases (GACD)

Total expenditure during the year was £0.5m, in line with the previous year (2020: £0.5m).

Our finances in 2020/21

Investments

Since 2011 Newton Investment Management Ltd have managed a segregated portfolio for the Foundation's main fund; its permanent endowment funds are invested in the Newton Growth and Income Fund for Charities.

Our Investment Committee, set up in 2018, meets quarterly and is refining the investment strategy and overseeing its implementation.

We have an investment policy which aims to provide an annual income sufficient to allow us to achieve our goals of spending more on medical research, whilst preserving the real value of the portfolio over the long term.

We have a benchmark against which our investment managers are monitored, and they were 3.00 percentage points ahead of the benchmark for our main fund and 1.43 percentage points ahead for our permanent endowment fund over the year to 31 March 2021.

The Trustees' powers of investment are derived from the charity's governing documents and in exercising these powers the Trustees have acted in accordance with their duty as set out in the Trustee Act 2007.

The current research funding strategy reflects spend of £25m over a five-year period to 2023/24 and the element to be funded from investment assets will be dependent on investment and voluntary income received over the period that the research commitments are paid out.

Liquidity risk is low as all assets are traded on regulated markets. The ability to buy and sell quoted stocks and equities is expected to continue, and, as such, they could be sold if required. The stocks and equities within the portfolio are mainly traded in markets with good liquidity and high trading volumes. There are no material investment holdings in markets subject to exchange controls or trading restrictions.

During 2019-20, the Foundation entered into a contract agreeing to invest £5m in an infrastructure investment, with the aims of diversifying the portfolio and generating healthy long-term returns. This is an illiquid investment with a long lock-up period. The investment transaction had not yet been made at the balance sheet date; a drawdown request is expected during the 2021-22 period. Despite this new investment, the substantial majority of assets will remain in liquid investments.

Environment, Social and Governance (ESG) Strategy

We seek to maximise the return on our investments, while managing risk and taking into account ethical factors that we believe to be critical to fulfilling our mission to improve human health.

There are some specific global activities that we believe could affect our ability to improve human health, including: i) the manufacture and distribution of tobacco; ii) activities that drive the global climate crisis; iii) weapons that risk indiscriminate and disproportionate harm on civilians during and after conflict e.g. anti-personnel landmines, cluster munitions, chemical, biological and nuclear weapons; and iv) the overuse of antimicrobials (in particular, antibiotics).

We instruct our investment managers to exclude from our investment portfolios stocks in sectors that involve tobacco manufacture and distribution, thermal coal and controversial weapons. We take this 'divestment' approach because we consider investment in these particularly harmful sectors to be entirely inconsistent with our mission.

Where we invest in companies that deal with other fossil fuels (e.g. oil companies), or companies that are at risk of overusing antimicrobials (e.g. food production), we require our investment managers to engage with company management to address these issues and to participate in international initiatives related to these ethical concerns. We allow our managers to invest in these stocks where they will be an important source of income and growth for us, but we require them to use their influence and voting rights to drive improvements in practice that will ultimately benefit human health. This 'stewardship' approach to investment provides the opportunity to influence companies whilst still investing in them. However, we instruct our investment managers to exclude stocks from our portfolio if there is no prospect that engagement will change the company's business model and practices.

When appointing our investment managers, we carefully consider their track record in responsible investing, and we expect them to report regularly on their activities to our Board of Trustees and Investment Committee.

Reserves policy

We take a prudent approach to reserves, to ensure that we can sustain our operations and continue the uninterrupted delivery of our objectives in the event of unpredictable fluctuations in our income or asset values. The COVID-19 pandemic has shown us how quickly and unexpectedly difficulties can arise and, when making multi-year research commitments, the importance of a strong reserves position in safeguarding our ability to make a difference even in hard times. Our reserves policy ensures that if we were to face financial difficulties, we would have time to either recover our position by identifying new income sources, or take a managed approach to decreasing expenditure and adapting to new financial circumstances without impacting immediately on the research that we plan to and already support.

The Trustees review our reserves policy every year and our reserves position each quarter. As at 31 March 2021 the total funds held by the Foundation amounted to £71.2m. Of these funds, £36.8m are unrestricted, £32.1m are restricted and £2.3m are permanent endowments. Within the unrestricted funds there are funds that are designated for particular purposes totalling £19.7m. See note 23 for details of the designated funds. The required reserves at 31 March 2021 were £5.2m which includes two years' operating costs. Free reserves at 31 March 2021 were £9.2m (2020: £8.8m) calculated as unrestricted funds excluding designated funds and fixed assets. The £4.0m difference is a short-term position as we implement our ambitious research funding strategy which will see us spend £25m on new research in a five-year period to 2023/2024. At the end of this period we forecast that any excess reserves will be minimal. The Board has agreed that it is prudent to accept the difference between the available reserves and the required reserves at the current time given uncertainty over future investment income streams and asset values, in particular related to global economic insecurity as a result of the pandemic and our exposure to equities which are more sensitive to global changes than other investments and our current dependency on legacy income which is both volatile and unpredictable.

Our caution has enabled us to continue with business-as-usual in 2020-21, despite the economic impact of COVID-19, and to continue funding more research when most of our peer medical research charities had cut back on their research funding.

Our fundraising strategy is to grow our voluntary income from Trusts and Foundations, Individuals and Corporates, in order to achieve a less volatile and sustainable range of income streams, which will allow us to reduce our reserve levels in the future without placing us and the research that we wish to support at risk.

Going Concern

The Trustees consider it appropriate to adopt the going concern basis in preparing the financial statements. Cash balances are healthy despite the COVID-19 pandemic and there are net assets on the balance sheet of £71.2m (2020: £59.1m). The Foundation has sufficient assets to meet its liabilities as they fall due.

Post balance sheet events

There have been no significant post balance sheet events that have required adjustments to be made to the 2020-21 accounts. However, the economic consequences of the COVID-19 pandemic are expected to lead to reduced investment income in the short term.

In 2021, AREF was incorporated in its own right in order to support its transition towards greater independence, however the Foundation remains the sole Member of the charitable company and AREF remains a linked charity of the Medical Research Foundation. The new structure came into effect from 1 April 2021.

Our structure, governance and management



Medical Research Foundation

Legal entity

The Medical Research Foundation is a company limited by guarantee which was registered in England and Wales on 6 September 2010 (Reg. No. 7366816), and a charity registered in England and Wales on 30 September 2010 (Reg. No. 1138223).

Board of Trustees

The Medical Research Foundation is governed by a Board of Trustees, who for the purposes of the Companies Act 2006, act as Directors of the charitable company. The Board has overall responsibility for the strategy, management and control of the Foundation and its linked charities, with the exception of the Global Alliance for Chronic Diseases (GACD) and the Africa Research Excellence Fund (AREF) which each have its own Board of Trustees.

The Board of Trustees typically meets at least four times each year for regular business and once a year to focus on strategy. To meet business needs during the COVID-19 pandemic, the Board increased its meetings this year to eight, including a strategy meeting.

The Board's committees

The Board has established several committees to support its work:

- A People Committee to oversee the proper administration and review of the terms and conditions of employment, employment-related policies and non-contractual benefits; to evaluate senior executive performance and set remuneration accordingly; to agree changes to all staff pay and rewards; to agree all new posts and to agree all restructuring plans. The Committee is composed of a subset of the Board and is chaired by the Chair of the Board of Trustees.
- An Investment Committee to provide strategic direction and oversight of the organisation's investment assets, to oversee the investment strategy, monitor performance against agreed objectives and periodically review the strategy against agreed objectives. The Committee comprises two Board members and three independent members. David Zahn, a member of the Board of Trustees, chairs the Committee.
- A Supporter Due Diligence Committee which carries out appropriate due diligence on those individuals and organisations that the charities might receive donations from, or work closely with, to ensure that the charities'

funds, assets or reputation are not put at undue risk. The Committee is constituted by a subset of the Board and is chaired by the Chair of the Board of Trustees.

- Expert Review Panels which have authority delegated by the Board to take funding decisions. Expert Review Panels are chaired by non-voting Trustees.

Further details on the membership of the Board Committees can be found on page 75.

Appointment of trustees and committee members

New Trustees and independent committee members of the Foundation are appointed by the Board. Initial appointments are normally for a three-year period. The Articles of Association provide that Trustees may serve up to three terms (each not exceeding three years), as standard, with Trustees serving a fourth or subsequent term in exceptional circumstances.

As at 31 March 2021, the Board was made up of ten Trustees, being the maximum number permissible under the Articles¹. The Board is committed to recruiting individuals with the necessary skills and expertise to progress the aims and objectives of the Foundation and recruitment processes are specific to the vacancy. The MRC makes recommendations for two Trustee positions and such appointments are then made by the Board of Trustees. All other Trustee vacancies are advertised in the national media as well as specialist publications relevant to the expertise being sought. In the 2020/21 year, the Board moved from annually electing its Chair, to an appointment model. Professor Nicholas Lemoine was appointed as the Chair for the remainder of his term of office, to 5 September 2022.

Executive

The Chief Executive assists and advises the Board in all activities and has delegated authority for the implementation of policies and responsibility for the day-to-day management of the Foundation and its linked charities, with the exception of AREF and the GACD which have their own executive.

¹ The minimum number of Trustees is five.



Africa Research Excellence Fund

Legal Entity

Founded in 2015 by the Foundation and Professor Sir Tumani Corrah, AREF was established as a charitable trust with the Foundation serving as its Corporate Trustee. Until 31 March 2021, the Foundation's Board of Trustees retained responsibility for the oversight of AREF's governance and non-programmatic operations, and had delegated authority to a committee, the AREF Strategy Board, to oversee AREF's programmatic strategy and operations. Authority was delegated to Professor Corrah, as AREF's Director, for the implementation of the policies and day-to-day management of the charity.

In 2020, AREF was incorporated in its own right in order to support its transition towards greater independence, however the Foundation remains the sole Member of the charitable company. AREF was registered as a company limited by guarantee in England and Wales on 23 February 2021 (Reg. No. 13219209) and as a charity in England and Wales on 19 March 2021 (Reg. No. 1138223-23). It remains a linked charity of the Medical Research Foundation.

The new structure came into effect from 1 April 2021.

Board of Trustees

AREF will be governed by its own Board of Trustees, who for the purposes of the Companies Act 2006, will also act as Directors of the charitable company. The Board will have overall responsibility for the strategy, management and control of the charitable company. The Board met for the first time on 31 March 2021 in order to accept the transfer of assets and liabilities of the charitable trust from the former Corporate Trustee, and to delegate authority to the Executive for the management of the Charity. In its first year, the Board is scheduled to meet four times.

The Board's committees

AREF has several committees to support the Board's work:

- Programme Strategy Committee: formerly the AREF Strategy Board, the Committee is an advisory body focusing exclusively on AREF's programmatic activities, specifically capacity building in Africa. In June 2021, Professor Corrah succeeded Professor Charles Mgone as the Chair of the Committee.
- Awards Committee: with delegated responsibility for deciding which fellowships to fund, the Awards Committee is made up of members of the Programme Strategy

Committee and AREF's College of Experts. The Awards Committee is overseen by the Programme Strategy Committee.

- Institutional Due Diligence Committee: constituted by two Trustees and two Programme Strategy Committee members, the Committee has delegated responsibility from the Board of Trustees to consider the due diligence on the research institutes to which the Fellowship Awards granted by the Awards Committee are paid. The Committee is chaired by Ratna Kakkar, a member of the Board of Trustees.

In the 2020/21 year, AREF will establish its own Donor Due Diligence Committee. In the interim period, AREF relies upon the expertise of the Foundation's Donor Due Diligence Committee, with Solomon Soquar, an AREF Trustee, serving on the Committee for AREF-related matters.

Appointment of trustees and committee members

AREF's Articles of Association provide that the Board has a minimum of three Trustees, each of whom may serve up to three terms (each not exceeding three years), as standard, with Trustees serving a fourth or subsequent term in exceptional circumstances. As at 31 March 2021, the Board was made up of eight Trustees. Three Trustees have been nominated by the Foundation, as the sole Member. With the exception of one post designated for the Programme Strategy Committee Chair², the remaining Trustee positions were advertised internationally through a wide range of media.

Executive

Alongside the change in AREF's legal structure in 2020, Professor Corrah stepped back from the day-to-day management of the charity. AREF's first Chief Executive was in post 3 May 2021 to 31 August 2021, following which Angela Hind was appointed interim Chief Executive; Dr Hind has stepped down from Trustee duties until a new Chief Executive is appointed. Professor Corrah will continue to serve as a part-time employee of AREF until 4 June 2022, lending his expertise and ambassadorial skills to the charity.

In addition to Professor Corrah, the Chief Executive is assisted by a team based in The Gambia and UK, as well as shared services provided by the Foundation. Professor Corrah, the Chief Executive and the UK-based staff are employees of the Medical Research Foundation and are seconded to work for AREF, while The Gambia-based staff are employed by the MRC Unit The Gambia at the London School of Hygiene and Tropical Medicine (LSHTM) but seconded to work for AREF.

² This trusteeship was held initially by Professor Charles Mgone but will remain vacant until Professor Corrah, who succeeded Professor Mgone as the Programme Strategy Committee Chair, ceases to be an employee. The Programme Strategy Committee does not have any decision-making authority.

Our structure, governance and management



Global Alliance for Chronic Diseases

Legal Entity

GACD is a Charitable Incorporated Organisation (CIO) registered in England and Wales as a linked charity of the Medical Research Foundation (Reg. No. 1138223-22). The Foundation serves as the sole Member of the CIO. The CIO additionally has a non-voting Associate membership, open to public funding bodies, trusts and foundations, and philanthropic organisations involved in the funding of research on chronic noncommunicable diseases. In 2020/21 there were twelve Associate Members.

Board of Trustees

GACD is governed by its own Board of Trustees. The Board is constituted by five Trustees, three of whom are nominated by the Medical Research Foundation, and two who are appointed representatives of the GACD's Associate Members. The Board met quarterly during 2020/21.

The Board's Committees

GACD has several committees to support the Board's work:

- Strategy Board: comprised of senior representatives of the Associate Members and advises on GACD scientific strategy and programmatic activities.
- Strategy Board Executive Committee: acts on behalf of Strategy Board between meetings.
- Programme Subcommittee: oversees the research project life-cycle and advises Strategy Board on implementation of programmatic activities.

Appointment of trustees and committee members

Trustees are appointed for an initial term of three years and are eligible for reappointment.

Executive

GACD's Chief Executive Officer, assisted by a small team based in London, assists and advises the Board of Trustees in all activities, holding delegated authority for the policies and responsibility for day-to-day management of the charity. The GACD staff team are employed by the Medical Research Foundation and are seconded to work for GACD to facilitate the delivery of GACD strategic objectives.

Governance across the charities

The charities' success and competitiveness depends on their ability to embrace diversity and draw on the skills, understanding and experience of all its people. Trustees are committed to promoting equality, diversity and inclusion and to eliminating opportunities for bias. In recruiting to vacancies, the Foundation and its linked charities looks to attract a diverse pool of candidates seeking applications from those characteristics it recognises as being under-represented on the Boards.

Charity Governance Code

The Foundation and its linked charities are committed to the principles of the Charity Governance Code. In 2019/20, the Foundation commissioned an external Board Effectiveness Review in which the charity's governance structures and processes were assessed against the Codes' seven hallmarks of good governance: the auditors found that our governance was of a "very high standard – particularly when considering the size of the organisation"³.

Induction and training of all Trustees

New Trustees across all of the linked charities undertake a comprehensive induction programme. Trustees are expected to abide by the Code of Conduct and act in accordance with the 'Seven Principles of Public Life' (the Nolan Principles). Trustees are provided with opportunities for training in the duties and responsibilities associated with their role. Briefings are provided for all Trustees, where relevant, by either legal advisors, investment managers, accountants or other issue-specific experts.

The Board of Trustees reviews its own effectiveness annually. Individual Trustees meet with the Chair of the Board to discuss and assess personal and whole-Board effectiveness. Trustees review the performance of the Chief Executive annually and professional advisors on a triennial basis.

Declared interests

Trustees, committee and expert review panel members, and executives across all of the linked charities are required to disclose all private, professional or commercial interests that might, or might be perceived to, conflict with the charities' interests, and, in accordance with the charities' policy, withdraw from decisions where a conflict of interest arises. Registers of these declared interests are maintained and are open to public inspection.

3 Review of Governance, Sayer Vincent (published July 2019).

Fundraising

The charities support the independent regulation of fundraising. They participate in and comply with the Fundraising Regulator's voluntary regulation scheme, where appropriate, pay the Fundraising Regulator levy, and adhere to the Fundraising Regulator's good practice guidance in all areas of fundraising. The charities have small fundraising teams and do not use the services of professional external fundraisers or commercial partners. There has been no failure to comply with the Fundraising Regulator's compliance scheme during the year and no complaints have been received about the fundraising. The Board has direct oversight of fundraising activities; it considers six-monthly reports on fundraising and approves all new approaches. The charities have Safeguarding policies in place to protect anyone who comes into contact with them including vulnerable people and other members of the public who may be contacted for fundraising purposes.

Risk management

The charities pay due regard to the management of risk. They have in place systems of internal control designed to manage the risk of failure to achieve policies, aims and objectives; these systems provide reasonable assurance of effectiveness. Major risks are considered to be those that have a high likelihood of occurring and would, if they occurred, have a severe impact on operational performance, achievement of aims and objectives or could damage the reputation of the charity. The risks associated with new activities are considered, assessed and mitigated as part of the business case for the new activity. The Trustees of each respective charity review all major risks on a quarterly basis, together with all investment-related risks.

Each of the charities' Boards of Trustees, consider that the greatest risks they face are a loss of income. For the Foundation, this includes both legacy income and investment income. There is a robust Fundraising Strategy in place to secure future charitable income, and an Investment Strategy which is overseen by our Investment Committee.

The potential additional cost of funding extensions to existing grants, as a result of research being halted during lockdowns, could impact on the ability to fund new research.

For AREF, the UK Government's planned Official Development Assistance (ODA) cuts will impact upon the institutes AREF contracts with to provide training services and has resulted in a major contract being postponed.

The international economic downturn and potential diversion of public funds to address the COVID-19 pandemic are expected to impact upon the level of research investment of the Associate Members, who fund GACD and its work.

Key management personnel remuneration policy

Trustees and independent committee members give their time freely and there is no remuneration. Reasonable travel expenses are reimbursed.

The People Committee considers the pay for new or changed executive posts and makes recommendations to the Board for approval. Decisions on pay for new or changed posts below the executive band, are delegated to the Foundation's CEO.

Relationships with other organisations

The charities cooperate with the MRC and other national and international medical research funders in order to achieve its objectives.

Funds held as Custodian Trustee on behalf of others

Neither the Medical Research Foundation, nor its linked charities, hold funds as Custodian Trustee on behalf of others.

Third party indemnity provisions

The charities have purchased professional indemnity insurance policies which indemnifies themselves, their trustees and employees against any loss arising from a wrongful act on their part.

Financial instruments

The Medical Research Foundation's investment policy permits the use of derivatives and forward currency transactions, but none were used in the period.

Research and development

The Medical Research Foundation funds research and development but does not directly take part in any such activities. AREF provides research training and funds research in order to meet its charitable objectives. GACD coordinates and facilitates research collaboration into chronic diseases between low-, middle- and high-income countries and funds networking and capacity building activities.

External audit

Crowe U.K. LLP was reappointed as auditor during the year, having expressed willingness to continue in office, will be deemed to be appointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Companies Act 2006.



Statement of Trustees' responsibilities

The Trustees, who are also directors of the Medical Research Foundation 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards). Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including 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 Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the on-going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any one time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have each taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



Professor Nicholas Lemoine
Chair of the Board of Trustees
15 September 2021

Independent auditor's report to the members of Medical Research Foundation

Opinion

We have audited the financial statements of Medical Research Foundation ('the charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 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.

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 financial statements 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 charitable company'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 contained within the annual report. The other information comprises the information included in the annual report, 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; 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 set out on page 43, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Taxation legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Board of Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
27 October 2021

Statement of financial activities

(incorporating consolidated income and expenditure account)

Year ended 31 March 2021

	Note	2021 Unrestricted funds £000	2021 Restricted funds £000	2021 Endowment funds £000	2021 Total £000	2020 Total £000
Income from:						
Donations and legacies	2	178	1,165	-	1,343	6,886
Charitable activities	3	214	595	-	809	713
Investments	4	640	513	-	1,153	1,610
Trading activities		-	1	-	1	14
Other income		1	-		1	3
Total income and endowments		1,033	2,274	-	3,307	9,226
Expenditure on:						
Raising funds	5	(463)	(191)	-	(654)	(556)
Charitable activities	6	(1,379)	(2,057)	-	(3,436)	(5,266)
Total expenditure		(1,842)	(2,248)	-	(4,090)	(5,822)
Net gains / (losses) on investments assets	15	7,157	5,299	406	12,862	(3,102)
Net income/(expenditure)		6,348	5,325	406	12,079	302
Transfers between funds		2	(2)	-	-	-
Net movement in funds	23	6,350	5,323	406	12,079	302
Reconciliation of funds:						
Total funds brought forward	23	30,466	26,772	1,906	59,144	58,842
Total funds carried forward	23	36,816	32,095	2,312	71,223	59,144

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year and reflects the consolidated position for the Medical Research Foundation and its linked charities, including AREF and GACD. See note 24 for statements of financial activities for AREF and GACD.

The notes on pages 49 to 74 form part of these financial statements.

Balance sheet

Year ended 31 March 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible fixed assets	14	7,921	8,066
Investment securities	15	60,345	51,509
		68,266	59,575
Current assets			
Debtors	16	542	617
Short-term deposits		11,163	7,655
Cash at bank and in hand		3,754	3,796
		15,459	12,068
Creditors: amounts falling due within one year	18	(9,314)	(7,770)
Net current assets		6,145	4,298
Total assets less current liabilities		74,411	63,873
Creditors: amounts falling due after more than one year	19	(3,188)	(4,729)
Net assets		71,223	59,144
Charity Funds			
Permanent endowment funds	23, 25	2,312	1,906
Restricted funds	23, 25	32,095	26,772
Unrestricted funds	23, 25	36,816	30,466
Total charity funds	23, 25	71,223	59,144

The financial statements were approved and authorised for issue by the Board on 15 September 2021.
Signed on behalf of the board of trustees



Professor Nicholas Lemoine
Chair of the Board of Trustees
15 September 2021

The notes on pages 49 to 74 form part of these financial statements.
Company registration number: 7366816

Statement of cash flows

Year ended 31 March 2021

	Note	2021 £000	2020 £000
Cash flow (used in) / provided by operating activities	26	(1,712)	2,725
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	(6)
Payments to acquire investments	15	(1,096)	(5,909)
Receipts from sales of investments	15	5,122	6,907
Dividends, interest and rents received from investments	4	1,152	1,610
Net cash flow provided by / (used in) investing activities		5,178	2,602
Change in cash and cash equivalents in the year		3,466	5,327
Cash and cash equivalents at 1 April		11,451	6,124
Cash and cash equivalents at 31 March		14,917	11,451
Cash and cash equivalents consist of:			
Cash at bank and in hand		3,754	3,796
Short-term deposits		11,163	7,655
Cash and cash equivalents at 31 March		14,917	11,451

Notes to the financial statements

Year ended 31 March 2021

1 Summary of significant accounting policies

a) General information and basis of preparation

The Medical Research Foundation is an incorporated charity (charity registration number 1138223), limited by guarantee in England and Wales (company registration number 7366816). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is at 49-51 East Road, London N1 6AH. The nature of the charity's operations and principal activities are described on page 11.

The charity has one subsidiary, Africa Research Excellence Fund, registered number 13219209 which was incorporated on 23 February 2021. The subsidiary was dormant in the period to 31 March 2021 and so consolidated accounts have not been prepared.

The charity constitutes a public benefit entity as defined by FRS 102. 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 UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The Trustees consider that there are no material uncertainties regarding the ability of the Medical Research Foundation to continue as a going concern. The Trustees are satisfied that the Foundation has sufficient reserves and liquidity within the investment portfolio to continue as a going concern for the next 12 months from the date of approval of these financial statements. Assets within the investment portfolio can be liquidated to meet short term requirements. Cash flow and net asset forecasts are regularly prepared, taking into consideration expectations of dividend income and investment gains. The Foundation sets research funding strategies to ensure they remain within anticipated budgets. The Trustees are satisfied that the Foundation's ability to continue operating throughout COVID-19 with minimal disruption to operations, and that the Foundation's capacity to continue as a going concern will not be affected under the current pandemic scenario.

The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £000.

The key areas of estimation and judgement used in the

preparation of the financial statements relate to recognition of income, recognition of grants payable, cost allocation and the useful life of tangible fixed assets. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Funds

Permanent Endowment funds represent capital gifts to the charities for specified areas of medical research or associated activity. The terms imposed by the donors determine how the income generated by the capital may be used. The capital element of the permanent endowment funds is ring-fenced and remains within the endowment fund. Details of each fund can be found in the notes to the financial statements.

Restricted funds are for areas of medical research or associated activity specified by the donors. Income generated from the assets held in these funds is legally subject to the same restrictions as the original income. Details of each restricted fund can be found in the notes to the financial statements.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charities and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular charitable purposes. The intended use of each designated fund is set out in the notes to the financial statements.

c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Grants receivable are included in the accounts when the charity is entitled to the income, there is adequate probability of receipt and the amount can be quantified with reasonable accuracy. Grants received for a specific purpose are accounted for as restricted funds

Income from donations is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Notes to the financial statements

Year ended 31 March 2021

Fixed asset gifts-in-kind are recognised when receivable and are recognised at fair value.

Legacy income is recognised when the charity becomes aware that probate has been granted, there are sufficient assets in the estate to pay the legacy and that any conditions attached to the legacy are either in control of the charity or have already been met. On occasion legacies will be notified where it is not possible to measure the amount expected to be distributed with sufficient reliability. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. Investment income and the surplus or deficit arising from the sale or revaluation of assets, is allocated to the funds in proportion to the value of each fund, as at the balance sheet date and appropriate intermediate dates.

Associate Member contributions are included in the accounts when the charity is entitled to the income, there is adequate probability of receipt and the amount can be quantified with reasonable accuracy.

d) Expenditure recognition

Commitment accounting is employed. All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the direct cost of advertising, fundraising consultants and investment manager's fees;
- Expenditure on charitable activities is determined by the aims of the charity. Research costs, equipment, dissemination and travel grants, fellowships, studentships and scholarships, and the costs associated with reviewing, awarding and managing them, are charged when the obligation to pay arises i.e. the full amount of the grant is accrued when a commitment is made. This category also includes the costs of workshops, events and other capacity building activities and the costs of maintaining the functional property used to facilitate medical research; these are charged as they arise. These costs also include donated services and facilities (gifts-in-kind); and,
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office and governance costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. All support costs have been allocated on the basis of actual usage.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 7.

During the year the trustees have reviewed the basis for allocation of support costs between activities. The prior year figures have been restated for comparability purposes.

f) Tangible fixed assets – Functional property and equipment

Property and equipment fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the values of the properties, less their estimated residual value, over their expected useful lives at the following effective rates:

- Freehold buildings – 2% per annum on the straight-line basis.
- Freehold improvements – 5% per annum on the straight-line basis.
- General office equipment – 12.5% per annum on the straight-line basis.
- Computer and electronic equipment – 33.3% per annum on the straight-line basis.

The accounting policies allow for freehold buildings to depreciate over a 50-year period on a straight-line basis. For the first four years since valuation this depreciation rate was applied to the combined value of freehold land and freehold buildings. From 1 April 2018, land has been excluded and the freehold buildings net book value at that day is being depreciated over a 46-year period on a straight-line basis.

Items under £1,000 are not capitalised.

g) Tangible fixed assets – Investments securities

Publicly traded investments, or those where fair value can otherwise be measured reliably, are measured at fair value at each balance sheet date, with changes in fair value recognised in 'net gains/(losses) on investments' in the SoFA. Other investments are measured at cost less impairment.

Current asset investments are short-term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

h) Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

i) Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method.

j) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount

of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the relevant expenditure heading in the SoFA.

k) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

l) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

m) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

n) Prior year adjustment

During the year management identified that: (i) a small number of historic donations recorded as designated should have been recorded as restricted; (ii) the designation, by the Board of Trustees, of an unrestricted legacy had not been recorded in the accounts; and (iii) four funds categorised as designated should have been categorised as restricted. Given the material nature of the adjustments, the prior period brought forward figures have been adjusted.

	General Fund	Designated Funds	Designated Funds	Permanent Endowment Funds	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2019 as previously stated	16,169	13,294	23,264	6,115	58,842
Donation reclassification		(131)	131		
Legacy designation	(2,279)	2,279			
Fund reclassification		(345)	345		
Balance at 1 April 2019 restated	13,890	15,097	23,740	6,115	58,842

Notes to the financial statements

Year ended 31 March 2021

2 Income from donations, grants and legacies

	2021 £000	2020 £000
Legacies	92	5,034
Grants	1,006	1,319
Donations	114	210
Gifts-in-kind income	131	323
	1,343	6,886

Income from donations, grants and legacies was £1,343,000 (2020: £6,886,000) of which £nil (2020: £nil) was attributable to permanent endowments, £1,165,000 (2020: £1,788,000) was attributable to restricted funds and £178,000 (2020: £5,098,000) was attributable to unrestricted funds.

Gifts-in-kind income represents the total costs borne by other organisations on behalf of the charities and is all attributable to charitable activities. The Medical Research Council provided the largest single source of the gifts-in-kind received across AREF and the Medical Research Foundation. The Wellcome Trust provided the largest single source of gifts-in-kind received by GACD including office accommodation. These free facilities and services are recorded as voluntary income in the SOFA and are also recorded as expenditure. They are apportioned to charitable activities.

Government grants of £2,000 were received in the year through the Coronavirus Job Retention Scheme (2020: £nil).

3 Income from charitable activities

	2021 £000	2020 £000
Rental income from functional assets	214	208
Associate Member contributions	595	505
	809	713

Income from charitable activities was £809,000 (2020: £713,000) of which £214,000 (2020: £208,000) was attributable to unrestricted funds, £595,000 (2020: £505,000) was attributable to restricted funds and £nil (2020: £nil) to permanent endowments.

The total commercial market rent that could be achieved on the functional property is estimated to be £277,000 (2020: £285,000). The amount of rental income receivable is as shown. The rental income benefited the Medical Research Foundation only.

Associate member contributions benefitted GACD only.

4 Income from investments

	2021 £000	2020 £000
Dividends – equities	1,149	1,595
Interest – deposits	4	15
	1,153	1,610

Income from investments was £1,153,000 (2020: £1,610,000) of which £nil (2020: £nil) was attributable to permanent endowments, £513,000 (2020: £732,000) was attributable to restricted funds and £640,000 (2020: £878,000) was attributable to unrestricted funds. Dividend income benefitted the Medical Research Foundation only.

5 Costs of raising funds

	2021 £000	2020 £000
Costs of raising voluntary income:		
Staff costs	219	159
Other direct costs	162	119
Allocated support costs	15	15
Costs of investment management:		
Investment management fees	249	255
Allocated support costs	9	8
	654	556

Costs of raising funds was £654,000 (2020: £556,000) of which £nil (2020: £nil) was attributable to permanent endowment funds, £191,000 (2020: £179,000) was attributable to restricted funds and £463,000 (2020: £377,000) was attributable to unrestricted funds.

No investment manager fees have been charged to the AREF or GACD.

Notes to the financial statements

Year ended 31 March 2021

6 Analysis of expenditure on charitable activities

	Costs related to charitable activities	Allocated support costs	Costs related to functional property	2021 Total	2020 Total
	£000	£000	£000	£000	£000
Medical research (MRF)	1,107	453	281	1,841	4,085
Research capacity in Africa (AREF)	924	202	-	1,126	711
Research capacity and coordination for non-communicable diseases (GACD)	274	195	-	469	470
	2,305	850	281	3,436	5,266

Expenditure on charitable activities was £3,436,000 (2020: £5,266,000) of which £nil (2020: £nil) was attributable to permanent endowment funds, £2,057,000 (2020: £2,664,000) was attributable to restricted funds (including AREF and GACD) and £1,379,000 (2020: £2,602,000) was attributable to unrestricted funds.

Costs related to charitable activities is comprised as follows:

	2021 £000	2020 £000
Medical research (MRF):		
Grants to Institutions and Individuals (see note 9)	826	2,992
Other Activities	26	14
Staff costs	255	183
Research capacity in Africa (AREF):		
Grants (see note 9)	700	157
Other Activities	63	163
Staff costs	161	59
Research capacity and coordination for non-communicable diseases (GACD):		
Activities	119	44
Staff costs	155	155
	2,305	3,767

7 Allocation of support costs

Support costs	Medical research (MRF)	Research capacity in Africa (AREF)	Research capacity and coordination for non-communicable diseases (GACD)	2021 Total	2020 Total
	£000	£000	£000	£000	£000
Governance (see note 8)	44	23	2	69	106
Derived from gifts-in-kind	41	44	45	130	322
Human resources	345	131	144	620	634
Office and administrative costs	47	4	4	55	161
Total	477	202	195	874	1,223
Attributable to:					
Charitable activities	453	202	195	850	1,200
Raising funds:					
Costs of raising voluntary income	15			15	15
Costs of investment management	9	-	-	9	8
Total	477	202	195	874	1,223

Basis of allocation:

Governance	Actual usage
Derived from gifts-in-kind income	Actual usage
Human resources	Actual usage
Office and administrative costs	Actual usage

8 Governance costs

	2021 £000	2020 £000
Auditor's current year remuneration	21	21
Auditor's prior year fees under accrual	-	2
Legal fees	33	35
Other direct governance costs	15	48
Total	69	106

Notes to the financial statements

Year ended 31 March 2021

9 Analysis of grants

	Grants to institutions £000	Grants to individuals £000	2021 Total £000	2020 Total £000
Medical research	2,013	-	2,013	2,992
Research capacity in Africa	800	-	800	157
	2,813	-	2,813	3,149

The 27 new medical research awards made by the Medical Research Foundation excludes an award to AREF from the Sir Leonard Rogers Tropical Medicine Fund linked charity for £24k which is removed on consolidation.

The 46 new Research Capacity in Africa awards made by AREF include three awards totalling £55k which were transferred to new institutions and matched by cancelled awards to the previous institutions.

Grants to individuals amounted to nil (2020: £98,000).

Of the total grants awarded during the year to institutions, £nil related to grants made from unrestricted funds (2020: £217,000), £847,000 related to grants made from designated funds (2020: £1,211,000) and £1,966,000 related to grants made from restricted funds (2020: £1,624,000).

	Number £000	Total 2021 £000	Total 2020 £000
Medical Research			
Duke-NUS Medical School, Singapore	1	30	
Imperial College London, UK	1	71	401
Kings College London, UK	3	322	
Liverpool School of Tropical Medicine, UK	1	30	
London School of Economics, UK	1	29	
London School of Hygiene & Tropical Medicine, UK	2	60	
MRC Clinical Trials Unit at University College London, UK	1	30	
MRC Laboratory of Molecular Biology, UK	2	122	414
MRC Mitochondrial Biology Unit, UK			10
MRC Prion Unit at University College London, UK	1	0	
Quadram Institute Bioscience, UK			5
Queen Mary University of London, UK			308
St Georges University London, UK			299
The Francis Crick Institute, UK			7
UK Dementia Research Institute Edinburgh Centre, UK			1
University College London, UK	4	169	492
University of Birmingham, UK			614
University of Bristol, UK	2	320	
University of Cambridge, UK			304
University of Cardiff, UK	1	290	
University of Edinburgh, UK	1	22	
University of Exeter Medical School, UK			30
University of Glasgow Caledonian, UK			297
University of Leeds, UK	1	70	7
University of Manchester Metropolitan, UK			1
University of Northumbria, UK	1	258	
University of Oxford, UK	1	80	8
University of Southampton, UK	1	30	
Veneto Institute of Molecular Medicine, Italy	2	82	
Less grant commitments no longer required		(1,188)	(305)
Total	27	825	2,894

	Number £000	Total 2021 £000	Total 2020 £000
Research Capacity in Africa			
African Institute for Mathematical Sciences (AIMS), Rwanda	1	30	
African Population & Health Research Centre, Kenya	1	17	
Armauer Hansen Research Institute, Ethiopia	1	15	
Botswana-Harvard AIDS Institute, Botswana	1	36	5
Bowen University Iwo, Osun State, Nigeria	1	5	
Centre of Excellence in Reproductive Health Innovation, Nigeria	1	17	
Centre Suisse de Recherches Scientifiques en Cote d'Ivoire, Ivory Coast			9
Ifakara Health Institute, Tanzania	2	21	
Imperial College London, UK	2	40	
Institute of Human Virology, Nigeria	1	3	
Institute of Molecular, Cell and System Biology, University of Glasgow, UK			31
Interdisciplinary Center for Medical Research, Gabon	1	25	
Jomo Kenyatta University of Agriculture & Technology, Kenya			30
Kenya Medical Research Institute, Kenya	1	17	
Kumasi Centre for Collaborative Research in Tropical Medicine, Ghana	1	17	
Lambaréné Medical Research Center, Gabon	1	7	
Liverpool School of Tropical Medicine, UK	1	14	
London School of Hygiene & Tropical Medicine, UK	1	34	
Makerere University School of Public Health, Uganda	2	18	
Masinde Muliro University of Science and Technology, Kenya	1	5	
Michael Okpara University of Agriculture Umudike, Nigeria	1	4	
Moi University, Kenya	1	20	
MRC Unit The Gambia at London School of Hygiene & Tropical Medicine, Gambia	5	140	
Nigerian Institute of Medical Research, Nigeria	1	4	
Nnamdi Azikiwe University, Nigeria	1	3	
Nottingham Trent University, UK	1	29	
Obafemi Awolowo University, Nigeria	1	5	
Swiss Tropical & Public Health Institute, Switzerland			31
Technical University of Munich, Germany	1	30	
Uganda Virus Research Institute, Uganda	2	18	
University College London, UK	1	37	
University of Cambridge, UK	2	51	
University of Cape Town, South Africa	2	29	10
University of Jos, Africa Centre of Excellence in Phytomedicine R&D, Nigeria			10
University of Lagos, Nigeria	1	4	
University of Leeds, UK	1	33	
University of Oslo, Norway	1	28	
University of Science and Technology of Masuku, Gabon	1	4	
University of the Witwatersrand, South Africa	1	33	36
University of Zimbabwe, Zimbabwe	1	5	
Vitrome Unit at the Research Institute for Development, Senegal	1	5	
Less grant commitments no longer required		(100)	(5)
Total	46	700	157
Grand Total	73	1,525	3,052

Notes to the financial statements

Year ended 31 March 2019

10 Net Income / (expenditure) for the year

Net income / (expenditure) is stated after charging/ (crediting):	2021 £000	2020 £000
Depreciation of tangible fixed assets	145	145
(Profit) / Loss on fair value movement of investments	(12,862)	3,102

11 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £21,000 (2020: £21,000). No other services were provided.

12 Staff costs

Staff costs for persons employed by the Medical Research Foundation, including those employed on behalf of the linked charities, during the year were as follows:

	2021 £000	2020 £000
Wages and salaries	1,108	906
Social security costs	121	94
Pension costs	116	96
	1,345	1,096

Total redundancy and termination payments for the year ending 31 March 2021 were £nil (2020: £5,000).

These costs include some AREF staff employed in the period by the London School of Hygiene and Tropical Medicine and seconded to AREF. In the prior year 2020, the MRC supported AREF by meeting the cost of £115k of salaries excluded from the table above.

The average number of persons employed by the charity during the year was as follows:

	2021	2020
Medical research (MRF)	5.6	3.9
Corporate functions (MRF)	7.4	6.6
Fundraising (MRF)	3.1	2.5
Research capacity in Africa (AREF)	2.1	1.9
Research capacity and coordination for non-communicable diseases (GACD)	4.6	4.2
	22.8	19.1

The total amount of employee benefits received by key management personnel during the year was £333k (2020: £331k). The Medical Research Foundation considers its key management personnel to comprise of the CEO. Key management personnel in the linked charities comprise of the Director of AREF and CEO of GACD.

Employees whose annual emoluments for the year fell within the following bands:

	Medical Research Foundation		AREF		GACD	
	2021	2020	2021	2020	2021	2020
£60,000 – £70,000	-	-	-	-	1	-
£90,000 – £100,000	-	-	1	-	-	-
£100,000 – £110,000	1	-	-	-	-	-
£110,001 – £120,000	-	1	-	-	-	-
£140,001 – £150,000	-	-	-	1	-	-

In the prior year 2020 the Medical Research Foundation's CEO emoluments were temporarily increased for several months within the period to reflect substantial additional work taken on as interim GACD CEO. This short-term increase is reflected in the band table for 2020.

13 Trustees' remuneration and expenses

No trustee received or waived remuneration during the current or previous period. The following trustees' expenses were reimbursed or paid directly on their behalf during the year:

	2021 Number	2020 Number	2021 £000	2020 £000
Travel, Subsistence and Accommodation	0	9	0	1

No expenses were paid directly to third parties.

14 Tangible fixed assets

	Freehold Land and buildings £000	Freehold Improvements £000	Office Equipment £000	Total £000
Cost				
At 1 April 2020	7,300	1,798	36	9,134
Additions	-	-	-	-
At 31 March 2021	7,300	1,798	36	9,134
Depreciation				
At 1 April 2020	(686)	(372)	(10)	(1,068)
Charge for the year	(51)	(89)	(5)	(145)
At 31 March 2021	(737)	(461)	(15)	(1,213)
Net book value:				
At 31 March 2021	6,563	1,337	21	7,921
At 31 March 2020	6,614	1,426	26	8,066

Included in freehold land and buildings is land valued at £4,380,000 which is not depreciated.

Notes to the financial statements

Year ended 31 March 2021

14 Tangible fixed assets (continued)

The net book value of land and buildings comprised:

	2021 £000	2020 £000
Cost		
Freehold	7,300	7,300
Depreciation:		
Charge for the year	(737)	(686)
Net book value	6,563	6,614

The Medical Research Foundation holds the following property:

15 Akenside Road ("Perrin Lodge"), Hampstead, London

Perrin Lodge is a freehold property built in the late 1960's using charitable funds. It consists of 14 self-contained flats which are leased to the Francis Crick Institute and are used to house medical researchers with the aim of facilitating collaborative research and skill sharing. It was valued at 1 April 2014 by Powis Hughes Chartered Surveyor at £7,300,000, which was considered to be the deemed cost on conversion to the 2015 Charities' Statement of Accounting Practice.

15 Fixed asset investments

	Listed investments 2021 £000	Listed investments 2020 £000
Market value		
At 1 April 2020	51,509	55,609
Additions	1,096	5,909
Disposals	(5,122)	(6,907)
Net unrealised and realised gains and losses	12,862	(3,102)
At 31 March 2021	60,345	51,509
Carrying amount: At 31 March 2021	60,345	51,509
At 31 March 2020	51,509	55,609

Investments at fair value comprise:

	2021 £000	2020 £000
UK equities	17,123	12,789
Overseas equities	36,892	23,100
Fixed interest securities	3,719	10,279
Cash within investment portfolio	1,985	4,057
Property	626	1,284
	60,345	51,509

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

Newton Investment Management Ltd (Newton) manage a segregated portfolio for the Medical Research Foundation's main fund; the permanent endowment funds are invested in the Newton Growth and Income Fund for Charities. Newton make the portfolio investment decisions and their performance relative to the agreed benchmark is monitored. Bank of New York Mellon are the custodians.

The Medical Research Foundation entered into a contract in the 2020 period agreeing to invest £5 million in an infrastructure investment with IFM Investors (IFM). The investment transaction had not yet been made at the balance sheet date; a drawdown request is expected from IFM during the 2021-2022 period.

16 Debtors

	2021 £000	2020 £000
Other Debtors	221	158
Prepayment and accrued income	321	459
	542	617

17 Lessor

The Medical Research Foundation's freehold property is leased out under a non-cancellable operating lease for the following future minimum lease payments. There is no contingent rent.

Not later than 1 year	£212k
Later than 1 year but not later than 5 years	£795k
Later than 5 years	£nil

The lease is dated 29 December 2015 and the contractual term ends 28 December 2025. The break date was 29 December 2020 but no break occurred.

18 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Grant commitments not yet invoiced	8,006	7,012
Accruals and other creditors	1,251	709
Audit fees	15	21
Tax and social security	42	28
	9,314	7,770

Within Accruals and Other Creditors are £994k (2020: £434k) of invoices received relating to grant commitments.

Notes to the financial statements

Year ended 31 March 2021

19 Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Grant Commitments	3,187	4,729

20 Grants payable

	Under 1 year £000	Over 1 year £000	Total £000
At 1 April 2020	7,012	4,729	11,741
Grants no longer required	(1,289)	-	(1,289)
Amounts paid during the year	(1,077)	-	(1,077)
Grant invoices received in the year, paid after year end	(994)	-	(994)
Grants committed in the year	1,770	1,043	2,813
Transfer between categories	2,584	(2,584)	-
At 31 March 2021	8,006	3,188	11,194
At 1 April 2019	6,070	5,360	11,430
Grants no longer required	(309)	-	(309)
Amounts paid during the year	(2,405)	-	(2,405)
Grant invoices received in the year, paid after year end	(434)	-	(434)
Grants committed in the year	1,701	1,758	3,459
Transfer between categories	2,389	(2,389)	-
At 31 March 2020	7,012	4,729	11,741

'Grant invoices received in the year, paid after year end' are included in 'Accruals and other creditors' as shown in Note 18.

21 Provisions for liabilities

The Medical Research Foundation has no provisions for liabilities at 31 March 2021 (2020: £nil).

22 Contingent liabilities/assets

The Medical Research Foundation has no contingent assets or liabilities at 31 March 2021 (2020: £nil).

23 Funds movement

	Balance at 31 March 2020 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (losses) £000	Balance at 31 March 2021 £000
Unrestricted Funds						
General Purpose Research Fund	16,886	689	(934)	(3,711)	4,188	17,117
Designated Funds						
Balzan Prize (Meade Research Fund)	113	2	(1)	-	27	142
Descartes Prize Fund (Holt)	215	-	(60)	-	-	155
Diagnostic Techniques Research Fund	682	14	(5)	-	162	853
Emerging Leaders Prize Fund	1,397	28	(212)	-	314	1,527
Eye Diseases Research Fund	941	20	(7)	-	223	1,177
Herrick Lupus Erythematosus Prize Fund	341	7	(3)	-	81	427
Hodgkin's Disease Research Fund	129	3	(1)	70	32	233
Horlock Travel Bursary Research Fund	58	1	0	-	14	74
Human Movement and Balance Research Fund	198	4	(1)	-	47	248
Jeantet Prize Fund (Skehel)	70	1	(1)	-	17	87
Jeantet Prize Fund (Unwin)	260	5	(102)	-	59	222
Kathleen Goff Training Fund	3,050	64	(24)	-	724	3,815
Leukaemia Research Fund	348	7	(2)	-	83	435
Mental Health Research Fund	2,293	30	(347)	13	241	2,231
MRC Biostatistics Unit Research Fund	64	1	(0)	-	15	81
MRC Clinical Trials Unit Research Fund	154	3	(31)	-	36	161
MRC Institute of Hearing Research General Research Fund	321	7	2	-	77	406
MRC Institute of Hearing Research Stuart Gray Fund	479	10	(3)	-	114	599
MRC LMB BIORAD Visiting Fellows Research Fund	387	8	(3)	-	92	484
MRC LMB General Purposes Research Fund	49	1	(0)	-	12	61
MRC LMB Techne Fund	422	9	(3)	-	100	528
MRC LMB Yamanouchi Research Fund	76	2	(1)	-	18	95
MRC LMS General Research Fund	89	2	(1)	-	21	111
MRC NIMR General Purposes Research Fund	190	4	(1)	-	45	237
MRC NIMR Robinson Research Fund	214	5	(2)	-	51	268
MRC Toxicology Unit Research Fund	39	2	45	-	19	104
Nutrition Research Fund	189	4	(1)	-	45	236
Pain Research Fund	-	6	(5)	1,500	39	1,541
Rosa Beddington Research Fund	575	12	(0)	-	137	724
Skin Disorders Research Fund	-	9	(7)	2,130	56	2,188
Other Research Funds	237	72	(130)	-	68	249
Total Designated Funds	13,580	343	(906)	3,713	2,969	19,699
Total Unrestricted and Designated Funds	30,466	1,032	(1,841)	2	7,157	36,817

	Balance at 31 March 2020 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (losses) £000	Balance at 31 March 2021 £000
Restricted Funds						
Alice Cory Fellowship Income Fund	773	9	(4)	-	-	779
Anti-microbial Resistance Research Fund	6	0	(0)	-	0	6
AREF (see note 24)	1,510	961	(1,104)	-	-	1,367
Autoimmune Hepatitis Research Fund	0	8	(1)	-	1	8
Cancer Research Fund	5,139	109	(36)	-	1,220	6,431
Covid-19 Research Fund	-	1	(0)	-	1	2
Crohns Disease Research Fund	0	0	(0)	-	0	0
Diabetes Research Fund	69	1	(71)	-	9	7
Dorothy Temple Cross Research Fellowship Fund	291	5	(142)	-	56	210
Dr Gornall Bequest Medical Income Fund	8	6	(8)	(2)	-	4
Epilepsy Research Fund	2	0	(0)	-	0	2
Fleming Memorial Fund for Medical Research	2,107	44	(111)	-	498	2,538
Francis Crick Institute Neurology Research Fund	69	1	(0)	-	16	86
GACD (see note 24)	720	642	(433)	-	-	928
Gene Therapy Research Fund	9	0	(0)	-	2	11
Genetics of Mitochondrial Diseases Research Fund	77	0	(0)	-	2	79
Heart Diseases Research Fund	50	0	(0)	-	1	51
Hepatitis Research Tarttelin Fund	322	7	(14)	-	76	391
Hugh Pelham Fund	1,663	35	(12)	-	395	2,081
John Chadwick Barlow Bequest	223	5	(2)	-	53	279
Mental Health Research Fund	0	12	(62)	-	50	-
MRC LMB Celltech Research Fellowships Fund	925	19	(18)	-	218	1,143
MRC LMB Merck Visiting Research Fellow Fund	1,012	21	(7)	-	240	1,267
MRC LMB Strauss Fund	876	19	(6)	-	208	1,096
Mrs Gornall Asthma Income Fund	29	7	(2)	-	-	34
Pain Research Fund	1,112	24	(8)	-	264	1,392
Poliomyelitis Research Fund	1,398	30	(10)	-	332	1,750
Premises Fund	-	141	(141)	-	-	-
Rheumatic Diseases Research Fund	1,941	41	(14)	-	461	2,429
Sir Cusrow Wadia Research Fund	244	5	(2)	-	58	306
Sir Leonard Rogers Tropical Medicine Research Income Fund	5,837	99	(34)	-	1,111	7,014
Stem Cell Research Fund	99	2	(1)	-	24	124
Whittaker Bequest for Alzheimer's & Parkinson's Disease	12	0	(0)	-	3	15
Williams Barker Bequest Income Fund	250	19	(5)	-	-	264
Total Restricted Funds	26,772	2,274	(2,248)	(2)	5,299	32,095
Permanent Endowment Funds						
Alice Cory Fellowship Fund	396	-	-	-	84	480
Gertrude Nicholl Bequest Fund	162	-	-	-	35	197
The Susan Catherine, Cecily May and Dr Thomas Beardwood Gornall Fund for Asthma Research	282	-	-	-	60	341
The Susan Catherine, Cecily May and Dr Thomas Beardwood Gornall Fund for Medical Research	257	-	-	-	55	312
Williams Barker Bequest Fund	810	-	-	-	172	982
Total Permanent Endowment Funds	1,906	-	-	-	406	2,312
Total Funds	59,144	3,306	(4,089)	(0)	12,862	71,223

Notes to the financial statements

Year ended 31 March 2021

23 Fund reconciliation (continued)

Fund descriptions

a) Permanent endowment funds

These permanent endowment capital funds are invested and the investment gains/(losses) on the capital element are reported in this note. The income generated by the investment of these permanent endowment capital funds is held in a restricted fund. The income is used to support research in line with the wishes of the donor. Income from the: Alice Cory Bequest Fund is available to support research fellowships; Williams Barker Bequest Fund is available to support cancer research in a Yorkshire university; Susan Catherine, Cecily May and Dr Thomas Beardwood Gornall Fund for Asthma Research is available to support research on asthma; and Gertrude Nicholl Bequest Fund and Susan Catherine, Cecily May and Dr Thomas Beardwood Gornall Fund for Medical Research is available to support general research purposes.

All of the permanent endowment funds are held in charities linked to the Medical Research Foundation by the Charity Commission. None of these linked charities are incorporated companies. See note 29.

b) Restricted funds

Restricted funds relate to the funds of charities linked to the Medical Research Foundation by the Charity Commission. None of these linked charities are incorporated companies. See note 29.

c) Unrestricted funds

Unrestricted funds with a fund value of less than £50,000 at the end of the year, have been grouped under the 'Other Research Funds' category for the purposes of this note. In practice, all funds are managed separately. Designated funds have been assigned by the trustees to: i) reflect donors' wishes where the gift was not formally restricted by the donor but the donor expressed a wish about how the funds would be used; or ii) to set aside funds for agreed future research priorities.

Transfers

During the year the Board of Trustees designated the following funds for research: £2,130,000 for skin disorders; £1,500,000 for pain; £70,000 for Hodgkin's Disease and £13,000 for mental health.

£2,000 was transferred from the restricted Dr Gornall Bequest Medical Income Fund to the unrestricted general purpose fund in accordance with the distribution instructions in the Will relating to The Susan Catherine, Cecily May and Dr Thomas Beardwood Gornall Fund for Medical Research.

In the prior year, following approval from the Charity Commission, the Dorothy Temple-Cross Fellowship Fund and Sir Leonard Rogers Tropical Medicine Research Fund changed from endowment to restricted funds. These changes are reflected as transfers in the prior year between restricted and endowment funds.

Notes to the financial statements

Year ended 31 March 2021

	Balance at 1 April 2019 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (losses) £000	Balance at 31 March 2020 £000
Unrestricted Funds						
General Purpose Research Fund	13,890	5,783	(1,445)	(62)	(1,279)	16,886
Designated Funds						
Balzan Prize (Meade Research Fund)	117	3	(2)	0	(5)	113
Descartes Prize Fund (Holt)	193	5	(1)	(0)	18	215
Diagnostic Techniques Research Fund	698	21	(3)	0	(34)	682
Emerging Leaders Prize Fund	1,592	70	(202)	(0)	(63)	1,397
Eye Diseases Research Fund	963	28	(4)	0	(47)	941
Genetics of Mitochondrial Diseases Research Fund	9	3	60	(0)	(10)	63
Heart Diseases Research Fund	93	4	(1)	-	(7)	89
Herrick Lupus Erythematosus Prize Fund	351	10	(2)	(0)	(17)	341
Hodgkin's Disease Research Fund	132	4	(1)	-	(6)	129
Horlock Travel Bursary Research Fund	65	2	(5)	(0)	(3)	58
Human Movement and Balance Research Fund	203	6	(1)	(0)	(10)	198
Jeantet Prize Fund (Skehel)	153	3	(89)	(0)	3	70
Jeantet Prize Fund (Unwin)	268	8	(1)	(2)	(13)	260
Kathleen Goff Training Fund	3,124	92	(15)	(0)	(151)	3,050
Leukaemia Research Fund	356	10	(2)	(0)	(17)	348
Lupus Erythematosus Research Fund	951	10	(1,073)	56	55	0
Mental Health Research Fund	2,279	14	-	-	-	2,293
MRC Biostatistics Unit Research Fund	73	2	(0)	(7)	(3)	64
MRC Clinical Trials Unit Research Fund	157	5	(1)	0	(8)	154
MRC Institute of Hearing Research General Research Fund	328	10	(2)	0	(16)	321
MRC Institute of Hearing Research Stuart Gray Fund	490	14	(2)	0	(24)	479
MRC LMB BIORAD Visiting Fellows Research Fund	396	12	(2)	(0)	(19)	387
MRC LMB Techne Fund	432	13	(2)	0	(21)	422
MRC LMB Yamanouchi Research Fund	78	2	(0)	(0)	(4)	76
MRC LMS General Research Fund	91	3	(0)	(0)	(4)	89
MRC NIMR General Purposes Research Fund	194	6	(1)	0	(9)	190
MRC NIMR Robinson Research Fund	217	6	2	(0)	(11)	214
Nutrition Research Fund	194	6	(1)	(0)	(9)	189
Rosa Beddington Research Fund	595	17	(10)	1	(28)	575
Other Research Funds	305	12	(165)	20	3	173
Total Designated Funds	15,097	401	(1,526)	66	(458)	13,580
Total Unrestricted and Designated Funds	28,987	6,184	(2,972)	4	(1,737)	30,466

	Balance at 1 April 2019 £000	Income £000	Expenditure £000	Transfers £000	Gains/ (losses) £000	Balance at 31 March 2020 £000
Restricted Funds						
Alice Cory Fellowship Income Fund	760	16	(3)	0	-	773
Anti-microbial Resistance Research Fund	4	1	-	-	-	6
AREF (see note 24)	1,081	1,201	(771)			1,510
Autoimmune Hepatitis Research Fund	-	126	(127)	-	0	0
Cancer Research Fund	5,263	155	(24)	(0)	(255)	5,139
Crohns Disease Research Fund	4	0	(4)	(0)	0	0
Diabetes Research Fund	69	2	(0)	2	(3)	69
Dorothy Temple Cross Research Fellowship Fund	270	3	(2)	62	(42)	291
Dr Gornall Bequest Medical Income Fund	49	10	(16)	(35)	-	8
Epilepsy Research Fund	-	-	-	2	-	2
Fleming Memorial Fund for Medical Research	2,188	64	(40)	(0)	(104)	2,107
Francis Crick Institute Neurology Research Fund	71	2	(0)	(0)	(3)	69
GACD (see note 24)	389	801	(470)			720
Gene Therapy Research Fund	14	0	(6)	-	0	9
Genetics of Mitochondrial Diseases Research Fund	77	-	-	-	-	77
Heart Diseases Research Fund	50	-	-	-	-	50
Hepatitis Research Tàrttelin Fund	874	23	(607)	(0)	32	322
Hugh Pelham Fund	2,014	53	(339)	(0)	(65)	1,663
John Chadwick Barlow Bequest	229	7	(1)	(0)	(11)	223
Liver Disease Research Fund	118	3	(132)	(0)	11	(0)
Mental Health Research Fund	-	1	1	-	(1)	0
MRC LMB Celltech Research Fellowships Fund	1,001	29	(62)	(0)	(43)	925
MRC LMB Merck Visiting Research Fellow Fund	1,036	31	(5)	1	(50)	1,012
MRC LMB Strauss Fund	913	27	(29)	7	(42)	876
Mrs Gornall Asthma Income Fund	-	11	(2)	20	-	29
Pain Research Fund	1,122	52	(5)	0	(57)	1,112
Poliomyelitis Research Fund	1,432	42	(7)	(0)	(69)	1,398
Premises Fund-	-	158	(158)	-	-	-
Rheumatic Diseases Research Fund	1,988	59	(9)	(0)	(96)	1,941
Sir Cusrow Wadia Research Fund	250	7	(1)	0	(12)	244
Sir Leonard Rogers Tropical Medicine Research Income Fund	2,136	124	(21)	4,278	(679)	5,837
Stem Cell Research Fund	102	3	(0)	(0)	(5)	99
Whittaker Bequest for Alzheimer's & Parkinson's Disease	12	0	(0)	0	(1)	12
Williams Barker Bequest Income Fund	224	33	(7)	(0)	-	250
Total Restricted Funds	23,740	3,044	(2,851)	4,334	(1,494)	26,772
Permanent Endowment Funds						
Alice Cory Fellowship Fund	434	-	-	(0)	(38)	396
Dorothy Temple Cross Fellowship Fund	57	-	-	(61)	4	0
Gertrude Nicholl Bequest Fund	177	-	-	1	(16)	162
Sir Leonard Rogers Tropical Medicine Research Fund	3,970	-	-	(4,279)	309	(0)
The Susan Catherine, Cecily May and Dr Thomas Beardwood Gornall Fund for Asthma Research	309	-	-	(0)	(27)	282
The Susan Catherine, Cecily May and Dr Thomas Beardwood Gornall Fund for Medical Research	281	-	-	1	(25)	257
Williams Barker Bequest Fund	887	-	-	1	(78)	810
Total Permanent Endowment Funds	6,115	-	-	(4,338)	129	1,906
Total Funds	58,842	9,228	(5,823)	-	(3,102)	59,144

23 Fund reconciliation (continued)

Designated Funds

Designated funds will be utilised as and when suitable grants are awarded.

The purpose of material designated funds:

Fund	Purpose
Balzan Prize (Meade Research Fund)	Professor Thomas Meade's research on heart diseases
Descartes Prize Fund (Holt)	Bio-medical or health services research as directed by Dr Ian Holt
Diagnostic Techniques Research Fund	Research using computer techniques in connection with the diagnosis of diseases
Emerging Leaders Prize Fund	Prizes for emerging biomedical research leaders working in various priority areas
Eye Diseases Research Fund	Research on eye diseases
Herrick Lupus Erythematosus Prize Fund	Prize for lupus researchers
Hodgkin's Disease Research Fund	Hodgkin's disease research
Horlock Travel Bursary Research Fund	Annual travel bursaries for technicians working on PET chemistry to attend UK and overseas laboratories
Human Movement and Balance Research Fund	Movement and balance research
Jeantet Prize Fund (Skehel)	Professor Sir John Skehel's research
Jeantet Prize Fund (Unwin)	Dr Nigel Unwin's research
Kathleen Goff Training Fund	Biomedical research training
Leukaemia Research Fund	Leukaemia research
Mental Health Research Fund	Mental health research
MRC Biostatistics Unit Research Fund	Research at the University of Cambridge School of Clinical Medicine Biostatistics Unit MRC
MRC Clinical Trials Unit Research Fund	Research of Dr Lesley Stewart at the UCL – MRC Clinical Trials unit
MRC Institute of Hearing Research General Research Fund	Research based at Nottingham University
MRC Institute of Hearing Research Stuart Gray Fund	Research based at the University of Nottingham from the former MRC Institute of Hearing Research
MRC LMB BIORAD Visiting Fellows Research Fund	Research Fellowships at the MRC LMB
MRC LMB General Purposes Research Fund	Medical research at the MRC LMB
MRC LMB Techne Fund	General biomedical research at the MRC Laboratory of Molecular Biology
MRC LMB Yamanouchi Research Fund	Purchase equipment for researchers at the MRC LMB
MRC LMS General Research Fund	Dr Dave Carling's research at the MRC LMS
MRC NIMR General Purposes Research Fund	General biomedical research at The Francis Crick Institute
MRC NIMR Robinson Research Fund	Dr Iain Robinson's research
MRC Toxicology Unit Research Fund	Toxicology research at MRC Toxicology Unit
Nutrition Research Fund	Nutrition research
Pain Research Fund	Pain research
Rosa Beddington Research Fund	Developmental biology research
Skin Disorders Research Fund	Skin disorders research

Notes to the financial statements

Year ended 31 March 2021

24 a. AREF Charity Statement of Financial Activities

	Note	Unrestricted funds £000	Restricted funds £000	2021 Total £000	2020 Total £000
Income and endowments from:					
Donations		51	-	51	7
Grant income	2	378	509	887	2,103
Gifts-in-Kind income	2	44	-	44	229
Investment income		1	-	1	5
Trading activities		1	-	1	4
Other income		-	4	4	2
Total income and endowments		475	513	988	2,350
Expenditure on:					
Raising funds	5	78	5	83	59
Charitable activities		220	909	1,129	727
Total expenditure		298	914	1,212	786
Net (expenditure)/income		177	(401)	(224)	1,564
Net movement in funds	23	177	(401)	(224)	1,564
Reconciliation of funds:					
Total funds brought forward	23	908	1,737	2,645	1,081
Total funds carried forward	23	1,085	1,336	2,421	2,645

AREF's activities are considered to be restricted for the purposes of Medical Research Foundation's accounts and financial reporting, however they include unrestricted activities for the purposes of AREF itself as shown above in both financial years.

The figures above represent the performance of the individual fund and include the following transactions with the Medical Research Foundation: £109k of shared costs for the current year; £24k grant awarded in the current year and £1,150k in the prior period from the Sir Leonard Rogers Fund for Tropical Medicine Research linked charity; and £11k other current and prior year transactions. When these transactions are removed on consolidation the fund balance, as reflected in Note 23, is £1,367k.

Reserves

The required reserves at 31 March 2021 were £0.6m which includes nine months' operating costs. Available reserves at 31 March 2021 were £0.8m (being unrestricted funds less £0.3m illiquid assets; there are no designated funds). The Board has agreed that it is prudent to accept the £0.2m difference between the available reserves and the required reserves at the current time given continuing uncertainties around the impact of COVID-19 on income.

Post Balance Sheet Event

In 2021, AREF was incorporated in its own right in order to support its transition towards greater independence, however the Foundation remains the sole Member of the charitable company and AREF remains a linked charity of the Medical Research Foundation. The new structure came into effect from 1 April 2021.

See the Linked Charities Note 29 for the charity's purpose and other information.

24 b. GACD Charity Statement of Financial Activities

	Note	Unrestricted funds £000	2021 Total £000	2020 Total £000
Income and endowments from:				
Charitable Activities	3	595	595	715
Gifts-in-Kind Income	2	45	45	86
Total income and endowments		640	640	801
Expenditure on:				
Charitable activities		(473)	(473)	(532)
Total expenditure		(473)	(473)	(532)
Net (expenditure)/income		167	167	269
Net movement in funds	23	167	167	269
Reconciliation of funds:				
Total funds brought forward	23	572	572	303
Total funds carried forward	23	739	739	572

GACD's activities are considered to be restricted for the purposes of Medical Research Foundation's accounts and financial reporting, however they include unrestricted activities for the purposes of GACD itself as shown above in both financial years.

The figures above represent the performance of the individual fund and includes transactions with the Medical Research Foundation totalling £42k for the current year and £148k for prior periods. When these transactions are removed the fund balance, as reflected in Note 23, is £928k.

Reserves

The required reserves at 31 March 2021 were £0.4m which includes four months' operating costs. Available reserves at 31 March 2021 were £0.5m (being unrestricted funds less £0.2m illiquid assets; there are no designated funds). The Board has agreed that it is prudent to accept the £0.1m difference between the available reserves and the required reserves to mitigate any possible negative impact of the COVID-19 pandemic on global public finances which could lead to a temporary drop in GACD income in 2021/22.

See the Linked Charities Note 29 for the charity's purpose and other information.

Notes to the financial statements

Year ended 31 March 2021

25 Analysis of net assets between funds

	Unrestricted funds £000	Restricted funds £000	Expendable Endowment funds £000	Total £000
Fixed assets	36,399	29,574	2,293	68,266
Current assets	6,730	8,710	19	15,459
Creditors due within one year	(4,807)	(4,507)	-	(9,314)
Creditors more than one year	(1,506)	(1,682)	-	(3,188)
Total 2020/21	36,816	32,095	2,312	71,223

	Unrestricted funds £000	Restricted funds £000	Expendable Endowment funds £000	Total £000
Fixed assets	33,818	23,870	1,887	59,575
Current assets	2,605	9,443	19	12,067
Creditors due within one year	(4,142)	(3,628)	-	(7,770)
Creditors more than one year	(1,815)	(2,913)	-	(4,728)
Total 2019/20	30,466	26,772	1,906	59,144

26 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021 £000	2020 £000
Net income / (expenditure) for the year	12,079	303
Dividends, interest and rents from investments	(1,152)	(1,610)
Depreciation and impairment of tangible fixed assets	145	145
(Gains)/Losses on investments	(12,862)	3,102
Decrease in debtors	74	383
Increase in creditors	4	402
Net cash flow (used in) / provided by operating activities	(1,712)	2,725

Notes to the financial statements

Year ended 31 March 2021

27 Related party transactions and ex gratia payments

During the year the Medical Research Foundation incurred costs of £42k on behalf of GACD. £8k remained outstanding at the year end. The debtor, and corresponding creditor in GACD, have been netted off in the financial statements.

During the year the Medical Research Foundation incurred costs of £109k on behalf of AREF. £2k remained outstanding at the year end. The debtor, and corresponding creditor in AREF, have been netted off in the financial statements.

During the year the Sir Leonard Rogers Fund for Tropical Medicine Research linked charity awarded a grant of £24k to AREF which, together with the 2020 award of £1,150k, remain outstanding at the year end. The creditor, and corresponding debtor in AREF, have been netted off in the financial statements.

£260 of unconditional donations were received in the year from trustees and key management personnel.

28 Financial instruments

The charity holds a number of financial assets (for example investments, debtors and cash) and financial liabilities (for example creditors and provisions for grants payable) which meet the definition of basic financial instruments under the FRS 102 SORP. Details of the measurement bases, accounting policies and carrying values for these financial assets and liabilities are disclosed in notes 15 to 22 above.

29 Linked Charities

The following charities are linked by the Charity Commission to the Medical Research Foundation. In 2020/21, one linked charity (GACD) operated as an incorporated legal entity. All others were held as either restricted or permanent endowment funds within the Medical Research Foundation. The balances and movements in each of the funds are included in note 23.

Restricted Funds

Sir Leonard Rogers Tropical Medicine Research Fund

Registration number: 1138223-2

Governing document: Scheme dated 28 March 2019

Charitable object: The promotion or support of charitable research work in tropical medicine being carried out anywhere in the world by persons approved by the Trustees of the charity.

The Liver Diseases in Scotland Research Munro Fund

Registration number: 1138223-4

Governing document: Will proved on 14 February 1983 as amended by a scheme dated 31 March 2011

Charitable object:

- a) The promotion of research in Glasgow into diseases and illnesses affecting the liver and the publication of the useful results of such research.
- b) If and in so far as the income and expendable endowment of the charity cannot be applied towards the object specified in sub-clause a) above, the trustees may apply it for the promotion of research elsewhere in Scotland into diseases and illnesses affecting the liver and the publication of the useful results of such research.
- c) The promotion of research in a) or b) above may take place in collaboration with organisations elsewhere in the United Kingdom.

The Hepatitis Research Tarttelin Fund

Registration number: 1138223-5

Governing document: Will proved on 4 July 1991 as amended by a scheme dated 31 March 2011

Charitable object:

- a) The promotion of research into hepatitis at such institutions as the trustees shall think fit and the publication of the useful results of such research.
- b) If and in so far as the income and expendable endowment of the charity cannot be applied towards the object specified in sub-clause a) above, the trustees may apply it for the promotion of research into cancer and the publication of the useful results of such research.

Cancer Research Fund in Connection with the Medical Research Council

Registration number: 1138223-6

Governing document: Individual small bequests and donations 1989

Charitable object: For cancer research.

Mental Health Research Fund

Registration number: 1138223-7

Governing document: Bequests and donations of unknown date

Charitable object: For mental health research.

MRC Laboratory of Molecular Biology Celltech Research Fellowships Fund

Registration number: 1138223-9

Governing document: Deed of covenant of 13 October 1989 and related terms of reference

Charitable object: To fund the Celltech fellowship working in the Protein and Nucleic Acid Chemistry Division of the MRC Laboratory of Molecular Biology, most preferably in the field of molecular immunobiology.

MRC Laboratory of Molecular Biology Merck Visiting Research Fellowships Fund

Registration number: 1138223-10

Governing document: Letter dated 29 September 1989

Charitable object: To fund a visiting fellowship at the MRC Laboratory for Molecular Biology.

MRC Laboratory of Molecular Biology Strauss Fund

Registration number: 1138223-11

Governing document: Correspondence with Samuel Strauss

Charitable object: To provide bursaries to graduate students.

Pain Research Fund

Registration number: 1138223-12

Governing document: Small donations and bequests between 1998 and 2004

Charitable object: Research into pain.

Poliomyelitis Research Fund

Registration number: 1138223-13

Governing document: Unknown

Charitable object: Research into Poliomyelitis.

Rheumatic Diseases Research Fund

Registration number: 1138223-14

Governing document: Bequests and donations

Charitable object: Research into rheumatic diseases.

Sir Cusrow Wadia Research Fund

Registration number: 1138223-15

Governing document: Will proved on 15 April 1957

Charitable object: Benefit of medical research or scientific research at the University of Cambridge.

The Dorothy Temple Cross Research Fellowship Fund

Registration number: 1138223-16

Governing document: Trust Deed dated 23 August 1929 as amended by a scheme dated 16 January 1953, as amended by deed dated 16 August 1965, as amended by a scheme dated 31 March 2011, as amended by resolution dated 18 September 2019

Charitable object: The advancement of research or teaching in the curative or preventive treatment of tuberculosis in all or any of its forms or to increase knowledge of diseases of the lung through the awarding of travelling fellowships and prizes or grants.

The Gertrude Nicholl Bequest Fund

Registration number: 1138223-17

Governing document: Scheme dated 25 October 1935 as amended by a scheme dated 31 March 2011

Charitable object: The purposes of medical research

The Fleming Memorial Fund for Medical Research (The Fleming Memorial Fund)

Registration number: 1138223-18

Governing document: Trust deed dated 22 September 1959 as amended by a scheme dated 24 September 1969 as amended by a scheme dated 31 March 2011

Charitable object: The provision of assistance for medical research anywhere in the world.

The Hugh Pelham Fund

Registration number: 1138223-20

Governing document: Trust Deed dated 17 January 2012 as amended by deed dated 18 September 2019

Charitable object: To support the MRC Laboratory for Molecular Biology work in biomedical research.

Africa Research Excellence Fund (AREF)

Registration number: 1138223-21

Governing Document: Trust deed dated 3 March 2015 as amended by deed dated 24 July 2017

Charitable object: The Trustees shall hold the capital and income of the fund upon trust to apply the income, and all or such part or parts of the capital as such time or times and in such manner as it may determine, to promote medical research in Africa for the public benefit, in particular by:

- a) Providing education and training opportunities for individuals who: 1) are citizens of a country in Africa; and 2) are aspiring to, or have already embarked upon, a career in medical research in, Africa; and 3) meet any eligibility criteria the Trustees may agree from time to time;
- b) Promoting excellence in medical research training in Africa; and
- c) Promoting the use of high quality medical research evidence in the development of public health policies and practices in Africa.

This fund became a separately registered connected charity during the year ended 31 March 2016. Prior to this, it operated under the registration of the Foundation.

As detailed on page 39, the assets and liabilities of the AREF Charitable Trust were transferred to the AREF Charitable Company, with effect from 1 April 2021.

Restricted – Incorporated

Global Alliance for Chronic Diseases Action (GACD)

1138223-22

Governing document: Charitable Interest Organisation (CIO) Association Constitution registered 27 September 2017, amended on 24 January 2018, amended on 12 December 2018

Charitable object:

- a) To relieve sickness and promote and protect good health of people suffering or at risk of suffering chronic diseases by addressing the burden of chronic non-communicable diseases through coordinated high-quality implementation research in low- resource settings and among vulnerable populations including indigenous peoples in high-income countries relating to the prevention, treatment, management and care thereof.
- b) Nothing in this constitution shall authorise an application of the property of the CIO for the purposes which are not charitable in accordance with section 7 of the Charities and Trustees Investment (Scotland) Act 2005 and section 2 of the Charities Act (Northern Ireland) 2008.

Permanent Endowment Funds

Cory Fellowship Fund

Registration number: 1138223-1

Governing document: Will proved on 24 July 1956 as amended by scheme dated 31 March 2011

Charitable object: The establishment of fellowships for the furtherance of research work in medical science.

The Susan Catherine, Cicely May and Doctor Thomas Beardwood Gornall Fund

Registration number: 1138223-3

Governing document: Will proved on 24 October 1943 as amended by scheme dated 31 March 2011

Charitable object: The trustee shall pay one-quarter of the annual income to each of the following: 1) Asthma Research Council for the purposes of research, 2) The British Red Cross Society for the general purposes of the Society, 3) British Heart Foundation for the purposes of research, 4) by the Medical Research Council for such medical research work.

The Fund is split between asthma research and other medical research for the purpose of fund accounting.

Williams Barker Bequest Research Fund

Registration number: 1138223-8

Governing document: Will proved on 7 September 1987

Charitable object: To fund research cancer research at the discretion of Medical Research Council preferably at 1) Leeds University, 2) Sheffield University or 3) a University in Yorkshire.

Legal and administrative information

Medical Research Foundation Board of Trustees

Professor Nicholas Lemoine (Chair of the Board of Trustees)^{1, 3}

Professor Daniel Altmann^{1, 3, 4}

Mr Russell Delew (to 31 May 2021)³

Professor Calliope Farsides (until 31 March 2021)^{1, 3}

Ms Kristen Gallagher (from 1 June 2021)³

Dr Hans Michael Haitchi

Dr Patricia Kingori (from 1 April 2021)³

Mr Richard Lackmann (from 1 October 2020)

Dr Lesley Sherratt²

Professor Moira Whyte OBE

Mrs Susan Wilkinson¹

Mr David Zahn²

Chief Executive

Dr Angela Hind

Africa Research Excellence Fund Board of Trustees

Professor Nicholas Lemoine (Chair of the Board of Trustees) (from 23 February 2021)

Dr Angela Hind (from 23 February 2021)

Mr Richard Lackmann (from 23 February 2021)

Professor Charles Mgone (23 February – 4 June 2021)

Ms Ratna Kakkar (from 30 March 2021)

Ms Pauline Mullin (from 30 March 2021)

Dr Majdi Osman (from 30 March 2021)

Mr Solomon Soquar (from 30 March 2021)

Africa Research Excellence Fund Executive

Director: Professor Tumani Corrah KBE MRG (to 4 June 2021)

Interim Chief Executive: Dr Angela Hind (from 1 September 2021, following the first Chief Executive in post 3 May 2021 to 31 August 2021); Dr Hind has stepped down as a Trustee until a new Chief Executive is appointed

Global Alliance for Chronic Diseases Action (GACD) Board of Trustees

Professor Nicholas Lemoine (Chair of the Board of Trustees)

Dr Angela Hind

Professor Anne Kelso (to 31 December 2020)

Dr Barbara Kerstiöns

Richard Lackmann (from 1 August 2021)

Dr Mark Palmer

Dr Lesley Sherratt (to 31 July 2021)

Global Alliance for Chronic Diseases Action Chief Executive

Dr Morven Roberts

Accountants

PKF Littlejohn LLP

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Canary Wharf

London E14 4HD

External Auditors

Crowe U.K. LLP

2nd Floor

55 Ludgate Hill

London EC4M 7JW

Internal Auditors

Sayer Vincent LLP

Invicta House

108-114 Golden Lane

London EC1Y 0TL

Bankers

Lloyds Bank PLC

10 Gresham Street

London EC2V 7AE

BNY Mellon

One Piccadilly Gardens

Manchester M1 1RN

Investment Manager

Newton Investment Management Ltd

BNY Mellon Centre

160 Queen Victoria Street

London EC4V 4LA

Investment Custodian

The Bank of New York Mellon SA/NV

BNY Mellon Centre

160 Queen Victoria Street

London EC4V 4LA

Solicitors

Withers LLP

20 Old Bailey

London EC4M 7AN

Company Secretarial Services

Withers LLP

20 Old Bailey

London EC4M 7AN

Registered Offices

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Africa Research Excellence Fund

49-51 East Road

London N1 6AH

Global Alliance for Chronic Diseases

215 Euston Road

London NW1 2BE

1 Member of the People Committee

2 Member of the Investment Committee

3 Member of the Due Diligence Committee

4 Member of the AREF Strategy Board



☎ 020 7395 2400

✉ contact@medicalresearchfoundation.org.uk

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🌐 Medical Research Foundation

Registered charity number: 1138223

www.medicalresearchfoundation.org.uk