

# Financial Statements

31 December 2023

**Former Royal Patron**

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

**President**

Field Marshal The Lord Guthrie GCB LVO OBE DL

**Vice Presidents**

Phil Hodgkinson  
Stephen May  
Richard Price  
The Duchess of Northumberland

**Trustees**

**Chair**

Luke Bordewich

**Honorary Treasurer**

Richard Wild

Professor David Edwards MA MBBS DSc MRCP FRCP  
FRCPC FMed Sci  
Clare Ferguson (appointed 20 July 2023)  
Kathy Harvey  
Karen Last  
Professor David Rowitch MD PhD ScD  
Richard Stoneham-Buck  
Professor Stephanie Schorge PhD  
Rajat Sharma

**Charity Management**

**Chief Executive**

Julie Buckler

**Director of Finance/Company Secretary**

Kabba Njie

**Director of Fundraising**

Lewis Coghlin

**Director of Research**

Dr Sarah Wagstaffe-Jones

**Director of Communications**

Sarah Moss

**Principal Advisers**

**Auditors**

Buzzacott LLP  
130 Wood Street  
London EC2V 6DL

**Bankers**

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

**Investment Managers**

Ruffer LLP  
80 Victoria Street  
London SW1E 5JL

**Solicitors**

Withers LLP  
20 Old Bailey  
London EC4M 7AN

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

**Registered office:**

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

**Previously (until June 2023)**

**Vincent House**  
**Horsham**  
**West Sussex RH12 2DP**

**T 01403 210406**

**E info@action.org.uk**

**action.org.uk**

# Action Medical Research

## Report of the trustees for the year ended 31 December 2023

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

This report covers the work of Action Medical Research for the 12 months to 31 December 2023.

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

**About Action Medical Research**

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

As the leading UK-wide charity dedicated to saving and changing children's lives through medical research, we are proud to have funded over £134m of medical research (over £357m in today's terms) since we began in 1952. This has led to successes that include:

- Helping to introduce the first polio vaccines in the UK.
- Discovering the importance of taking folic acid before and during pregnancy to prevent spina bifida.
- Developing the use of ultrasound technology in pregnancy.
- Testing the rubella vaccine.
- Helping to develop the Hib meningitis vaccine, now a routine immunisation for young children.
- Pioneering a unique portable fetal heart rate monitor.
- Contributing to the development of groundbreaking cooling therapy to prevent brain damage in babies.
- Funding research to reduce stillbirth which led to new advice for pregnant women to go to sleep on their side, rather than their back, in the third trimester of pregnancy.
- Helping to bring dedicated eye services to children in special schools across the UK.

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

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

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

## Strategic report for 2023

### Our achievements and performance in 2023

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

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

Despite the ongoing challenges from the economic environment, in 2023 we successfully awarded thirteen new grants, committing £2.556m (2022 £2.549m) to vital new medical research projects. We currently have around £9m invested in the work of more than 180 top researchers working on around 45 research projects across the UK and more information on these can be found on our website [www.action.org.uk](http://www.action.org.uk)

Our thirteen new research grants in 2023 covered a range of conditions affecting children including epilepsy, preterm birth, liver disease, brain cancer and kidney disease.

We also celebrated the 50th anniversary of our Research Training Fellowship scheme and awarded two new Fellowships researching recurrent wheezing and heart conditions in children. Our Fellowships have to date funded the development of 186 future research leaders. We are proud that some of today's leading researchers were former Action Medical Research Fellows including Professor Sir Andrew Pollard, now director of the Oxford Vaccine Group who led the trial to test the Oxford/AstraZeneca COVID-19 vaccine, and Professor Bobby Gaspar who helped deliver Great Ormond Street Hospital for Children's pioneering gene therapy programme.

Our work together with other organisations in 2023 included funding research in partnership with premature birth charity Borne and also with butterfly skin charity Debra. We were proud to fund four new awards in partnership with medical research charity LifeArc and launch a further call for research

into children's rare diseases to make further awards together in 2024.

We continued to adapt our fundraising to the changing environment and assess how best to fund and deliver our income generation over time to enable the charity to support more new medical research. Together our supporters, volunteers, staff and researchers once again made possible a very successful year in demanding circumstances. Our sincere thanks go to all those who contributed to Action over 2023.

We were successful in managing our income, expenditure and investments to maintain a strong financial position and reserves. In 2023 we received £929,690 from the UK Government COVID Medical Research Charity Support Fund. At the year end, despite the challenges faced, we were very pleased to achieve £7.986m total income. Despite the continuing uncertainty arising from the external environment, we moved into 2024 with great confidence in our ability to fund further research.

### Financial review

In 2023 we funded thirteen new medical research projects to help children. Our total income was £7.986m (2022 £6.113m) with total expenditure of £7.974m (2022 £7.225m). Our voluntary income was £6.921m (2022 £5.541m). We spent £3.663m on medical research grants and dissemination (2022 £3.646m).

Total funds at the end of the year were £7.889m (2022 £6.542m), an increase of £1.347m (2022 £0.262m decrease), with total net losses on investments during 2023 of £0.803m (2022 £0.850m gains).

At 31 December 2023, in addition to tangible fixed asset and investment holdings and long-term grant commitments, the charity had net current liabilities of £2.549m (2022 £4.043m). The trustees do not anticipate that this financial position will require a considerable drawdown from the investment portfolio in 2024 given that these short-term grant commitments will be partly met from future income and, although technically falling due within one year, some are likely to be paid after the 2024 financial year.

### The public benefit and impact of our work

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

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

When projects that we fund are completed, our independent scientific advisers examine and assess the final reports. In 2023, of 14 final reports assessed, 86% were rated as excellent or good in terms of quality of research; 93% as of a major, sizeable or marked potential level of clinical importance; and 79% to be of immediate, near or medium-term clinical impact.

We evaluate the impact of our research funding over time and in 2023 reviewed the effect of two grants. A new report considered the impact of £240,640 of funding in 2017 for a Research Training Fellowship awarded to Dr James Ashton at the University of Southampton and Southampton General Hospital. This Fellowship helped to shine a light on some of the underlying causes of Crohn's disease in children, the most common form of children's inflammatory bowel disease (IBD) that causes abdominal pain, diarrhoea and tiredness. His research advanced understanding of how Crohn's disease is triggered in children, including developing a new diagnostic test to identify children at risk of certain complications and symptoms. It also found a specific pattern of gene activity in the gut that is linked to a higher risk of flare-ups and could help identify sooner children who need more aggressive treatment.

This research will ultimately help to personalise care and treatment for children with Crohn's disease, so the best outcomes can be achieved for each child. The results have helped inform new guidelines on genomic testing for people with a rare type of inflammatory bowel disease and around 100 children diagnosed with IBD each year in the UK already benefit.

A second new report in 2023 evaluated the effect of £277,375 awarded in 2013 to fund a research project led by Professor Somnath Mukhopadhyay at the Royal Alexandra Children's Hospital (Brighton and Sussex Medical School, University of Sussex), who, together with a team of experts from across the UK, ran a clinical trial to explore whether children's genetic make-up should be taken into account when deciding which asthma controller medication they are given. The researchers used an inexpensive saliva test to determine differences in children's genetic make-up, then prescribed either salmeterol or another asthma drug called montelukast, according to the children's genetic make-up, and monitored their quality of life using questionnaires.

This first of its kind trial demonstrated that personalised treatment, according to genetic make-up, can improve the quality of life for children and young people with asthma. Life-changing care is now being provided for some children and young people undergoing treatment for asthma and, in the future, tens of thousands of children with asthma in the UK, and hundreds of thousands across the world, could benefit from precision treatments. This project was supported by The Henry Smith Charity.

Other exciting progress in 2023 included researchers showing, in the laboratory, that a commonly used diabetes medicine is effective at protecting the brain from damage at birth. Hypoxic-ischemic encephalopathy (HIE) is a complication of childbirth that causes lasting damage to a baby's brain. Cooling therapy, developed with previous Action funding and now routinely used to treat HIE in the UK, can help some, but not all, of the estimated over 2,000 UK babies who develop HIE each year. Sadly half cannot be saved or develop lifelong disabilities.

With Action funding in 2016, Professor Ahad Rahim and researchers at University College London, King's College London and St Thomas' Hospital, tested a drug called exendin-4 in the laboratory to see whether it could protect a baby's brain from damage due to HIE, showing that it is highly effective in protecting the brain. The team have also shown that the drug can be effectively combined with cooling therapy to improve its effectiveness even further.

## Action Medical Research Report of the trustees for the year ended 31 December 2023

Exendin-4 is already used as a treatment for adults with other conditions, so it is hoped it could be quickly developed to treat babies with HIE. The researchers have now started to work with key doctors in the UK and in Europe to look at how these findings could be taken forward to a clinical trial to improve treatments for babies shortly after birth.

In another key development, Action funding has helped the development of Frame Running, a new sport for young people with cerebral palsy and other conditions that limit mobility. Frame Running uses a three-wheeled running frame, with a saddle, body support and no pedals.

With funding in 2018 from Action Medical Research together with the Chartered Society of Physiotherapy Charitable Trust, Dr Marietta van der Linden and Dr Jennifer Ryan assessed how Frame Running could encourage children and young people to increase physical activity and its effects. Children across England and Scotland took part in the research showing that Frame Running is feasible, enjoyable and safe for children and young people with severe walking difficulties, and led to improvements in resting heart rate, muscle strength and performance of activities such as being able to walk for longer and walking uphill. The young people said they enjoyed the sense of freedom and speed of Frame Running and that it provided them with opportunities to be active and competitive. Parents believed Frame Running can also act as physiotherapy or a rehabilitation strategy.

The experience gained during the project has helped lead to the promotion of a new Frame Running group and to attract more athletes throughout Europe. The researchers believe that within five years community sports providers and schools could be initiating Frame Running groups to help even more children with cerebral palsy and mobility problems.

In further important progress, researchers moved a step closer to developing new drugs to treat children with Duchenne muscular dystrophy (DMD), an inherited disease that causes muscle weakness and wasting. In the UK about 100 boys are born with DMD each year and sadly there is no cure. Although life expectancy is increasing, most of those boys affected will develop heart and

breathing problems that lead to life-threatening complications. While gene therapies are showing exciting progress, they are not suitable for all DMD patients.

A child born with DMD has a faulty gene meaning they do not make enough, or any, of the vital protein dystrophin. With funding in 2021 from Action, together with LifeArc, Professor Angie Russell at the University of Oxford has worked to identify a drug that would increase utrophin, a protein found in muscles that could act as a substitute. The research team have identified a number of potential new drug compounds and now understand how they work within cells to increase utrophin levels, leading to a further £2.2m of Medical Research Council funding to develop the newly identified drug compounds into potential utrophin replacement therapies for the benefit of all children with DMD.

We are pleased that these examples show the exciting progress that adds to Action's long-standing record of successes over more than 70 years of funding research.

### Communicating our work

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

In 2023 we generated 224 pieces of coverage with a potential reach of 2.9bn. Our research and fundraising activities featured in a range of national and regional media, including *BBC Online*, *BBC Radio 5 Live*, *ITV Tyne Tees*, *Belfast Telegraph*, *Evening Standard*, women's magazine *Chat*, and various regional BBC radio stations and media.

We communicated with supporters through our magazines and regular bi-monthly e-newsletters. Our social media content was displayed to people 38m times and our followers on our social media platforms increased by 6.3% to over 73,800 people. We received 3,661 sessions to our blogs and 4,939 sessions to our news pages. We had 509,334 sessions to our website.

### How we raised money

2023 was another strong year for Action Medical Research's fundraising, despite the challenges posed by the rising cost of living. The charity grew its voluntary income to over £6.9m, an increase of over £1m and 25% on the previous year, a tremendous result and a testament to the generosity of our supporters as well as the hard work and skill of the fundraising team.

Our weekly lottery programme, which is a strategic focus for the charity's long-term income, grew significantly with the number of players increasing from 10,200 at the end of 2022 to over 13,000, now worth around £1m a year. These vital contributions are helping the charity to plan, with greater confidence, our future research spend. We worked with professional fundraising agencies to recruit these weekly lottery players at 'private sites' (shopping centres and town centres) and through door-to-door fundraising, as it is more effective than using our own staff or volunteers. Our team helps deliver training, monitors the activity through regular 'mystery shopping' and works closely with the agency to ensure any complaints are dealt with swiftly and effectively, with corrective actions taken as required. We require that agency staff representing the charity comply with the Fundraising Regulator's Code of Fundraising Practice and adhere to the Chartered Institute of Fundraising guidance on treating donors fairly, with its focus on protecting vulnerable people.

Cycling was once again vital to our fundraising. While numbers fell on most of our public cycling events, probably as a result of the rising cost of living, our very successful rides for the construction and insurance industries were very well supported, as was our gala dinner, Champions of Cyclesport, which achieved its best result for many years despite increased venue costs.

Of the other challenge events offered by the charity, our Race the Sun triathlon series stood out, with four sold out events in the Lake District and Brecon Beacons giving us the confidence to plan to deliver six Race the Sun events in 2024. Our 'virtual event' test of Facebook challenges proved less popular, and we will not be organising these again in the future.

## Action Medical Research Report of the trustees for the year ended 31 December 2023

Income from trusts and foundations, so vital to Action Medical Research in generating income at a low cost of fundraising, remained a key focus including through providing high quality reporting to donors regarding the progress of the specific medical research project that they are supporting.

Our volunteer-delivered social events programme included the Aberdeen and Glasgow Killer Heels and Cocktails events, Dine with Davina, the Motorsport event in Northern Ireland, the Ricky Groves Classic Golf Day in Peterborough and the Diva Lunch organised by the East Coker fundraising committee. We are grateful to the many loyal and selfless volunteers who fundraise so tirelessly for Action Medical Research.

We are also deeply grateful for the invaluable support from our major donors and corporate partners, whose contributions have been vital. We extend our thanks to Alliance Healthcare, BDO, BGC Brokers, Chaucer PLC, Lloyd's of London, Brett Group, DMH Stallard, Ki, Brit Insurance, Garmin, Liberty Specialty Markets, The Gingerman Group, Next, Airport Parking & Hotels, Christ's Hospital, the OSO Foundation, the Milton Damerel Trust, Peak Scientific, and a diverse array of other companies and generous individuals. We also established new partnerships with SCOR and Lifeplus and in a remarkable achievement, our collaboration with The Big Give during the matched funding week in December resulted in an impressive £100k raised, bolstered by the generous support of our donors. Additionally, we are delighted to acknowledge the outstanding contribution of £27.5k from Christmas card sales by Helpcards Ltd.

Our rare disease research campaign, which was launched in late 2022 to raise awareness and additional funds for our work helping children affected by devastating rare diseases, had reached an impressive £580k by the end of 2023. A key factor in achieving this strong total was the contribution made by the intrepid Linda Blakely, who decided to row solo across the Atlantic Ocean in her Ulster Warrior boat. Although not due to set off until January 2024, she had already raised over £60k for rare disease research before she set sail.

Gifts in wills make a crucial, and cost-effective contribution to our fundraising income and income increased to over £400k in 2023. We are incredibly grateful to those who make the deeply personal decision to include us in their will. Eight people made the decision to pledge to leave a legacy to Action in 2023, with a further 70 asking to receive a copy of our Guide to making a will.

We received a total of 16 complaints about our fundraising in 2023, an increase of 10 compared with 2022 reflecting our increased fundraising activities year on year. We had one request from a member of the public, via the Fundraising Preference Service, to be suppressed from future communications from the charity.

**Where we are going**

Action's core purpose and our strategy is to fund medical research to help babies, children and young people. The importance of and need for medical research remains very evident and, in the 50th year of our Research Training Fellowship scheme, we were proud to celebrate in 2023 the very real difference our funding can make over time.

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

Plans going forward for the charity include further developing fundraising across a range of income streams to fund more vital research to help children and to address the key financial risk, common to most charities, of maintaining voluntary income. We will continue to adapt flexibly as needed, as well as to consider what might be the longer-term implications of the economic environment for our charity and work.

**How we are governed**

The charity was formed in 1952 and is registered as a charity in England and Wales number 208701 and in Scotland number SC039284. Its governing instruments are the Memorandum and Articles of Association which were adopted on 10 July 1996, and amended on 12 July 2000, 2 July 2003, 30

October 2007 and 17 June 2022. Action Medical Research is incorporated under the Companies Act 2006 as a company limited by guarantee having no share capital. For the purpose of this Act, the Chair and other trustees (none of whom receive any remuneration) are the directors of the company. A full list of trustees, together with the charity's registered office, key management and advisers, is shown on the inside front cover of these financial statements.

On 31 December 2023 there were 10 trustees. Each year one third of the trustees retire or are eligible for re-election in accordance with the Memorandum and Articles of Association. The normal maximum tenure of trustees is nine years. We were pleased to welcome Clare Ferguson to the trustee body in July 2023.

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

Meetings of the council of trustees regularly address the following:

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

Each year, the skills, experience and diversity needed within the trustee body are reviewed to help the charity deliver its objectives. If gaps are identified or a vacancy occurs, new trustees are sought with the appropriate skills and expertise. Potential trustees are then interviewed by a nominating committee formed for the purpose and appointments considered by the council and, if agreed, confirmed at the Annual General Meeting. All trustees are given an induction programme when they join and offered opportunities to increase their knowledge and expertise. The trustees regularly review their performance as a

board, with further discussions of effectiveness held in 2022 and a review in early 2023.

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

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

The trustees believe that we have substantively applied the Code's recommended practices in all respects save as follows. We discuss and review the effectiveness of the trustee board each year as well as having mechanisms in place to raise and address issues as they arise. To date our effectiveness reviews have been conducted internally in an open and transparent manner, led by the Chair and supported by the Honorary Treasurer in respect of the Chair's performance. We believe that this approach is appropriate for a charity of our nature and size, given the cost and time required to commission an external evaluation, which our trustees have agreed should remain an option if important issues arise that warrant it.

**Statement of trustees' responsibilities**

The trustees (who are also directors of Action Medical Research for the purposes of company law) are responsible for preparing the report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs and of the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently

- observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP FRS 102)
- make judgments and estimates that are reasonable and prudent
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements – and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware – and
- the trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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



**Trading**

The charity had one subsidiary at 31 December 2023 wholly owned and registered in England and Wales, Action Medical Research (Trading) Limited. There has been no activity on the company which therefore remained dormant in 2023 and any limited and small-scale trading has been carried out directly by the charity.

**Risk management**

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

Throughout 2023 the trustees continued to monitor, assess and respond to risks. The major risks identified relate to maintaining voluntary income and the performance of invested funds. These in combination ultimately determine the level of new research grants that can be awarded. The charity's strategy is based on a broad range of fundraising channels and active development of further streams to manage income risks.

Investments are overseen by our Investment & Audit Committee with extensive investment management experience which considers reports at each meeting. In addition, we continue actively to address issues of cybersecurity and to develop our technology systems.

**Staff management**

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

Our average head count in 2023 was 49 (2022 48), full-time equivalent 40 (2022 38).

Key management personnel are defined by trustees as the Chief Executive and Directors of Research, Communications, Fundraising and Finance shown on the inside front cover of this report. The total remuneration of this group in 2023 was £437,986 (2022 £426,523). The pay of all staff, including key management personnel, is reviewed annually and considered by a sub-committee of the Board of trustees that includes the Chair and Honorary Treasurer. Any increase relating to cost of living may take into consideration external factors as well as the charity's financial position and the economic environment, and market rate reviews are also undertaken.

**Investments**

In 2023 the charity withdrew a net of £0.647m from its investments (2022 withdrew a net of £1.233m). Taking into account unrealised capital losses, the value of investments closed the year at £10.663m (2022 £12.113m). These investments are held to ensure that the charity is able to meet its grant liabilities and as part of the free reserves of the charity.

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

In 2023 Ruffer LLP managed the investment portfolio for the charity on a discretionary basis, which followed strict guidelines in line with the charity's investment policy. The 2023 mandate from the trustees specified that the charity not invest in tobacco or any stock in which tobacco manufacture is the main or a material element due to the negative impact on health. The investments were managed in a globally diversified portfolio with the objectives of both preserving capital and achieving an absolute return in excess of at least twice the Bank of England base rate in any 12 month period after all expenses.

In pursuit of these objectives, Ruffer LLP allocated a component (13.83%) of the portfolio to key assets as part of their protection strategy in the year. In 2023 the portfolio achieved a negative return of 6.6% net of fees (2022 a positive return of 6.8%) and thus the Trustees consider that these investment objectives were not met in the past year, but remain confident that our investment objectives remain appropriate and we will continue to monitor returns over the medium term.

In January 2024 the charity moved its funds with Ruffer into the Charity Asset Trust, including an ethical investment exclusion policy that accords with the charity's purpose and values. This includes a restriction relating to tobacco (defined as companies that derive more than 10% of their revenue from tobacco-related business activities). It excludes any company which manufactures cluster munition systems, manufactures landmines, is involved in the production of depleted uranium weapons, ammunition or armour, and manufactures biological or chemical weapons systems; and includes further restrictions on companies deriving revenue from weapons systems, civilian firearms and ammunition, alcohol, gambling, adult entertainment, oil sands and thermal coal, and high-interest lending.

The trustees continue to monitor the situation closely to ensure the charity's ability to realise assets from the portfolio as and when required to fulfil its current and future commitments.

**Reserves**

On 31 December 2023, the charity's free reserves (unrestricted funds less tangible fixed assets) including unrealised investment gains, stood at £7.828m (2022 £6.259m).

The trustees review their reserve policy annually, in 2023 continuing a dynamic policy to enable the charity to cope in the face of a range of unlikely but plausible downside events including circumstances that might lead to a significant temporary reduction in fundraising income, such as that recently experienced as a result of the pandemic. Our financial modelling indicates a steady increase to our income, building from very strong performance this year but also factoring the impact of current macro-economic challenges. A check on the charity's

financial position and medium-term projections indicate that the charity would be able to continue delivering on its objectives and fulfil commitments as they fall due. Notwithstanding the uncertainty from the current economic challenges, given our reserves position we can and do approach 2024 with confidence and have continued to adopt the going concern basis of accounting.

**Fixed assets and designated funds**

Information relating to changes in tangible fixed assets is given in note 10 to the financial statements.

In 2023 trustees disposed of the Vincent House property and moved the net proceeds (£2.138m) into Designated Funds.

Trustees took the decision to set up these Designated Funds in the context of the uncertain environment. The need for medical research to help children will undoubtedly continue, and evolve and change over time as health needs develop and new opportunities emerge to tackle disease through research. The need will also continue for the charity to develop and adapt, including in relation to available technology. The Designated Funds are to be spent over the next 10 years on: future new opportunities to develop medical research to help children (£2m); and on future infrastructure development (£138k).

By order of the council of trustees



**Luke Bordewich**  
Chair  
25 April 2024

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

## Opinion

We have audited the financial statements of Action Medical Research (the ‘charitable company’) for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 December 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

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

## Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees’ report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees’ report including the strategic report has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees’ report including the strategic report.

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

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of trustees

As explained more fully in the trustees’ responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an

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

audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

*How the audit was considered capable of detecting irregularities including fraud*

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

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

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

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

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

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

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

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

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

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

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

to identify non-compliance with laws and regulations to enquiry of key management and the inspection of regulatory and legal correspondence, if any.

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

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

**Use of our report**

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



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

Action Medical Research  
Statement of financial activities for the year  
ended 31 December 2023  
(incorporating an income and expenditure account)

		Unrestricted funds	Restricted funds	Total funds 2023	Unrestricted funds	Restricted funds	Total funds 2022
<b>Income from:</b>	Note	£	£	£	£	£	£
Donations and legacies	3.1	5,174,607	1,746,651	6,921,258	4,507,680	1,033,314	5,540,994
Investments	3.2	135,125	-	135,125	103,925	-	103,925
Charitable activities	3.3	-	929,702	929,702	-	467,782	467,782
<b>Total income</b>		5,309,732	2,676,353	7,986,085	4,611,605	1,501,096	6,112,701

<b>Expenditure on:</b>							
Raising funds	6.1	4,313,951	-	4,313,951	3,578,913	-	3,578,913
<b>Charitable activities</b>							
Grants for medical research	6.2	2,101,158	839,331	2,940,489	1,642,284	1,287,176	2,929,460
Medical research dissemination	6.2	720,014	-	720,014	716,417	-	716,417
<b>Total expenditure on charitable activities</b>		2,821,712	839,331	3,660,502	2,358,701	1,287,176	3,645,876
<b>Total expenditure</b>		7,135,123	839,331	7,974,454	5,937,614	1,287,176	7,224,790

Net (expenditure)/income before investments		(1,825,391)	1,837,022	11,632	(1,326,009)	213,920	(1,112,089)
Net gains on investments	11	(802,708)	-	(802,708)	849,858	-	849,858
Profit on sale of fixed assets	10	2,137,590	-	2,137,590	-	-	-

Net (expenditure)/income before transfer between funds		(490,509)	1,837,022	1,346,513	(476,151)	213,920	(262,231)
Transfers between funds	9	1,837,022	(1,837,022)	-	213,920	(213,920)	-
<b>Net movement in funds</b>		1,346,513	-	1,346,513	(262,231)	-	(262,231)

Balances brought forward at 1 January		6,541,984	-	6,541,984	6,804,215	-	6,804,215
<b>Balances carried forward at 31 December</b>		7,888,497	-	7,888,497	6,541,984	-	6,541,984

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



Action Medical Research


Balance sheet as at 31 December 2023

(company no. 549089 England and Wales)

		31 December 2023	31 December 2022
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	10	60,011	282,516
Investments	11	12,799,185	12,113,327
		<b>12,859,196</b>	<b>12,395,843</b>
<b>Current assets</b>			
Debtors	12	1,682,727	1,254,874
Cash at bank and in hand		872,470	423,692
		<b>2,555,197</b>	<b>1,678,566</b>
<b>Creditors</b>			
Amounts falling due within one year	13	(5,104,037)	(5,721,328)
<b>Net current liabilities</b>		<b>(2,548,840)</b>	<b>(4,042,762)</b>
<b>Total assets less current liabilities</b>		<b>10,310,357</b>	<b>8,353,081</b>
<b>Creditors</b>			
Amounts falling due after more than one year	13	(2,421,860)	(1,811,097)
<b>Total net assets</b>		<b>7,888,497</b>	<b>6,541,984</b>
<b>The funds of the charity</b>			
Unrestricted funds		-	-
General funds		5,750,497	6,541,984
Designated funds		2,138,000	-
Restricted funds	15	-	-
<b>Total charity funds</b>		<b>7,888,497</b>	<b>6,541,984</b>


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

The financial statements were approved and authorised for issue by the trustees on 25 April 2024 and were signed on their behalf by:



Luke Bordewich

Chair



Richard Wild

Honorary Treasurer

Action Medical Research

Statement of cash flows for the year ended 31 December 2023

		2023	2022
	Note	£	£
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	a	<b>(538,734)</b>	<b>(1,440,383)</b>
<b>Cash flows from investing activities:</b>			
Investment income and interest receivable		135,125	103,925
Payments to acquire investments		(11,112,345)	(9,939,595)
Payments to acquire tangible fixed assets		(55,148)	(3,820)
Receipts from disposals of investments		9,731,404	10,505,993
Receipts from disposals of tangible fixed assets		2,525,000	-
<b>Net cash provided by investing activities</b>		<b>1,224,036</b>	<b>666,503</b>
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents at the beginning of the period		468,554	1,242,434
Cash and cash equivalents at the end of the period	b	<b>1,153,856</b>	<b>468,554</b>
<b>Notes to the statement of cash flows for the year ended 31 December 2023</b>			
<b>a) Reconciliation of net (expenditure)/income to net cash flows from operating activities</b>			
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		1,346,513	(262,231)
Adjustments for:			
Depreciation charges		19,141	23,578
Investment income and interest receivable		(135,125)	(103,925)
Losses/(Gains) on investments		802,708	(849,858)
(Profit) on the sale of fixed assets		(2,137,635)	-
Grants authorised		2,555,931	2,548,746
Grants paid		(2,319,244)	(2,795,677)
(Increase)/decrease in debtors		(427,852)	(599,457)
(Decrease)/increase in non-grant creditors		(243,216)	598,441
Net cash used in operating activities		<b>(538,734)</b>	<b>(1,440,383)</b>
<b>b) Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		872,470	423,692
Cash held by investment managers		281,386	44,862
<b>Total cash</b>		<b>1,153,856</b>	<b>468,554</b>

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

16

17

Action Medical Research  
Notes to the financial statements for  
the year ended 31 December 2023

1. Liability of members

The company is limited by guarantee having no share capital and, in accordance with Clause 7 of the Memorandum of Association, every Member, as defined by Clause 2 of the Articles of Association (as amended by Special Resolution passed 10 July 1996), is liable to contribute a sum not exceeding £10 in the event of the charity being wound up while a Member or within one year thereafter. At 31 December 2023 there were 24 Members.

2. Accounting policies

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

a) Basis of preparation and comparative information

The financial statements have been prepared for the year to 31 December 2023. Comparative information reflects the financial results for the year ended 31 December 2022.

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

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

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

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

b) Assessment of going concern

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

Our financial modelling indicates a steady increase to our income, building from very strong performance this year but also factoring the impact of current macro-economic challenges. A check on the charity's financial position and medium-term projections indicate that the charity would be able to continue delivering on its objectives and fulfil commitments as they fall due. Notwithstanding the uncertainty from the current economic challenges, given our reserves position we can and do approach 2024 with a degree of confidence and have continued to adopt the going concern basis of accounting.

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

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

c) Critical accounting estimates and areas of judgement

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

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

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

d) Income recognition

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

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

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

Donations and grants in respect to charitable activities are recognised when the charity has

Action Medical Research  
Notes to the financial statements for  
the year ended 31 December 2023

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

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

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

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

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

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

**e) Expenditure recognition**

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

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

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

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

**Allocation of support and governance costs**

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

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

Support costs include the cost of running the administration, governance, finance and IT departments.

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

**f) Fixed assets and depreciation**

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

**g) Investments**

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

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

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

**h) Debtors**

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

**i) Cash at bank and in hand**

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

**j) Creditors and provisions**

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

**k) Fund structure**

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

**l) Leased assets**

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

**m) Pension costs**

The charity continues to operate a defined contribution scheme. Contributions to this scheme are charged as expenditure when they are payable. The charity's contributions are restricted to the contributions disclosed in note 8. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

**n) Subsidiary undertaking**

The charity has one subsidiary undertaking, Action Medical Research (Trading) Limited. The company was dormant during the year.

3. Income

	Unrestricted funds	Restricted funds	Total 2023	Unrestricted funds	Restricted funds	Total 2022
	£	£	£	£	£	£
3.1 Donations and legacies						
Direct gifts from individuals and trusts	2,236,234	1,526,651	3,762,885	2,300,174	864,439	3,164,613
Legacies	266,187	220,000	486,187	53,742	141,370	195,112
Community & Events income	2,672,186	-	2,672,186	2,153,764	27,505	2,181,269
	5,174,607	1,746,651	6,921,258	4,507,680	1,033,314	5,540,994
3.2 Investments						
Investment income	135,125	-	135,125	103,925	-	103,925
	135,125	-	135,125	103,925	-	103,925
3.3 Charitable activities						
Government grant	-	929,702	929,702	-	467,782	467,782
	-	929,702	929,702	-	467,782	467,782
<b>Total income</b>	<b>5,309,732</b>	<b>2,676,353</b>	<b>7,986,085</b>	<b>4,611,605</b>	<b>1,501,096</b>	<b>6,112,701</b>

**Donations** Income received from supporters, local activities, trusts, regular donations and appeals.  
**Legacies** Income from legacies notified during the period that can be reasonably measured.  
**Community & Events** Income from events in UK and overseas organised on behalf of the charity.  
**Government grant** Income from government grant represents funding from Business, Energy and Industrial Strategy (BEIS) to help sustain early-career researchers supported by medical research charities.

4. Investment income

	2023	2022
	£	£
UK equities	11,846	46,837
Overseas equities	14,360	36,346
UK fixed interest	16,002	6,534
Overseas fixed interest	32,310	13,049
Bank deposit interest	60,607	1,159
	135,125	103,925

5. Subsidiary undertaking

The charity has one subsidiary company limited by guarantee: Action Medical Research (Trading) Limited whose principal activity is derived from the sale of merchandise and other commercial activities. For the years to 31 December 2023 and 31 December 2022 the company was dormant.

6. Expenditure

	Grant awards	Direct costs	Support costs	Total 2023
<b>31 December 2023</b>	£	£	£	£
6.1 Raising funds				
Cost of fundraising	-	3,843,905	348,270	4,192,175
Investment management costs	-	119,122	-	119,122
	-	3,963,027	348,270	4,311,298
6.2 Charitable activities				
Grants for medical research	2,555,931	218,213	167,672	2,941,815
Medical research dissemination	-	458,518	262,823	721,341
	2,555,931	676,731	430,495	3,663,156
<b>Total expenditure</b>	<b>2,555,931</b>	<b>4,639,758</b>	<b>778,765</b>	<b>7,974,454</b>

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

6.3 Expenditure include charges for:

	Total 2023	Total 2022
	£	£
Fees payable to the charity's auditors for audit of the financial statements	22,272	20,820
Other fees payable to the charity's auditors	1,406	1,339
Depreciation (note 10)	19,141	23,578

7. Support costs

	Staff costs	Other overheads	Total 2023	Total 2022
	£	£	£	£
Cost of raising funds	146,200	202,070	348,270	301,026
Research	116,266	51,405	167,672	174,013
Medical research dissemination	187,504	75,319	262,823	292,133
	449,971	328,794	778,765	767,172

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

8. Analysis of staff costs

	2023	2022
	£	£
Wages and salaries	1,604,303	1,481,654
Social security costs	162,029	154,839
Pension costs	86,238	75,111
Redundancy	20,308	-
Total	1,872,878	1,711,604

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

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

	2023	2022
Grant administration	5	4
Medical research dissemination	4	4
Fundraising	24	22
Support	5	7
Charity governance	1	1
	40	38

The average monthly headcount was 49 staff (2022 48).

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

	2023	2022
£60,001 to £70,000	2	1
£70,001 to £80,000	1	2
£80,001 to £90,000	1	-
£100,001 to £110,000	1	1

8. Analysis of staff costs (continued)

Contributions totalling £17,373 (2022 £12,561) were paid in the period to a defined contribution pension scheme in respect of the above employees.

The total remuneration (including taxable benefits, employer national insurance and pension contributions) of the key management personnel for the year was £437,986 (2022 £426,523).

Trustee remuneration

No fees are paid to trustees for their services as board members. Directly incurred expenses are reimbursed, if claimed. In the year to 31 December 2023 £nil was claimed (2022 £nil).

9. Transfers

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

10. Tangible fixed assets

	Freehold property	Fixtures and fittings	Motor vehicle	Totals
	£	£	£	£
<b>Costs</b>				
At 1 January 2023	755,771	263,431	13,660	1,032,862
Additions	-	55,148	-	55,148
Disposals	(755,771)	(224,626)	(13,660)	(994,057)
At 31 December 2023	-	93,953	-	93,953

<b>Depreciation</b>				
At 1 January 2023	490,301	246,385	13,660	750,346
Charge for period	6,958	12,183	-	19,141
Eliminated on disposal	(497,259)	(224,626)	(13,660)	(735,545)
At 31 December 2023	-	33,942	-	33,942

<b>Net book value at 31 December 2023</b>	-	60,011	-	60,011
---	---	--------	---	--------

<b>Net book value at 31 December 2022</b>	265,470	17,046	-	282,516
---	---------	--------	---	---------

The land cost of the freehold property estimated by the trustees at £60,000 in 2022, was sold during the year. Net proceeds of £2.138m was achieved from the sale of the freehold property after accounting for legal and conveyancing fees and net book value of the asset brought forward.

All fixed assets are held for the charity's own use.

## 11. Fixed asset investments

	2023	2022
	£	£
Market value:		
At 1 January	12,113,327	12,496,400
Net funds withdrawn from portfolio	(647,434)	(1,232,931)
Realised gains	317,359	704,764
Unrealised gains/(losses)	(1,120,067)	145,094
Acquisition of fixed-term deposit	2,136,000	-
At 31 December	<b>12,799,185</b>	<b>12,113,327</b>

<b>Listed investments</b>		
UK equities	1,415,882	1,835,775
Overseas equities	1,766,803	1,443,601
UK fixed interest	1,968,840	2,481,551
Overseas fixed interest	3,975,277	4,283,385
Foreign currency contracts	33,623	(8,687)

<b>Unlisted investments</b>		
Alternative investments	1,219,901	2,031,367
Associated company (see below)	1,473	1,473
Cash held by investment manager	281,386	44,862
Fixed-term deposit	2,136,000	-
	<b>12,799,185</b>	<b>12,113,327</b>

Cost of investments	12,962,325	10,829,205
---------------------	------------	------------

At 31 December 2023 listed investments included the following material individual holdings:

	Market value of holding £	Percentage of overall portfolio
Ruffer SICAV Fixed Income	2,945,790	27.63%
Ruffer Multi Strategies Fund Limited	734,447	6.89%
Ruffer SICAV UK Mid and Smaller Companies	740,141	6.94%

**Foreign currency contracts** – at 31 December 2023 the charity had open forward exchange contracts.

FWD: USD Vs. GBP 11/01/2024	£33,623
-----------------------------	---------

**Unlisted investments** – associated company: this represents the charity's 24.9% shareholding in Helpcards Limited. The principal activity of Helpcards Limited is the publishing of Christmas cards. Its turnover for the year ended 30 April 2023 was £129,588 (2022 £127,612) with a profit of £100,829 (2022 £99,750). The total distribution to the charitable company's shareholders was £110,000 (2022 £105,000).

## 12. Debtors

	31 December 2023	31 December 2022
	£	£
Prepayments	453,574	343,266
Accrued income due within 1 year	540,520	501,463
Accrued income due in more than 1 year	410,872	199,934
Other debtors	236,565	158,520
Income tax recoverable	40,896	51,691
	<b>1,682,727</b>	<b>1,254,874</b>

13. Creditors	Amounts falling due within one year		Amounts falling due after more than one year	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	£	£	£	£
Research grants payable (note 16)	3,834,880	4,208,956	2,421,860	1,811,097
Trade creditors	1,018,512	1,261,432	-	-
Accruals	52,272	53,650	-	-
Taxation and other social security costs	51,794	43,562	-	-
Deferred income	146,579	153,728	-	-
Total	<b>5,104,037</b>	<b>5,721,328</b>	<b>2,421,860</b>	<b>1,811,097</b>

At 31 December 2023, in addition to its tangible fixed asset and investment holdings and long term grant commitments, the charity had net current liabilities of £2.5m (2022 £4.0m). The trustees do not anticipate that this financial position will require a considerable drawdown from the investment portfolio in 2024 given that these short term grant commitments will be partly met from future income and, furthermore, although technically falling due within one year, some of these grant commitments are likely to be paid after the 2024 financial year.

## 14. Related party transactions

At the meeting of trustees held on 25 April 2024 the trustees confirmed that, following appropriate enquiries, they were not aware of any related party transactions which required disclosure in the financial statements, but wished to disclose the following trustee connection:

Due to the nature of the charity's operations and the composition of the trustees (some being drawn from medical or research organisations), it is possible that transactions may take place with organisations in which a trustee may have an interest, including the awarding of research grants (see note 18). All grant transactions involving organisations in which a trustee may have an interest are conducted at arms' length and in accordance with the charity's financial regulations and normal procedures. No such transactions were identified which should be disclosed under Financial Reporting Standard 102 Section 33.

Fundraising, sponsorship and donations totalling £10,653 (2022 £10,843) were received by the charity from trustees.



15. Restricted funds

The charity receives restricted donations, legacies and events income to assist in the charity's funding of specific research projects. In 2023 the total of this restricted income was £2,915,089 (2022 £1,501,096) and the amount utilised from this to fund the relevant research and other related costs was £839,331 (2022 £1,287,176). During the year, £213,920 (2022 £213,920) was transferred to unrestricted funds being a reimbursement of expenditure incurred for restricted fund purposes but met out of the unrestricted fund balances in the first instance.

At 31 December 2023 the charity had a nil balance in restricted funds (2022 £nil).

16. Research grants

	31 December 2023	31 December 2022
Research grants payable	£	£
Amounts outstanding at 1 January	6,020,053	6,266,840
New research grants awarded (note 6)	2,555,931	2,548,746
Amounts paid during the year	(2,319,244)	(2,795,533)
Amount outstanding at 31 December	6,256,740	6,020,053
The outstanding balance is payable:		
Within one year (note 13)	3,834,880	4,208,956
After more than one year (note 13)	2,421,860	1,811,097
	6,256,740	6,020,053

Analysis of awards made in 2023 – please see list on pages 29-30.

17. Reconciliation of movements on unrealised gains

	2023	2022
	£	£
Unrealised gains at 1 January	1,284,122	1,026,783
Add: in respect to disposals in year	(327,196)	(143,731)
Add: net gains/(losses) arising on revaluations in the year	(1,120,067)	401,070
Total unrealised gains at 31 December	(163,141)	1,284,122

18. Analysis of awards made in 2023

Institution	Title	Grant award £
University of Edinburgh, Centre for Genomic and Experimental Medicine, Western General Hospital	Preclinical testing of allele-specific antisense oligonucleotide (ASO) therapy for a rare neurodevelopmental disorder caused by mutations in EEF1A2	£154,673
Genetics and Genomic Medicine, UCL Great Ormond Street Institute of Child Health, Department of Cell and Developmental Biology and Department of Neuroscience, Physiology and Pharmacology, University College London; MRC Centre for Neurodevelopmental Disorders, Institute of Psychiatry, Psychology and Neuroscience, King's College London #	Understanding the role of vitamin B6 dyshomeostasis in epilepsy disorders	£200,000
Department of Women's and Children's Health, St Thomas' Hospital, King's College London #	A randomised controlled trial to assess the optimal management of preterm birth risk secondary to C-section damage	£247,432
Centre for Cell Biology and Cutaneous Research and the School of Engineering and Materials Science, Queen Mary University of London and the Institute of Inflammation and Ageing, University of Birmingham	Targeting epigenetic gene regulation in epidermolysis bullosa simplex	£199,751
Department of Genetics and Genomic Medicine and Infection Immunity Inflammation, UCL Great Ormond Street Institute of Child Health, University College London; UCL Elizabeth Garrett Anderson Institute for Women's Health and Division of Surgery and Interventional Science, University College London #	Development of lentiviral in vivo gene therapy for Progressive Familial Intrahepatic Cholestasis type 3	£183,934
Department of Maternal and Fetal Medicine, EGA Institute for Women's Health, University College London #	Cervical human beta defensin 2 (HBD2) gene therapy for the prevention of infection-associated preterm birth and neonatal morbidity	£244,714
Department of Electronic and Electrical Engineering, Swansea University and the Division of Infection and Immunity, School of Medicine, Cardiff University	Development of printed biosensors for screening of human cytomegalovirus (HCMV) in newborn babies	£56,828

Analysis of awards made in 2023 continued

Institution	Title	Grant award £
National Heart and Lung Institute, Imperial College London and Department of Paediatric Respiratory Medicine, Royal Brompton Hospital, London	Research Training Fellowship at the National Heart and Lung Institute, Imperial College London and Department of Paediatric Respiratory Medicine, Royal Brompton Hospital, London	£267,994
Centre for Inherited Cardiovascular Diseases, Great Ormond Street Hospital; Molecular and Clinical Sciences Research Institute, St George's University of London #	Research Training Fellowship at the Centre for Paediatric Inherited and Rare Cardiovascular Disease	£249,907
Bristol Medical School, University of Bristol	Generation of personalised Glomspheres from patients with inherited nephrotic syndromes, to repurpose and discover compounds to rescue the disease phenotype	£241,916
Department of Surgical and Interventional Engineering and School of Cancer and Pharmaceutical Sciences, King's College London #	Targeted gene therapy in diffuse midline glioma using focused ultrasound	£246,000
Medicines Discovery Institute and School of Biosciences, Cardiff University	Developing non-covalent acid ceramidase inhibitors to treat Krabbe disease	£249,824
Dyson School of Design Engineering, Imperial College London; Department of Respiratory Medicine, Sheffield Children's NHS Foundation Trust	Overcoming craniofacial abnormalities: Establishing a digital mass customisation design-through-manufacture pipeline for facemasks for children using non-invasive ventilation (NIV)	£249,024
Grants		2,791,997
Grant adjustments		(236,066)
Total grants spend 2023 (note 6)		2,555,931

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

# Advisory Committees serving Council of Trustees

Investment and Audit Committee

Chair and Honorary Treasurer

Richard Wild

Mark Everitt

Rajat Sharma

Risk Management Committee

Chair

Richard Stoneham-Buck

Julie Buckler

Karen Last

Kathy Harvey

Steering Committee

Chair

Luke Bordewich

Richard Wild

Julie Buckler

Marketing Insights Panel

Chair

Tobin Aldrich

Julie Buckler

Emily Casson

Kate Cox

Lewis Coghlin

David Haseler

Karen Jankel

Rachel Molho

Sarah Moss

Richard Stoneham-Buck

Robert MacDonald

David Hammond (appointed 20 December 2023)

Scientific advisory panel

Chair

Professor Stephanie Schorge PhD

Professor Diana Barelle MBBS MD FRCP

(appointed August 2023)

Professor James Boardman MBBS PhD FRCPCH

(appointed March 2023)

Professor Claire Booth MBBS MSc PhD MRCPCH

Professor Adnan Custovic MD PhD FRCP FMedSci

(appointed November 2023)

Professor Alicia El Haj FREng FRSB FEAMBES (retired May 2023)

Professor Deborah Gill PhD (appointed November 2023)

Professor Muzlifah Haniffa BSc MBCh MRCP PhD FMedSci

(retired November 2023)

Professor Ed Johnstone MBChB PhD MRCOG

Professor Pablo Lamata PhD (appointed February 2023)

Professor Robert McFarland MA MBBS PhD MRCP FRCPCH

(appointed July 2023)

Professor Andrea Nemeth BSc MBBS DPhil (Oxon) FRCP

(retired May 2023)

Professor Shiranee Sriskandan FRCP PhD (retired May 2023)

Additionally for joint Action Medical Research/LifeArc project

grant applications on rare disease research

Dr Andy Merritt PhD CChem

Dr Thorsten Forster PhD

Professor Felicity Rose PhD FHEA (appointed November 2023)

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

**T** 01403 210406  
**E** [info@action.org.uk](mailto:info@action.org.uk)  
**W** [action.org.uk](http://action.org.uk)

Follow us on social media  
[@actionmedres](https://twitter.com/actionmedres)

A member of the:

