



Annual report & accounts

31 March 2013

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Introduction

The Executive Council (the trustees and directors of the charitable company) present their annual report for the period April 2012 to March 2013 with the accounts of the association for the year ended 31 March 2013.

Principal activity

The principal activity of the association is the charitable advancement of medical research in the United Kingdom generally and, in particular, the advancement of the collective effectiveness of those related charities of which a principal activity is medical research. The company is limited by guarantee and is governed by its Memorandum and Articles of Association.

Public benefit statement

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, '*Charities and Public Benefit*'.

AMRC's charitable purpose is enshrined in its strategic plan as set out on the following pages of this annual report and accounts. The trustees ensure that this purpose is carried out by delivering services valued by our members which meet our three strategic aims of support, influence and connect.

The structure of the trustees' annual report allows us to report on AMRC's activities and achievements associated with each of these aims during the year 2012-13, as well as our forthcoming plans.

We are a membership-driven organisation with 91% of our income coming from members this financial year. Through supporting those in the charity sector with responsibility for allocating funds to medical and health research, we are able to help all charities maximise the use of their resources and make a greater impact for all their beneficiaries.

Constitution and governance

AMRC is governed by an Executive Council. Eight members of the Executive Council are nominated and elected by AMRC members. These members of council may serve up to a renewable period of three years and annual elections take place shortly before the AGM. Executive Council can also appoint up to four co-opted members for a renewable period of three years. In addition, Executive Council meetings are attended by an observer nominated by, and representing, the Academy of Medical Sciences. All new council members receive a formal induction from the AMRC secretariat. Executive Council met five times between April 2012 and March 2013.

Risk review

AMRC maintains a risk register of the major operational and business risks and challenges it faces. This was reviewed by the association's Executive Council at meetings in May and September 2012 and updated as necessary. We are planning a more detailed review in 2013, and the trustees confirm that controls are in place to mitigate the major risks identified, of:

- a fall in charity income hitting AMRC subscription revenue
- cost control measures, so important for a small charity such as AMRC.

Members of the association

New members: Sarcoma UK, Target Ovarian Cancer, The Urology Foundation

AMRC membership at the end of the year stood at 122, including three new members that joined during the course of the year, and the merger of two member charities.

Membership of the association is open to charities for which a principal activity is medical research. In addition, members have to meet criteria requiring the use of peer review in the allocation of all grants and awards for research. They must also support AMRC's key policy positions on university funding and the use of animals in medical research. AMRC's membership conditions are now included as part of our Standing Orders and kept under regular review by Executive Council.

Supporters

New supporters: The British Library, Daphne Jackson Trust, MRC Technology

We piloted a new strand to AMRC membership, known as supporters, selecting organisations whose activities can be of real support and value to our members, and that are interested in our, and our members', activities. These supporters are becoming an important part of the AMRC network and their membership brings an opportunity to work more closely with members on areas of mutual benefit.

In 2012-13 the British Library held the inaugural *Access to Understanding* science writing competition in conjunction with Europe PubMed Central. Sharmila Nebhrajani chaired the panel of judges; assessing early career researchers' lay summary of selected articles from Europe PMC, several funded by AMRC members including Arthritis Research UK, Breakthrough Breast Cancer, and British Heart Foundation.

MRC Technology (MRCT) is the technology transfer agent for the Medical Research Council (MRC), facilitating the translation of scientific discoveries from the lab to market. MRCT began

offering its services to medical research charities in 2011. Through our new agreement, we are looking forward to developing ways to bring their IP management expertise to a wider section of AMRC members, helping move research from the bench to the patient.

The Daphne Jackson Trust offers two-year, half-time fellowships, and has a 96% success rate in re-establishing fellows' careers in academia and industry. The trust already has co-funding arrangements with several AMRC member charities and is keen to forge new working relationships with medical research charities it has not worked with before.

Supporters do not have the full benefits of membership, including rights to serve as trustees or vote, and because they don't fulfil our peer review criteria, those that are research funders won't attract the financial benefits to their research that follow full AMRC membership – such as eligibility for the charity research support fund (CRSF) and AcoRD.

Subscriptions

Under our Memorandum and Articles of Association and Standing Orders, Executive Council is able to increase subscriptions in line with inflation.

In recognition of the challenging economic times faced by all members, Executive Council took the decision to keep subscription rates flat at 0.14025% of UK medical research expenditure. The minimum subscription fee also remained unchanged at £335.

Our two largest members (also the largest medical research charities in the UK) – the Wellcome Trust and Cancer Research UK – pay a fixed subscription which increases by an agreed inflationary amount each year. To safeguard the independence of the association, no one member contributes more than 25 % of our income.

Our vision, mission and strategy

We are the national membership organisation of leading medical and health research charities. In 2012 we agreed a new strategic framework for 2012-17. Our new strategy holds at its heart two essential thoughts:

- AMRC membership is a hallmark of quality
- and AMRC should be the strong collective voice for medical research charities in the UK.

Our new vision

Charities delivering high-quality research to improve health and wellbeing for all

Our new mission

To achieve our vision, AMRC will:

- Support our member charities to fund research of the highest quality
- Be a strong collective voice for medical research charities
- Interpret and influence the political and regulatory environment
- Encourage innovation and collaboration
- Emphasise the importance of public investment in researchers and research infrastructure

...and demonstrate AMRC membership as the hallmark of credible medical research charities.

Our new strategic framework has three elements:

Support

AMRC helps members meet their charitable objectives. We will:

- Offer high-quality training and seminars, and ensure the topics we cover reflect emerging issues facing our members
- Focus on producing pragmatic guidance and toolkits, which our members can use in their own work.
- Continue to operate a rigorous process on which our quality hallmark is founded.

Influence

Our role is to ensure as positive a climate as possible for research charities. We will:

- Scan the horizon for key developments
- Interpret the legislative and political environment so our members don't have to
- Represent the collective charity voice with government, partners and other stakeholders.

Connect

Medical research charities comprise a vibrant community with enormous potential to collaborate and learn from others. We will:

- Share with our members the valuable quantitative data we collect from them
- Offer opportunities for charities to work with industry and public funders
- Create opportunities for members to share learning to avoid duplication of effort and maximise the value of all they do.

Our achievements in 2012-13

2012-13 was a year where we worked with our members to develop a new strategy and then began its implementation. It is an ambitious work programme and we have made good progress in all three key themes of support, influence and connect.

This was also the year of our new organisational structure. We remain a small team and we have reorganised ourselves to cover four key activities:

- policy formulation
- data analysis and interpretation
- research management
- membership and communications.

Strategic activities at a glance

For the three years from 2012 to 2015 our focus is on:

Sector data	Collect spend, impact and grant data Use data to influence debate Share raw data and messages with members to support their own policy work
Quality and standards	Peer review principles and audit Coaching Disseminating best practice
Policy	Consultation responses Thought leadership Tracking and influencing implementation
Connect	Paid-for training workshops to boost skills and expertise Free seminars to develop consensus and connect sector Annual conference and AGM
Communications	Website as repository of standards and guidance Bespoke one-to-one advice Social media to connect members Balance of formal and informal channels Press and stakeholder communications

The year in detail

Strategic review

We conducted a strategic review in consultation with members and partners, and launched a new strategy for 2012-17. Over half our members took part in four strategic review workshops across the country and responded to our online survey, helping us to develop a new strategic framework for 2012-17.

A new mission and strategy support AMRC's new vision of charities delivering high-quality research to improve health and wellbeing for all. Our new strategic framework has three elements. We will:

- Support members to meet their charitable objectives
- Influence the regulatory, policy and research environments
- Connect members to encourage collaboration and to share learning.

Agreement on clinical research costs and implementing AcoRD

In May 2012 we successfully completed negotiations with the Department of Health on a new mechanism for costing clinical research in the NHS, known as AcoRD (Attributing the costs of health and social care Research and Development). The Scottish Chief Scientist Office subsequently adopted the AcoRD principles in June 2012, and AcoRD has now also been adopted in Wales and Northern Ireland.

AcoRD recognises that charities should only pay the direct costs of research, and explicitly states that AMRC charities will not be expected to pay some of the research costs (such as data collection or preparing for regulatory approval), where these activities are being carried out by staff employed by the NHS or a NIHR Clinical Research Network.

AMRC and the Department of Health agreed to work together on the implementation and monitoring of the new guidance, with a small group of research funders and the NIHR Clinical Research Network meeting to oversee the implementation of the guidance. This includes gathering data to assess the impact of the guidance on the costs of research and to provide assurance that the new guidelines do not have unintended consequences. The implementation group is developing tools for the use of all funders, including an attribution template, a roadmap for advice and support, and specific advice for pharmacy-associated costs.

In England, the guidance came into force for new applications from 1 October 2012. To help familiarise our members with the changes, we held a free seminar and a session in the clinical research workshop on implementing the guidance. In 2013-14, we will continue to support our members in implementing AcoRD. We continue to monitor and follow-up areas of continuing concern, particularly any problems of increased bureaucracy or inappropriate costs.

Collecting spend, impact and grant data

AMRC holds valuable information on how our members support medical research. This year we introduced a simplified collection process, combining our annual information requests for research expenditure data, grants data and the annual member survey in one data request.

This data helps us understand members and support their needs. It also provides a vital evidence base for informing policymakers of the significance and diversity of charity funding for medical research. Our data analyses give us authority to speak on behalf of our members and the medical research charity sector.

Our strategic review workshops told us that members also wanted to be able to see and use these data, and so it is a strategic priority to make this valuable data more accessible to our members.

Sectoral data for AMRC members' research spend is developed into graphics, published in the annual review and on our website. Members are encouraged to use them in their presentations and publications, but there is more we can do here. In the coming year we will work with members on a new data sharing policy, and explore ways of bringing together sector-wide data and evaluating research outcomes and impacts.

In 2012 we began work coding and analysing grants awarded by our members in 2010 and 2011, according to the Health Research Classification System (HRCS). We will publish analyses of the 2011 spending data at a more granular level in the 2012-13 annual review, and will complete analyses of 2012 data in 2013.

Showing impact

AMRC signed a £1m agreement with the Medical Research Council (MRC) and Researchfish that will allow all AMRC members with an annual research spend of up to £25m to use the Researchfish research outcomes system at no cost for up to three years, should they wish to.

Researchfish is an online evaluation system for funders to track the impact of the research they fund. We believe that using it can enable charities to provide evidence of the public benefit of their work, demonstrating the added value that charity funding brings to UK medical research.

Sixty charities have so far expressed interest in the offer, including eight existing users that also qualify for the support.

		Number of charities
Evaluation system	Using Researchfish <i>AMRC/MRC funded</i>	60
	Using Researchfish <i>not eligible for AMRC/MRC funding</i>	3
	Using a bespoke e-Val tool	1
	Not using Researchfish at this time	58

This is an opportunity for charity funders to collect evidence of the outputs of the research they fund, and identify how their funding is shaping UK medical research and improving healthcare. We hope that members will be keen to share investment and impact data across the sector, to allow better understanding of how impact is achieved in a multi-funder environment. We will be able to use the unique evidence Researchfish generates to help us to identify the importance of collaboration with public and commercial funders.

Collaborating with industry, commercialisation and intellectual property

We offered practical tools for collaboration, opportunities to work with industry funders and to share best practice.

Following 2011's well-received working group and guidance on intellectual property (IP), we held an advanced IP workshop in autumn 2012. With examples from the media, technology and pharmaceutical industries, universities, government agencies, and charities, it highlighted a practical range of tools and ways of working with others that charities could adopt to exploit the potential of the research they fund.

A high-level seminar on optimising industry-charity links seminar on 31 January was a chance to bring together our member charities and representatives from the pharmaceutical industry, and built on previous work facilitating collaboration with industry. In the coming year we will continue a structured plan of work on collaborations, guided by expert input and advice from an AMRC industry-charity advisory group, which will include representatives from both AMRC member charities and industry.

We joined forces with the UK life science industry bodies ABPI, BIA and ABHI to host discussions at the party conferences about what MPs and the government can do to help us deliver treatments more quickly to patients, and grow the life sciences sector in the UK. Across the three conferences, we involved 26 representatives from charities, 14 from industry, and seven from academia.

Research prioritisation

Deciding how best to identify research priorities has always been a challenge, yet getting it right is an essential part of the research cycle. AMRC collaborated with the James Lind Alliance (JLA) and the National Institute for Health and Care Excellence (NICE) on a round-table discussion on research prioritisation.

The event introduced national initiatives that gather and disseminate potential research questions, and can help research funders in setting their research priorities: the JLA Priority Setting Partnerships, UK Database of Uncertainties about the Effects of Treatments (UK DUETs), the NICE Guidance Research Recommendations database and NHS Evidence.

Delegates heard how charities have made use of these tools to support and inform their research priorities, with a strong focus on practical application.

Implementing a vision for research in the NHS

After a controversial journey through parliament, the Health and Social Care Act passed into law in March 2012, introducing for the first time duties on the health secretary, the new NHS England and Clinical Commissioning Groups to promote and support research in the NHS. In 2012-13 our focus shifted to how to help the NHS be ready and capable of implementing these duties.

Working with member charities and the wider research community, through a series of working group meetings and seminars, AMRC attempted to answer this question and began developing *Our vision for research in the NHS*.

We polled health professionals to gain an idea of their experience of, and attitudes to, research and found that while the majority agreed that research was important, less than a quarter of GPs felt that they should be involved personally. On the other hand, our 2011 polling of patients told us they are keen to be involved, especially in clinical trials, even though they often do not know how to find these opportunities.

We identified a number of barriers to taking part in research for doctors, including pressure of clinical work, burdensome regulation and a lack of information about research opportunities. Our 'vision' will propose a clear set of guidelines that should help overcome some of these barriers and encourage researchers and patients with practical proposals for action.

In summary, our vision is for an NHS where:

- Every patient is offered opportunities to be involved in research
- All NHS staff see the importance of research
- The NHS conducts high-quality research and adopts new treatments

We will launch the *Vision* in Parliament in May 2013.

Promoting the importance of data for research

How personal data is used is a highly sensitive subject and continues to be a key issue for AMRC. Regulation surrounding the use of data for research is designed to protect patients and their confidentiality, however the complexity and multiplicity often slows life-saving research, does little to improve safety and reduces opportunities for patients to get involved in research. And yet ultimately, researchers and patients want the same thing: clear, streamlined access to patient data to speed medical advance, with robust arrangements to ensure confidentiality is fully respected.

In summer 2012 the APPG on Medical Research held a summer reception on *How data saves lives – unlocking the research potential of information*. Hosted by AMRC chair, Lord Willis of Knaresborough, speakers were Professor Nic Jones, Cancer Research UK; Anthony Cox, a person with Parkinson's; Professor Sir John Savill, MRC; Earl Howe, Department of Health; and Lord Turnberg, chair of the APPG.

AMRC was invited to give oral evidence to the Caldicott information governance review; additionally we submitted a response to the consultation about amendments to the NHS Constitution. We highlighted:

- Ambiguity about the legal framework, which is a complex web of common law, UK written law, and now EU regulations
- Because of that ambiguity, regulatory authorities are risk averse, and in the approval of research projects often err far too far on the side of caution
- And the approvals process is fragmented, so individual trusts and organisations use their own process, templates and frameworks. The result is not only inconsistent decisions, but also unnecessary delays, as researchers seek individual approvals from all sites involved in a project.

In the coming year, ongoing revision of EU data protection legislation and the creation of the Health Research Authority are further opportunities to streamline regulation, allowing valuable research to go ahead with the best interests of patients and consideration for confidentiality at its core.

Engaging with Europe

AMRC brought together representatives from the European Parliament, patient groups and medical research organisations that operate at a European level, for a workshop to discuss how UK medical research charities can engage with Europe.

We joined the European Patients' Forum in February 2013.

Open access

AMRC has formed an open access working group to look at the potential implications for charities that wish the research they fund to be made freely available via open access, particularly the government's favoured 'gold' open access model. Our group is looking at how we can create an environment where there is a variety of options available for charities.

We responded to two consultations on open access, commending the government's commitment to open access, and voicing some charities' concerns that meeting the economic cost of publication charges is not within their charitable aims.

AMRC continued to provide an annual opportunity for AMRC members to join Europe PubMed Central (Europe PMC, formerly UK PubMed Central) through uplift to their AMRC subscription.

The scheme offers funders:

- An online database, function-rich repository, where research publications are made freely available to all
- A grant reporting function, which allows researchers to report on their research outputs
- Opportunity for AMRC members to help to shape the ongoing development of the repository
- Cost effective funding model, where costs are based on a funder's research spend
- Ongoing AMRC management to lessen the administrative burden to members.

Clinical research

Forty-one AMRC member charities were funding clinical research in 2012-13, either individually or in collaboration with industry, other charities or public funders.

Medical research charities support the registration of clinical trials and the publication of findings. Charities have a duty to put useful research findings into the public domain and our longstanding advice to all AMRC members is to include a requirement to publish (within a reasonable time frame) in the terms and conditions of their awards.

We published a briefing for AMRC members summarising legislation and best practice in registering clinical trials and the publication of findings. We signed the All Trials Registered, All Results Reported campaign in February 2013.

We provided written and oral evidence to the Commons Science & Technology Committee inquiry into clinical trials:

- Outlining the importance of clinical trials to the development of new treatments for patients

- Welcoming proposals for a new EU Clinical Trials Regulation, replacing a directive that has been implemented inconsistently across Europe and has created barriers to the conduct of clinical trials in the UK.
- Emphasising that medical research charities support disseminating the findings of research, which benefits researchers, clinicians and patients, and are keen to work with the wider medical community to improve access to clinical trial data and findings.

Animal research

In summer 2012 AMRC brought members together for a constructive seminar to discuss: How should we talk about animal research?

AMRC and members led the development of the cross-sector *Declaration on openness on animal research* in September 2012. The declaration was a commitment to develop principles of open communication as well as some practical steps and measurable objectives for a more transparent approach to animal research.

We established a working group of AMRC members and a cross-sector advisory group that will together oversee the development of AMRC's policy and support for members on animal research. The group will meet four times a year, and will lead the sector's contribution to the bioscience community *Concordat on Openness on Animal Research*.

Events

Our strategic aim is to connect members to encourage collaboration, showcase great practice and share learning. We held 25 events in 2013.

		2012-13
All events	Number of events of all types	25
	Number of member charities that attended one or more events	95
	Total number of organisations that attended one or more events	265
	Number of delegates (attendees and speakers) from member charities	663
	Total number of delegates (attendees and speakers)	1066

Under the new strategic framework, we now provide several distinct types of events:

- Workshops and training, charged-for events that provide skills-development to support staff at member charities and related organisations
- Seminars to develop thought-leadership and ensure research, regulatory and policy positions are grounded in views of all our members.
- AMRC corporate events, including receptions and the annual conference and AGM

- All-Party Parliamentary Group on Medical Research activities, in conjunction with co-supporters MRC, the Academy of Medical Sciences, Arthritis Research UK, Cancer Research UK, and the Wellcome Trust.

Workshops and training

In 2012-13 we ran seven entry-level training and advanced skills-development courses, which attracted 213 delegates from 99 different organisations; an increase of 33% and 30% respectively on 2011-12.

		2012-13	2011-12
Workshops	Number of workshops	7	5
	Number of member charities that attended one or more workshops	64	58
	Total number of organisations that attended one or more workshop	99	76
	Number of attendees from member charities	143	116
	Number of non-member attendees	25	13
	Number of speakers	45	31
	Total number of delegates (attendees and speakers)	213	160

In post-event feedback, 84% of delegates rated this year's workshops good or excellent (45% and 39% respectively, n=127).

In response to our annual member survey, 64% said that workshops represented value for money (32% good and 19% excellent value for money, n=53).

Seminars

We also hosted 11 topic-specific seminars, bringing member charities and stakeholders together to develop thinking and establish consensus around research, regulatory and policy positions.

		2012-13
Seminars	Number of seminars	11
	Number of member charities that attended one or more seminars	67
	Total number of organisations that attended one or more seminars	141
	Number of delegates (attendees and speakers) from member charities	268
	Total number of delegates	394

APPG on Medical Research

AMRC provides secretariat support to the All-Party Parliamentary Group on Medical Research. Lord Turnberg, our scientific adviser, chairs the group, which brings together parliamentarians with an interest in medical research. In 2012-13 the group held an AGM and events on patient data, research in the NHS and the interface between public, charity and industry funders.

		2012-13
APPG on Medical Research	Number of APPG events	4
	Number of member charities that attended an APPG event	54
	Total number of organisations that attended an APPG event	147
	Number of delegates from member charities	104
	Number of MPs and peers	95
	Total number of delegates	320

Policy and influence

We provided 18 consultation responses and written evidence submissions, and two oral evidences to select committees.

Communications

With our new strategy in place, it was a priority to review our communications, develop a new digital strategy and refresh our website. We appointed a digital consultant to work with us on the strategy and advise on appointing an agency to build our new website; work on the site began in March 2013 and will continue into 2013-14.

Newsletter

The fortnightly member briefing e-newsletter got a new look mid-year, with stronger AMRC branding and better performance on mobile devices. The distribution list grew 72% from August 2012 to March 2013, closing the year with 504 subscribers. With our increased focus on member engagement and the launch of the new website, we will have further opportunity to increase subscribers and readership in the coming year.

Distribution list:

		March 2013
Distribution list	Number of member charities subscribed to newsletter	124
	Total number of organisations subscribed to newsletter	183
	Number of individual subscribers from member charities	300
	Total number of subscribers	504

Member charity readership activity:

Member readership activity		Regular/High	Low	None
	Charities		80%	19%
Individual subscribers		88%	12%	0
<i>Key to readership activity: Regular/High – recipients open or click newsletters; Low – new subscribers, or previously engaged subscribers who have become dormant; None – no activity.</i>				

Social media

The policy blog had a brand refresh, becoming the AMRC blog, to reflect increased scope, guest bloggers and wider set of posts, including on research and data and impact. Although we published fewer posts, page views were up 75% on 2011-12.

		2012-13	2011-12
Social media	Posts	123	136
	Page views	30,062	17,151

Member satisfaction

Our annual member survey is a chance for members to rate how we are doing. The survey was conducted in February 2013, alongside the research expenditure data collection. This year the survey contained some new questions which will help us to measure how we are doing against our new strategic framework, but fewer questions overall, because where possible, we are tracking use of our services through web analytics and other evaluation tools.

- Ninety-eight percent of respondents reported AMRC met their needs (with 62% rating us good and 18% excellent, n=55), and that membership subscriptions represented value for money (53% good and 15% excellent, n=55).
- Ninety-two percent said AMRC membership helped them feel more expert on research issues (53% rated this good, 11% excellent, n=53); 89% reported membership helped them on regulatory issues (66% good, but no-one rated this as excellent, n=53); and 87% on policy issues (53% rated this good, 4% excellent, n=53).
- We asked members how they interact with AMRC. One-to-one support remains important, but members most common access point is via the website or using a document or guideline.

Use of AMRC services		2013	2011
	One-to-one support		51% (n=53)
Visited AMRC website		93% (n=55)	91% (n=42)
Used AMRC document or guideline		92% (n=52)	88% (n=43)

- We asked members to rate our activities under our new strategy to establish a baseline for future reporting, a sample of which are shown below. Members considered our top strengths to be maintaining high standards in peer review, and representing the charity voice and influencing the environment on research, regulation and policy.

		Excellent	Good	Acceptable	Could do better	Poor	Don't know
Rating AMRC activities	Maintaining high membership standards in peer review	31%	49%	11%	0	0	9% (n=55)
	Opportunities to showcase your work to stakeholders	0	32%	23%	6%	0	39% (n=53)
	Shared learning and best practice between members	7%	44%	26%	4%	0	19% (n=54)
	On research, representing the charity voice and influencing the research environment	33%	44%	15%	0	0	8% (n=55)
	On regulation, representing the charity voice and influencing the regulatory environment	22%	47%	13%	2%	0	16% (n=55)
	On policy, representing the charity voice and influencing the policy environment	24%	47%	13%	2%	0	14% (n=55)

- The survey also highlighted areas where members thought we could do better – particularly providing opportunities to showcase members' work to stakeholders, and sharing learning and best practice between members. We hope the new strategic emphasis on connect will enable us to better support members to work together, showcase successes and learn from each other.

Financial review

Results for the year

Incoming resources for the year totalled £630,329 (2012: £649,774). Income from continuing activities (subscription and training) was £581,039 (2012: £559,756) showing a steady increase. After total expenditure of £562,437 (2012: £646,128) the year's activities showed a surplus of £67,892 (2012: £3,646) which, when accumulated with the funds brought forward from previous years, leaves the association with total funds at the year end of £297,648 (2012: £229,756), of which £294,133 (2012: £225,459) are unrestricted and £3,515 (2012: £4,297) are restricted funds.

The enhanced surplus this year is a result of the closure of two posts ahead of recruitment of new staff and delay in some key projects, notably the launch of a new website.

Reserves policy

AMRC must ensure its long term sustainability, viability and success, and in determining its reserves policy the trustees have taken into account the current economic conditions and the risks to key funding sources (in particular membership income). The trustees have also considered the organisation's core financial responsibilities.

It was agreed that, excluding restricted expenditure, AMRC requires reserves of no less than three and no more than six months' normal operating expenditure, to meet its operational needs and to enable reorganisation should key sources of revenue decline.

As of 31 March 2013, AMRC possessed free reserves (being total reserves less restricted and designated funds, and fixed assets) totalling £272,011 and representing just over six months' operating expenditure. Our planned recruitment phase, as part of our new strategy, will come to an end in the first half of 2013-14 and once we are at budgeted steady-state running costs we expect our reserves to be at about four and a half months.

statement of trustees' responsibilities

Statement of trustees' responsibilities

The trustees, who are also the directors of the Association of Medical Research Charities for the purposes of company law, are responsible for preparing the trustees' report 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 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 accounting 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 going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper 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. 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Executive Council on 18 July 2013

and signed on their behalf by:

Lord Willis of Knaresborough
Chair of the Executive Council
Association of Medical Research Charities (AMRC)
Charity no. 296772
Company no. 2107400

Independent auditor's report to the members of the Association of Medical Research Charities

We have audited the financial statements of the Association of Medical Research Charities for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Respective responsibilities of directors and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on p18, the trustees (who are also the directors 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2013 and of its incoming resources and application of resources, including 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

independent auditor's report

Matters on which we are required to report by exception

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

- 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 directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Richard Weaver
Senior Statutory Auditor
for and on behalf of haysmacintyre
Chartered Accountants and Statutory Auditors

statement of financial activities

The Association of Medical Research Charities Statement of Financial Activities (incorporating the income and expenditure account)

for the year ended 31 March 2013

Notes	Unrestricted funds 2013 £	Restricted funds 2013 £	Total 2013 £	Restated total 2012 £
Incoming resources				
<i>Incoming resources from charitable activities</i>				
Subscriptions and training	581,039	–	581,039	559,756
Grants and other income*	1,956	46,875	48,831	89,341
	582,995	46,875	629,870	649,097
<i>Incoming resources from generated funds</i>				
Bank interest	459	–	459	677
Total incoming resources	583,454	46,875	630,329	649,774
Resources expended 2				
<i>Charitable activities</i>				
Policy	162,691	36,344	199,035	207,795
Research	100,842	782	101,624	111,430
Data analysis	47,406	10,531	57,937	70,876
Membership	191,252	–	191,252	247,236
<i>Governance costs</i>	12,589	–	12,589	8,791
Total resources expended	514,780	47,657	562,437	646,128
Net incoming/(outgoing) resources for the year	68,674	(782)	67,892	3,646
Net income/(expenditure) for the year				
Total funds brought forward 1 April	225,459	4,297	229,756	226,110
Total funds carried forward 31 March	294,133	3,515	297,648	229,756

The notes numbered 1 to 9 form part of these financial statements.

There were no recognised gains and losses other than those shown above in the Statement of Financial Activities.

The results for the above financial years derive from continuing operations.

* Other income in 2012 included one-off grant income for projects now completed.

The Association of Medical Research Charities Balance Sheet

as at 31 March 2013

	Notes	2013	2012
		£	£
Fixed assets	4	6,993	18,293
Current assets			
Debtors	5	35,748	20,661
Cash at bank and in hand		305,913	245,914
		<u>341,661</u>	<u>266,575</u>
Creditors			
Amounts falling due within one year	6	<u>(51,006)</u>	<u>(55,112)</u>
Net current assets		<u>290,655</u>	<u>211,463</u>
Total assets less current liabilities		<u>297,648</u>	<u>229,756</u>
Represented by:			
Unrestricted funds	7	294,133	225,459
Restricted funds	7	3,515	4,297
		<u>297,648</u>	<u>229,756</u>

The notes numbered 1 to 9 form part of these financial statements.

Approved and authorised for issue by the Executive Council on 18 July 2013

and signed on its behalf by:

Lord Willis of Knaresborough
 Chair of the Executive Council
 Association of Medical Research Charities (AMRC)
 Charity no. 296772
 Company no. 2107400

The Association of Medical Research Charities Notes to the Financial Statements

for the year ended 31 March 2013

1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice 2005 (SORP 2005) issued in March 2005, applicable UK accounting standards and the Companies Act 2006.

1.1 Cash flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement.

1.2 Taxation

No corporation tax is provided as the income of the association is exempt from corporation tax to the extent that it is expended on its charitable objects. Because of its current activities the association is not registered for VAT and therefore cannot recover VAT on its expenses.

1.3 Fund accounting

General funds are unrestricted funds available for use at the discretion of the trustees in furtherance of the general activities of the charity and which have not been designated for other purposes. Restricted funds relate to amounts receivable to be expended in accordance with the wishes of a donor or grantor. Unspent restricted income is carried forward as restricted reserves to be spent in future periods.

1.4 Incoming resources

All incoming resources becoming available to the company during the year are included when the criteria of entitlement, certainty of receipt and ability to be measured have been met.

1.5 Resources expended

Charitable expenditure includes costs associated with particular projects in furtherance of the charity's objects. Staff costs are apportioned on a time-weighted basis. Direct costs comprise costs that are wholly attributable to that activity. Support costs are central functions allocated on a time weighted basis. Governance costs include items such as audit fees and statutory costs.

1.6 Pension scheme

The charity provides a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund with The Pensions Trust. Contributions are charged to expenditure as they fall due.

1.7 Operating leases

Rentals applicable to the operating lease are charged to the income and expenditure account over the period in which the cost is incurred.

1.8 Fixed assets

Depreciation is charged on tangible fixed assets at the following rates, so as to write them off over their expected useful lives:

notes to the financial statements

ICT development costs	33.33% per annum - straight line
Fixtures and fittings	33.33% per annum - straight line

Assets with a purchase price of less than £500 are written off in the year of purchase.

2. Resources expended

2.1 Analysis of total resources expended

	weighted average staff time	Staff costs £	Direct costs £	Support costs £	Total 2013 £	Restated total 2012 £
<i>Charitable activities</i>						
Policy	26%	133,461	40,464	25,110	199,035	207,795
Research	15%	76,566	10,338	14,720	101,624	111,430
Data analysis	18%	40,620	–	17,317	57,937	70,876
Membership	40%	126,647	26,507	38,098	191,252	247,236
<i>Governance costs</i>		–	12,589	–	12,589	8,791
Total resources expended	100%	377,294	89,898	95,246	562,437	646,128

2.2 Analysis of support costs

	Total 2013 £	Total 2012 £
Other staff costs	3,927	53,060
Premises	34,965	30,024
Office expenses	56,353	39,153
	95,245	122,237

Support costs are all allocated on the basis of staff time

2.3 Governance costs

	Total 2013 £	Restated total 2012 £
Audit fee	2,935	2,820
Legal fees	3,000	(346)
Administration costs	6,654	6,317
	12,589	8,791

notes to the financial statements

3. Employee costs

	Total 2013 £	Total 2012 £
Wages and salaries	310,648	342,244
Termination payments and associated costs	14,558	19,427
Social security costs	34,566	37,677
Other pension costs, after credit in respect of past years	17,522	9,775
	377,294	409,123

	2013	2012
Number of employees earning between:		
£70,000 to £80,000	1	1
The average number of employees was	8	8

Pension contributions totalling £17,522 (2012: £9,775) were made during the year.

No trustee received any remuneration in the current or prior year and three trustees were reimbursed expenses totalling £978 in the year (2012: £1,049).

Expenditure includes:	2013 £	2012 £
Auditors' remuneration	2,935	2,820
Operating lease – premises	15,892	15,611

notes to the financial statements

4. Tangible assets

	Fixtures and fittings £	IT £	Total £
Cost			
As at 1 April 2012	30,700	24,829	55,529
Additions	–	531	531
As at 31 March 2013	30,700	25,360	56,060
Depreciation			
As at 1 April 2012	22,279	14,957	37,236
Charge for year	6,104	5,727	11,831
As at 31 March 2013	28,383	20,684	49,067
Net Book Value			
As at 31 March 2013	2,317	4,676	6,993
As at 31 March 2012	8,421	9,872	18,293

5. Debtors

	2013 £	2012 £
Subscriptions, course fees and other income due	8,091	2,633
Prepayments and accrued income	22,782	17,066
Other debtors	4,875	962
	35,748	20,661

6. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	32,905	13,007
Taxation and social security costs	5,265	13,810
Other creditors and accruals	7,836	28,295
Deferred income	5,000	–
	51,006	55,112

notes to the financial statements

7. Total funds

	Opening balance £	Net incoming resources £	Charitable expenditure £	Transfers £	Closing balance £
Unrestricted funds					
Designated fund – IT systems development	20,000	–	4,871	–	15,129
General fund	205,459	583,454	509,909	–	279,004
	225,459	583,454	514,780	–	294,133
Restricted funds					
Public affairs – (APPG)	–	36,344	36,344	–	–
UKCRCPD	4,297	–	782	–	3,515
UKPMC income	–	10,531	10,531	–	–
	4,297	46,875	47,657	–	3,515
Total funds	229,756	630,329	562,437	–	297,648

Unrestricted funds represent general funds and a designated fund allocated towards the following activities:

IT systems development: representing funds set aside to redevelop AMRC website and database systems in 2012-13.

Restricted funds represent amounts received from the funders shown towards the following activities:

Public affairs – All Party Group on Medical Research (APPG): contributions from partner organisations towards APPG activities during the year.

UKCRC patient data project: funding received from partner organisations towards UKCRC patient data project to raise public awareness for the use of patient data in research, for which AMRC is the lead partner.

UKPMC income: member contributions to fund UK Pub Med Central (UKPMC), and open access publication scheme for research papers. All project funds have been expended in the year.

notes to the financial statements

8. Analysis of assets between funds

	Unrestricted funds £	Restricted funds £	Total £
<i>Funds balances at 31 March 2013 are represented by:</i>			
Fixed assets	6,993	–	6,993
Debtors	35,748	–	35,748
Deposits and cash at bank	302,398	3,515	305,913
Creditors	(51,006)	–	(51,006)
	294,133	3,515	297,648

9. Future financial commitments

The company has a financial commitment of £16,200 per annum for the rent of the premises, the lease of which expires on 25 October 2015, with a break clause at three years (2012: £nil).

references and administration

Name of charity	Association of Medical Research Charities (AMRC)		
Charity number	296772	Company number	2107400
Registered office	Charles Darwin House 12 Roger Street London WC1N 2JU	Auditors	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY
Bankers	HSBC plc Holborn Circus 31 Holborn London EC1N 2HR	Legal advisers	Farrer and Co. 66 Lincoln's Inn Fields London WC2A 3LH
Trustees			
Lord Willis	chair		
Simon Moore	vice-chair		
Martin Richardson FCMA ACIS	honorary treasurer, Action Medical Research		
Dr Kieran Breen	Parkinson's UK		
Dr Doug Brown	Alzheimer's Society		<i>from November 2012</i>
Charles Kernahan	Kidney Research UK		<i>until November 2012, and then co-opted</i>
Dr Joanne Knight	Stroke Association		<i>until November 2012 and then co-opted</i>
Dr David Lynn	Wellcome Trust		
Betty McBride	British Heart Foundation		<i>until November 2012</i>
Vivienne Michael	Deafness Research UK		<i>until November 2012</i>
Dr Liam O'Toole	Arthritis Research UK		<i>from November 2012</i>
Dr Jeremy Pearson	British Heart Foundation		<i>from November 2012</i>
Dr Richard Trompeter	Kids Kidney Research		<i>from November 2012</i>
Dr Susan Walsh	CGD Society		
Sarah Woolnough	Cancer Research UK		
Observers			
Professor Simon Wessely	Academy of Medical Sciences		<i>until November 2012</i>
Professor Sir Patrick Sissons	Academy of Medical Sciences		<i>from November 2012</i>
AMRC team			
Sharmila Nebhrajani	chief executive		
Tina Akpogheneta	head of business support and development		<i>until May 2012</i>
Jessica Baker	data officer		<i>October 2012 - January 2013</i>
Dr Sara Ellis	head of member engagement and communications		
Anna Perman	research and communications officer		<i>from August 2012</i>
Dr Sophie Petit-Zeman	adviser, public involvement and engagement		<i>until May 2012</i>
Dr Liz Philpots	head of research		
Becky Purvis	head of policy		
Laura Stanley	team assistant		
Dr Martin Turner	policy officer		
Lord Turnberg	scientific adviser		

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amrc
ASSOCIATION OF MEDICAL RESEARCH CHARITIES