

**The Institute of Cancer Research: Royal Cancer Hospital**

Annual Report and Financial Statements  
2015

Company Number 534147

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**Financial Statements for the year ended 31 July 2015**

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## Objectives and activities

*Our mission is to make the discoveries that defeat cancer.*

### The Board of Trustees of The Institute of Cancer Research presents its Annual Report and Financial Statements for the year ended 31 July 2015

The ICR is one of the world's most influential cancer research organisations, with a mission to make the discoveries that defeat cancer. We are a college of the University of London and an exempt charity.

Our vision is a world where people can live their lives free of cancer as a life-threatening disease. Our mission is to make the discoveries that defeat cancer.

It is estimated that one in three people will be diagnosed with cancer at some point in their lives. Even those who have not been personally affected by cancer are likely to know people who have been. Our goal is to enhance our position as a world leader in cancer research and the translation of discoveries into improved outcomes for cancer patients.

The ICR's 2011–16 strategic plan focuses on undertaking high-quality research which delivers significant benefits for cancer patients. It sets out three main strategic goals:

#### **(1) Research excellence**

*We aim to be a world leader in fundamental research into cancer and the translation of research discoveries into improved outcomes for cancer patients.*

We will achieve this through four inter-linked themes:

**Research:** To undertake excellent basic, translational and clinical research throughout the ICR as defined by international peer review.

**Transforming patient outcomes:** To transform outcomes for cancer patients through linking personalised treatment regimes to the genetic make-up of the patient and tumour with our partner The Royal Marsden NHS Foundation Trust.

**Partnership and collaboration:** To form strategic alliances and collaborations which enhance opportunities to conduct research aimed at improving outcomes for cancer patients.

**Enterprise:** To ensure appropriate and effective exploitation of the ICR's intellectual property and research outputs to maximise patient benefit.

#### **Our scientific strategy**

The ICR's scientific strategy sets out how this goal will be achieved. It aims to achieve a balance between basic, translational and clinical research, with an overall focus on personalised medicine for cancer. This is supported through three research themes – genetics and epidemiology, molecular pathology and therapeutic development. Together these themes are designed to increase our understanding of the causes and underlying biology of cancers, and to use this information to tailor treatments to the genetic make-up of patients and tumours.

## **Genetics and epidemiology**

Our researchers are exploring how genetics and environmental factors contribute to people's risk that they will develop cancer. Understanding more about the causes of cancer should allow researchers to deliver personalised strategies for cancer prevention and treatment. Our research includes a range of studies into common genetic variants that contribute to cancer risk, as well as others on rarer gene mutations that play an important role in how cancers run in some families. We also host the Breakthrough Generations Study – the world's largest, most comprehensive study into the causes of breast cancer – which involves more than 100,000 women from the UK.

## **Molecular pathology**

Our researchers are unravelling the complex biology of cancers, and studying how they evolve over time and can become resistant to treatment. The aim is to help us design personalised treatment strategies targeted at the specific molecular features of a tumour, at that particular point in time. ICR researchers are molecularly profiling cancers and relating particular gene faults to cancer's growth and spread – in order to identify new targets for treatment. They are also working to understand the key molecular pathways involved in cancer's response to treatment, and in its development of drug resistance, as a means of designing improved treatment strategies that remain effective for longer.

## **Therapeutic development**

The ICR discovers and develops more cancer drugs than any other academic centre in the world. Our vision is to exploit the addictions, dependencies and vulnerabilities of cancer cells in order to discover innovative small-molecule drugs, and essential biomarkers, that will constitute the personalised cancer medicine of the future. The Drug Development Unit, run jointly by the ICR and The Royal Marsden, sees more than 300 patients per year for new drug treatment and is one of the largest such units in the world. More than 30 trials are run every year and approximately one third of these are investigator initiated.

### **(2) Educating the next generation**

*We will educate and train the next generation of cancer researchers and clinicians.*

As a college of the University of London, we aim to educate and train the next generation of cancer researchers and clinicians. We provide postgraduate courses for scientists and clinicians. Students work alongside and learn from leaders in the field.

PhD students undertake a world-class four-year research training programme under the guidance of an expert supervisory team. The ICR's PhD students are an integral part of our research teams. We don't just tell students how to carry out cutting-edge cancer research – we enable and guide them to make their own discoveries in the drive to defeat cancer.

Our MSc in Oncology is a day-release programme for medically qualified candidates who intend to pursue a professional career in the field of clinical or medical oncology. Through the course we teach oncology trainees from across the UK, including a majority of those who are based in London.

In 2014/15 we had 199 research degree students and 132 active MSc students.

### **(3) Creating a sustainable organisation**

*We aim to deliver a world-class and sustainable organisation to support cancer research and education for patient benefit.*

We need to ensure the ICR has the financial stability and organisational capacity to support our scientific and academic endeavours. The ICR aims to acquire and manage resources to finance cancer research to the highest international standards. We maintain a rolling five-year financial plan and monitor the level of our free reserves in comparison to a target level which is calculated on the basis of financial risk. We plan to increase our fundraising income and will continue to exploit our intellectual property where this will be of benefit to cancer patients.

We aim to remain an employer of choice in a global and competitive market and to attract, develop and retain the very best staff from all disciplines. We will create a culture which encourages research excellence and is supported by high-quality, cost-effective professional services.

The ICR aims to maintain the quality of its estate and to create further state-of-the-art facilities to support our scientific objectives. We also recognise our responsibility to the environment and have demonstrated our commitment by joining the EcoCampus Scheme to develop our Environmental Management System, and through our Carbon Management Plan developed with the Carbon Trust.

### **Our sites and staff**

The ICR operates across two sites in London, which largely consist of laboratory space. Each site is located in close proximity to The Royal Marsden, to ensure our research findings can be rapidly translated into advances in patient care. Our five-year estates strategy and 15-year maintenance plan focus on maintaining the quality of our current provision but also on expansion to provide further state-of-the-art facilities to fulfil our mission.

In 2015 the ICR had around 1,100 employees of whom nearly 80% were directly engaged in research. Approximately one-third of our faculty are medically qualified and as well as leading their research teams many drive forward developments in clinical practice at The Royal Marsden.

The ICR is committed to equality of opportunity and works to provide a supportive environment for all staff and students. We are committed to promoting opportunities for women in science through our work with the national Athena SWAN programme. We pay particular attention to recruitment, training, career development and our physical work environment. In addition to the support provided by line managers and supervisors, the Equality Steering Group champions the interests of disabled staff and students, including surveying them to identify any specific challenges they may face.

The ICR uses a number of methods to keep its staff fully informed of matters of concern to them. These include town hall-style briefings of all staff, emailed bulletins from the Chief Executive, a weekly staff newsletter and articles on the intranet. The ICR supports active staff and student associations, each of which has its own budget and works closely with the ICR's Learning and Development team to develop bespoke training and career development programmes. The chairs of these associations, along with representatives from each staff group, meet regularly with the Chief Executive as members of the Chief Executive's Advisory Forum. These forums provide a valuable platform for two-way communication between staff and the Chief Executive.

Formal communications with staff take place every four months through meetings with the Staff Consultative Committee. This consists of an equal number of representatives of the staff and management and is chaired by the Director of Human Resources. It is ICR policy to promote by discussion and consultation the involvement of staff, when appropriate, in the development of human resources policy and practice.

## **Strategic Report**

***The Institute of Cancer Research is committed to carrying out research to improve cancer patient care and health outcomes, and to maximise patient benefit.***

### **Key initiatives**

#### **New ideas and people ensure we lead the way in cancer research**

Over 2014/15, the ICR has launched a number of initiatives designed to support the delivery of our scientific strategy and the sustainability of the organisation.

#### **CCI opens its doors to first wave of researchers**

The development of the ICR's Centre for Cancer Imaging (CCI) reached an exciting milestone this year, as the first teams of researchers moved into the state-of-the-art new facility. The £20 million building will encourage collaboration and innovation by bringing together multidisciplinary research teams, who will use the cutting-edge imaging facilities to understand cancer's development within the whole organism and its response to treatment. Ultimately, it is expected that the CCI will accelerate the discovery of new therapies and the development of new imaging techniques.

#### **ICR and Royal Marsden secure £10 million grant for state-of-the-art radiotherapy machine**

The ICR and The Royal Marsden gained a £10.1 million grant from the Medical Research Council to purchase one of the world's most advanced radiotherapy machines, the MR Linac, and finance its installation at the first facility in the UK, on our Sutton site. The MR Linac combines an MRI scanner and a linear accelerator to precisely locate cancers and deliver doses of radiation to them even as they move in the body cavity, as tumours of the prostate, lung and breast are prone to do. ICR scientists will develop the technology in a preclinical phase of research before clinicians at both organisations aim to treat patients through trials at the new facility.

#### **Vision developed for The London Cancer Hub**

Ambitious new plans to transform our Sutton site into a world-leading life-science campus have been put into motion. The ICR has worked with The Royal Marsden and the London Borough of Sutton to develop a vision for The London Cancer Hub – a vibrant community of scientists, doctors and innovative companies, intended to deliver real benefits for cancer patients and drive economic growth. We plan to deliver an exceptional environment for conducting cancer research and taking discoveries to patients through clinical trials and commercial partnership.

Design of the site includes new cutting-edge research facilities for cancer research, diagnosis, treatment, education and biotech commercialisation, improved transport links, additional housing and a new secondary school specialising in the life sciences. We have commissioned a master plan to look at how best the site can be used to deliver the vision. Mayor of London Boris Johnson visited the site in December 2014 to hear about our plans to greatly expand our drug discovery facilities as part of the major collaborative initiative.

## **New research leaders join the ICR**

The ICR has appointed a series of world-leading scientists to senior leadership roles to strengthen the organisation and help drive the development of our next research strategy:

- In November 2014, Professor Paul Workman – who had been Interim Chief Executive of the ICR – was appointed Chief Executive and President. Professor Workman is a world-leading cancer researcher and a passionate advocate of personalised, precision treatment for cancer, who has successfully built multidisciplinary drug discovery and development teams in the academic, large pharma and biotech company sectors.
- Dr Olivia Rossanese joined the ICR as Head of Biology within Cancer Therapeutics. She is a cell biologist with extensive experience of drug discovery and target validation and will be driving forward three major drug discovery programmes at the ICR.
- Professor Wim Oyen was appointed as Professor of Nuclear Medicine and Molecular Imaging at the ICR and an honorary consultant at The Royal Marsden. Professor Oyen has more than 20 years of experience in using radiolabelled probes to image and treat cancers.
- Professor Winette van der Graaf will also take up a chair at the ICR, as Professor of Personalised Oncology, and becomes an honorary consultant at The Royal Marsden. Her research has included work to identify new treatment targets and potential drug combinations for osteosarcoma and Ewing's sarcoma.
- Professor Jonathon Pines was appointed as the Head of the Division of Cancer Biology. Professor Pines is a world-leading cell biologist who aims to drive forward further advances in how cancer cells divide and lay the groundwork for a new generation of anti-mitotic drugs.
- Dr Rajesh Chopra, a global leader in the development of molecularly targeted cancer drugs, will be joining the ICR as the new Head of the Division of Cancer Therapeutics and Director of the Cancer Research UK Cancer Therapeutics Unit. Dr Chopra will take over the roles from Professor Workman, allowing him to focus exclusively on his position as Chief Executive and President of the ICR.

## **ICR launches new website to showcase its world-class research**

The ICR has launched a modern and dynamic new website to better provide the public with a window onto our world-leading cancer research. It is also designed to introduce the people who have placed the ICR among the world's most influential cancer research organisations – from its leading scientists and clinicians, to fundraisers and specialists in commercial collaboration. The website borrows its set-up from media organisations and can publish news, blogs and video tailored to the section of the site visitors are using – so they can move easily from technical information about our science to relevant media content. The website features a new dedicated section about our animal research, including for the first time information about the number and type of procedures we carry out.

## **Scientific achievements**

Our Research Directorate judges the following 10 discoveries the most significant in 2014/15:

### **Genetic map of prostate cancer mutations created**

Scientists at the ICR and several US institutions have created a comprehensive map of the genetic mutations within lethal prostate cancers that have spread around the body. Researchers were able to collect large numbers of samples of metastatic cancers and found that almost 90% of men with advanced prostate cancer carry genetic mutations in their tumours that could be targeted by either existing or new cancer drugs. The research team described the paper as creating a 'Rosetta stone' for prostate cancer. Doctors could now start testing for the clinically actionable mutations identified and give patients with advanced prostate cancer targeted drugs or combinations.

### **A new family of melanoma drugs discovered**

ICR researchers found that a new family of drugs called panRAF inhibitors could be effective in drug-resistant skin cancers. The drugs, which were discovered in a collaboration between the ICR and the Cancer Research UK Manchester Institute, block multiple cancer proteins at once. They could be effective in patients with malignant melanoma whose cancers have developed resistance to BRAF inhibitors or for whom BRAF-targeted drugs have never worked in the first place. The research involved designing and synthesising molecules, testing them in cultures of melanoma cells and in mice, and studying the compounds using drug-resistant tumours from patients which were grown in mice. A clinical trial of one of the new inhibitors has already begun.

### **Phase III clinical trial first to demonstrate benefits of viral immunotherapy**

A phase III trial led in the UK by researchers at the ICR and The Royal Marsden was the first to definitively show that viral immunotherapy can have benefits for patients with cancer. A genetically engineered herpes virus was able to halt the progression of skin cancer by killing cancer cells and sparking the immune system into action against tumours. Some 16.3% of the group given Talimogene Laherparepvec – known as T-VEC – showed a durable treatment response of more than six months, compared with 2.1% given the control treatment. Responses to treatment were most pronounced in patients with less advanced cancers and those yet to receive any treatment – underlining the potential of T-VEC as a first-line treatment for metastatic melanoma which cannot be surgically removed.

### **A gene involved in sperm and egg development has a role in breast cancer**

A study led by researchers at the ICR and King's College London found that when the gene *HORMAD1* is active in cells outside of the testis and ovaries it may have a role in the development of some breast cancers. *HORMAD1* turns off accurate DNA repair during sperm and egg development as a means of creating genetic diversity between parents and offspring – but this study showed that in other situations it switches off accurate DNA repair and causes genetic instability that can lead to cancer. Triple-negative breast cancer currently has low survival rates but cells expressing *HORMAD1* were found to be vulnerable to platinum-based chemotherapies and PARP inhibitors, potentially opening up a new approach to treatment.



### **Structure of a key cell protein involved in cancer is imaged**

Scientists at the ICR and the MRC Laboratory of Molecular Biology pioneered the use of a high-powered imaging technique to picture in detail the proteasome complex. The complex is present in all multicellular organisms, and plays a critical role in cancer by allowing cancer cells to divide rapidly. Blocking the proteasome prevents regulated cell division and triggers controlled cell death, particularly in fast-dividing cells typical of cancer. Researchers used a technique called electron cryo-microscopy to image the proteasome complex in such detail that they could view a prototype drug bound to its active sites. The results could help improve structure-based drug design, where researchers build the best possible drugs starting from a molecule which already binds to the target protein.

### **ROCK inhibitor drugs stop melanoma from spreading**

Scientists at the ICR found that two new drugs discovered at the ICR could stop melanoma from spreading to other parts of the body. The ROCK inhibitors blocked cancer cells from employing two different types of movement they use to metastasise, slowing tumour growth in mice with melanoma and limiting spread in the lungs. One of the drugs, called CCT129254, was tested in mice with melanoma and found not only to stop cellular movement but also to slow tumour growth, suggesting that ROCK is required both for cancer cells to spread and for growth at the site of spread. The study shows ROCK inhibitors could be effective at preventing cancer cells from metastasising – the most common way that the disease kills patients.

### **Normal prostate cells harbour potentially cancer-causing mutations**

A study led by researchers at the ICR and several other universities discovered that in some men with prostate cancer, large numbers of apparently normal prostate cells actually harbour multiple genetic mutations that could drive the development of cancer. The research suggests prostate cancer may start developing in patients earlier than scientists thought, and could help explain why the disease is often made up of multiple genetically distinct tumours. The findings could lead to a rethink of prostate cancer treatment, with researchers suggesting that it might be necessary to destroy pre-cancerous cells as well as tumour cells to reduce the chance of the disease recurring.

### **Trial finds breast cancer drug delays disease progression**

A phase III trial led by researchers at the ICR and The Royal Marsden found that a new drug called palbociclib delays the progression of advanced breast cancer when used in combination with standard treatment. Palbociclib is a targeted therapy that simultaneously blocks two proteins involved in cell division in cancer cells, CDK4 and CDK6. The drug, used with the hormone treatment fulvestrant, delayed the progression of hormone-receptor positive, HER2-negative breast cancer by twice as long – an average of five extra months – than hormone treatment on its own.

### **Genetic mutations associated with medulloblastoma relapse**

Scientists at the ICR and Newcastle University identified the genetic changes occurring in the childhood brain tumour medulloblastoma when the disease relapses. Researchers looked at biopsies from relapsed tumours and found a range of changes that only appeared when the disease returned and were responsible for the cancer becoming more aggressive. In mice, they were able to slow the growth of tumours with an experimental drug that targets one of the faults. By taking a tumour sample at recurrence, when biopsies are not routinely taken, doctors could start to identify

subsets of patients with medulloblastoma who might be treatable with existing drugs targeting the genetic faults.

**Cancer drug resistance found to pre-exist in healthy tissue**

ICR researchers discovered that genetic mutations which promote resistance to cancer treatment can be present in breast cells before breast cancer has developed and before any treatment. Researchers were investigating how cancer cells could develop resistance to MPS1 inhibitors, a new type of cancer drug currently in development. They discovered five separate mutations within the MPS1 gene that cause resistance in cancer cells. These mutations were also found at a low frequency in normal, healthy breast tissue, suggesting that resistant mutations, not only to MPS1 inhibitors, but also to other drugs, for example to EGFR inhibitors, pre-exist naturally. The findings may allow early identification of patients whose cancers are likely to develop resistance, enabling treatment to be adjusted accordingly.

## **Measures of performance**

*We strive to produce research with impact and inspire cancer researchers of the future*

### **Research**

The ICR was ranked as the top higher education institution in the UK for the quality of its research, in the *Times Higher Education* league table compiled from the Research Excellence Framework. This maintained the ICR's leading position from the previous assessment in 2008. We were also rated as the leading higher education institution in the UK for the impact of our research on society and joint top with the London School of Economics for 'research outputs', measuring the quality of our published research studies. We were the leading institution for biological sciences, coming top by some margin in an assessment of the academic quality of our biological sciences research.

The ICR was also the only UK institution to feature in new rankings of the world's most innovative universities, compiled by *Times Higher Education* and Elsevier. We were the joint top institution in the world for the proportion of our academic papers cited in patent applications, one of the four 'innovation indicators' used to compile the rankings.

Over half of the ICR's work is funded by peer-reviewed research grant income. The ICR was successful in 49% of external research grant applications by number and 52% by value. The figures are a small decline on the prior year.

### **Education and Training**

The performance of our students continues to be excellent. Our PhD students consistently achieve a 100% pass rate. Although we have a relatively small number of students, we continue to recruit above our target range, with 132 new and continuing MSc registrations.

### **Environment and Infrastructure**

We closely monitor our financial sustainability and we achieved a surplus of £23.7 million in 2015 and our net funds grew by £25.9 million.

In our five-year strategy we set out the need to expand our current estate in order to provide the state-of-the-art facilities required for our research activities. In February 2015, we completed construction of the Centre for Cancer Imaging, a £20 million new facility based at our site in Sutton. The centre will house 12 research teams from a range of scientific backgrounds and provide them with the very latest technologies to non-invasively image tumours and their biological features. The building is the first stage in an ambitious project, known as The London Cancer Hub, to transform the ICR's Sutton site into a world-leading life-sciences campus.

We are committed to minimising the impact of activities on the environment and we have maintained our Eco Campus Platinum Accreditation. Throughout the year we have continued to implement actions from our Carbon Management Plan, developed in conjunction with the Carbon Trust.

## **Financial review**

### **Overall results**

In 2014/15, the net incoming resources after taxation of the ICR were £23.7 million, an increase of £9.3 million from 2013/14. The substantial increase in income is due to a growth in royalties arising from the sales of the drug abiraterone and an increase in our grants for research. The grant figure also contains £12.1 million arising from the Research and Development tax credit. From 1 August 2015, universities and charities ceased to be eligible to claim this credit

During the year we made capital investments of £8.6 million, of which £2.5 million related to the final stages of construction of the Centre for Cancer Imaging. The building was completed in February and £19.1 million has been moved from assets under construction to freeholds land and buildings in respect of this building.

### **Income**

Total income for 2014/15 was £126.0 million, compared with £103.9 million in 2013/14 an increase of 21%. The main movements in our income were as follows:

- Research grants and contracts grew by £16.4 million (33%) as a number of newly won grants commenced. We received £2.8 million of grant funding for the purchase and development of an MR Linac radiotherapy machine.
- The ICR claimed £12.1 million of Research and Development tax Credits in respect of qualifying expenditure between 1 April 2013 and 31 July 2015. These credits are no longer available to universities and charities.
- Invention and other income grew by £6.3 million (32%) as a result of income arising from sales of abiraterone as worldwide use of the drug continued to grow.

### **Expenditure**

Total expenditure in 2014/15 was £99.6 million, compared with £89.4 million 2013/14, an increase of £10.2 million (11%). This is largely due to expenditure on research, as work on a number of newly won grants commenced and a number of new senior scientists were recruited to the organisation. We have also invested in the final stages of setting up the Centre for Cancer Imaging and moving research teams into the building. In addition, along with the Royal Marsden Hospital, we have invested funds developing the research facility in preparation for delivery of an MR Linac radiotherapy machine in 2015/16.

### **Net assets**

ICR total net assets have increased by £25.9 million since 2014, from £147.6 million to £173.5 million. This occurred because of the surplus achieved in 2014/15, gains on our investment assets, and despite deterioration in the FRS17 pension deficit.

### **Reserves policy and position**

The ICR's mission is a long-term undertaking and while the Board of Trustees expends all the funds it receives towards its mission within a reasonable time of receiving them, it also considers it prudent to maintain a reserve of free funds to protect our long-term financial viability. Free reserves are expendable at the Trustees' discretion and not designated for a particular purpose.

The Board of Trustees has decided that the ICR should maintain free reserves in the range of £17.1 million to £20.9 million, which equates to 9-11 weeks of the ICR's budgeted annual expenditure for the next year. In determining the level of free funds to be held in reserve the Board of Trustees considers the ICR's income and expenditure forecasts, and its future needs, opportunities, contingencies and possible risks. The Board reviews its Reserves Policy and the assessment and calculation of the level of free reserves each year.

### **Investment policy and performance**

Under the Articles of Association the ICR can "invest and deal with any monies not immediately required for its purposes in such a manner as may be thought fit". The ICR does not invest directly in any company perceptibly involved in the sale of tobacco or tobacco products.

The aim of the Investment Policy is to maintain a balance between current income and capital growth commensurate with the ICR's liquidity requirements. The asset distribution is subject to review at regular meetings of the Investments and Building Development Committee and is dependent on the ICR's programme for future development.

A gain on investments of £6.4 million is reported in the consolidated statement of financial activities and the total return on investments in the year was £7.2 million.

### **Pensions**

The ICR Pension Scheme (ICRPS) closed to future accrual on 31 July 2008 and active members were able to build future pension within the Universities Superannuation Scheme (USS) after that date.

The last actuarial valuation of the ICRPS was undertaken as at 31 March 2013 and this reported that the scheme deficit had deteriorated from £8.3 million as at 31 July 2010 to a deficit of £25.9 million as at 31 July 2013 calculated on the statutory funding basis.

In common with many defined benefit schemes, the financial statements show that the scheme is in deficit. The deficit calculated under the accounting basis set out in Financial Reporting Standard 17 (FRS17) as at 31 July 2015 is £20.9 million.

The Scheme's and the ICR's Trustees continue to review the options with regard to the future of the closed scheme and how best to secure the funding position. For example, the ICR and the Trustees of the Scheme, in January 2013, purchased a policy with a specialist insurance company to insure the Scheme's pensioners as at 31 July 2012. Entering into the policy helps the Scheme's Trustees to manage the risks inherent in defined benefit pension schemes (in particular investment, inflation and longevity risks).

### **Principal Risks and Uncertainties**

The ICR's future funding from the Higher Education Funding Council for England has been cut, even though we finished first in the *Times Higher Education* league table compiled from the Research Excellence Framework 2014. While we had allowed for this scenario in our financial planning, the pressure on public finances continues.

Future capital funding for the ICR is a key risk as we look to expand and improve our world-class facilities, in particular by building a Centre for Cancer Drug Discovery, and provide the infrastructure

to support our activities. Capital funding remains scarce from Government bodies and other funders and organisations are frequently required to find matched funding, which can be challenging. The increasing pace of technological change is reducing renewal cycles of essential scientific equipment.

The liabilities on defined-benefit pension arrangements continue to be significant. The contribution rates payable to USS will increase in 2016 and this is factored into our financial plans. There is a risk that the financial resources available to support our research activities will be reduced as funds are diverted to meet the increasing costs of pension provision and help reduce pension deficits.

There are likely to be implications for the ICR and our postgraduate students from changes under way to the funding and regulatory arrangements for higher education. There is a risk that funding may change significantly for postgraduates while it is still unclear what the implications for postgraduate application rates will be of the greater levels of debt among undergraduate students.

## **Future Developments**

### **ICR strategy**

The ICR is developing its new strategy – *Our Strategy to Defeat Cancer* – for completion during 2016. We will be developing two strategy documents: *Making the Discoveries*, setting out the vision for our research, and *Delivering Excellence and Impact*, to set out the broader approach for the organisation. Our new strategy will not only build on our current successes but will also seek to anticipate the major scientific and clinical challenges we face and look for innovative and collaborative approaches to tackling the biggest problems in beating cancer. *Making the Discoveries* will go to the Board of Trustees for discussion in February 2016 and will help shape *Delivering Excellence and Impact*, which will go to the Board of Trustees in June 2016. Both documents will be finalised mid 2016, in time to feed into major grant renewals or applications for the Biomedical Research Centre, Cancer Research UK Centre and the Wellcome Trust.

### **Major recruitment programme**

The ICR will continue its major recruitment programme for senior scientists, to bring further fresh ideas into the ICR and support the development of our strategy. We will be appointing a Chief Clinical Scientist, to lead our patient-focused research, a Director for the ICR's pioneering Centre for Evolution and Cancer, and a new Head of the Division of Structural Biology.

### **The Knowledge Hub**

The ICR is driving forward a major new research initiative called The Knowledge Hub, which is designed to give us the capability we need to make sense of the huge quantities of data, from many different disciplines, which we are generating. The Knowledge Hub will allow researchers access to the full range of data generated across the ICR, in a form they can use and analyse. By integrating all of the data generated by our researchers, we will be able to understand the complex interplay of mechanisms underlying cancer and its response to treatment, and to collaborate more effectively across the ICR and The Royal Marsden.

### **Imperial partnership**

The ICR is in discussions with Imperial College London about the possibility of extending our research partnership. We already run a Centre for Systems Oncology and Cancer Innovation together and have a number of jointly appointed academics. The new initiative would allow Imperial to benefit from our detailed expertise in cancer research while allowing us access to its broader research experience in areas such as bioengineering and public health.

## **Governance and management**

*Everything we do is aimed at fulfilling our mission*

### **Public Benefit**

The charitable objects of the ICR are the study of disease and particularly the disease of cancer and allied diseases; to initiate, encourage, support and carry out research into the causes, prevention, diagnosis and methods of treatment of such diseases; to assist in the prevention, diagnosis and treatment of such diseases, and to provide for the education and practical training in subjects relevant to the study of cancer and allied diseases and the alleviation of suffering.

Everything we do is aimed at fulfilling our mission, which is to make the discoveries that defeat cancer. We are focused on undertaking research of the highest quality which will ultimately have significant impact on improving outcomes for cancer patients. Our research students make a significant contribution to our scientific endeavour and we are committed to inspire them to become the next generation of researchers. On pages 8 – 10 we set out our top 10 scientific achievements for 2015 and the impact that these findings will have for patients. Our long-term achievements are set out on our website and highlight the ICR's contribution to many significant advances in reducing mortality for a wide range of cancers.

The Board of Trustees gives due consideration to the Charity Commission's guidance on public benefit.

### **Governance**

The ICR's governance reflects its multiple organisational roles.

The ICR is a company limited by guarantee, incorporated in 1954. We are also a college of the University of London and adhere to regulations as set by HEFCE.

The ICR is an exempt charity under the Third Schedule of the Charities Act 2011, with the reference number X90004. The ICR's objects, powers and framework of governance are set out in its Articles of Association, the current version of which was approved by the Members of the ICR in September 2011.

The overall governing body of the ICR is its Board of Trustees. Our Trustees are responsible for ensuring the ICR pursues its charitable objects, complies with its constitution and relevant legislation and regulations, applies its resources exclusively to its objects, and enacts cancer research of the highest international standard. They carry the responsibility of company directors of the ICR.

The Management Executive reports to the Board of Trustees. It is chaired by the ICR's Chief Executive, Professor Paul Workman, and its membership includes the Chief Operating Officer, the Academic Dean, the Director of Research, Heads of Research Divisions and Corporate Service Directors.

The Board of Trustees has also established a number of subcommittees: the Audit Committee, the Investments and Building Development Committee, the Remuneration Committee, and the Constitutional and Nomination Committee.

## The Board of Trustees

The Board of Trustees determines the ICR's strategies, approves its scientific and financial plans, annual report and accounts and governance structure, makes key appointments (Chief Executive, Academic Dean, Chief Operating Officer and Director of Research) and monitors the ICR's strategic performance. It also approves new initiatives and non-recurrent expenditure costing £1 million or more.

The Board of Trustees comprises 18 individuals nominated by The Royal Marsden, Cancer Research UK, individuals co-opted by the Board of Trustees itself and one member elected by the Academic Board, together with ex-officio members (the Chief Executive and the Academic Dean) and a student nominee. Details of the current membership of the Board of Trustees are given on page 47.

The Board of Trustees recognises the principles underlying the Committee on Corporate Governance's Combined Code and The Committee of University Chairmen Higher Education Code of Governance and applies them within the ICR. The Board met six times in 2014/15. A copy of the register of interests of Board members is available upon application to the Chief Operating Officer.

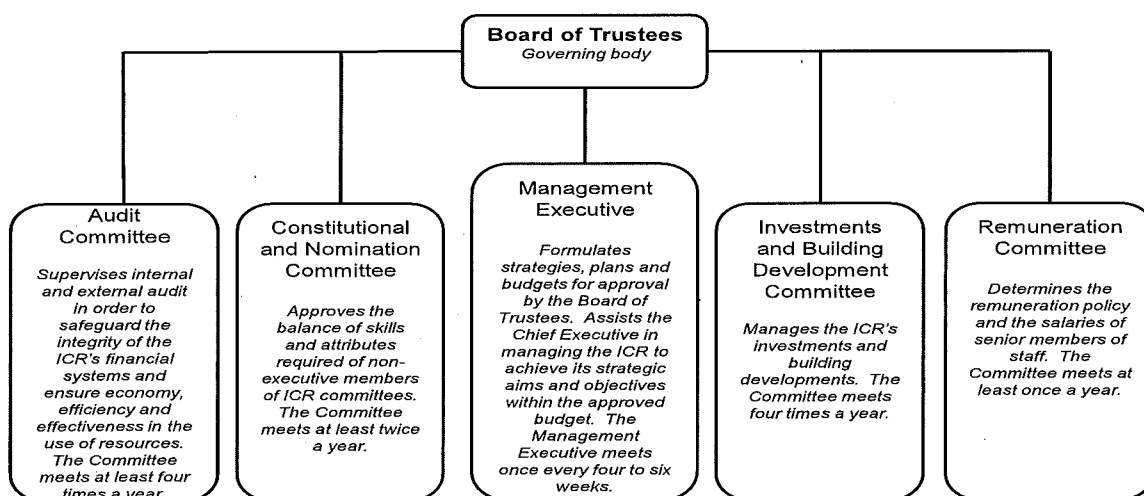


Figure 1.5: Board of Trustees governance

The Constitutional and Nomination Committee recommends to the Board of Trustees the admission of Fellows and Members of the ICR and appointments to the Board of Trustees. When considering new appointments the Constitutional and Nomination Committee seeks proposals for candidates from a number of sources. All new Trustees are offered a tailored induction programme and further training is available on request.

Mr Charles Geffen and Mrs Jane Hamilton were appointed to co-opted positions on 1 August 2014, Mr William Burns was appointed to a co-opted position on 1 October 2014 and Dr Brendan O'Neill was appointed as the ICR's Honorary Treasurer on 1 January 2015; the ICR used a firm of search



consultants to assist with these appointments. Professor Timothy Maughan was appointed to a co-opted position on 1 December 2014 following nominations of suitable candidates from eminent scientists (both internal and external). Dr Iain Foulkes was appointed as Cancer Research UK's nominee on 16 March 2015. Professor Nandita de Souza was appointed as the Academic Board's nominee (an internal appointment) on 1 March 2015. Dr Rhavindi Murphy was appointed as the student nominee on 1 March 2015. Ms Mandy Donald was appointed to a co-opted position on 1 August 2015; the ICR advertised this appointment.

During the financial year Professor Sir Tom Blundell, Konstantin Graf von Schweinitz, Professor Keith Jones, Dr Harpal Kumar, Miss Parisa Razaz and Mr Michael Usher stepped down from the governing body. The ICR is grateful for their valuable contributions during their appointments.

### **Auditors**

Grant Thornton UK LLP has indicated willingness to be reappointed as statutory auditor.

Non-audit fees of £3,000 were paid to the external auditors in 2015 (2014:£0).

### **Statement of Internal Control**

The Board of Trustees is responsible for the ICR's system of internal control and reviewing its effectiveness. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives and can only provide reasonable not absolute assurance of effectiveness.

The Management Executive is responsible for the identification, and with the risk owners, management of all the major risks to achievement of the ICR's strategic objectives. Each risk identified by the Management Executive is assessed and prioritised with reference to the potential impact if the risk occurred and likelihood of occurrence. The responsibility for specific risks is assigned to the relevant academic, scientific and support staff who provide assurance of the action taken.

The Risk Register is compiled by the Integrated Risk and Performance Committee, agreed with the Management Executive and approved annually by the Board of Trustees. Significant risks may be added, revised or removed from the Risk Register after evaluation by the Integrated Risk and Performance Committee throughout the year. The Significant Risk List is appraised every four months by the Integrated Risk and Performance Committee and the Board of Trustees.

Internal Audit adopts a risk-based approach undertaking a programme of examinations covering all aspects of the ICR's activities and provides to the Board of Trustees and the Chief Executive an independent annual statement on the adequacy and effectiveness of risk management, control and governance and arrangements for the economy, efficiency and effectiveness and the extent to which the Board of Trustees can rely on these.

The external auditors provide feedback to the Audit Committee on the operation of internal financial controls reviewed as part of the external audit.

The Audit Committee is responsible for assuring the governing body about the adequacy and effectiveness of the ICR arrangements for risk management, control and governance; economy, efficiency and effectiveness (VFM); and the management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, HEFCE and other bodies.

The Audit Committee's opinion is that the ICR has adequate and effective arrangements for risk management, control and governance and economy, efficiency and effectiveness and that the Board of Trustees can place reliance on those arrangements.

### **Conclusion**

The Board of Trustees is of the view that there is an on-going process for identifying, evaluating and management of the ICR's key risks, and that it has been in place for the year ended 31 July 2015 and up to the date of the approval of the annual report and accounts. That it is regularly reviewed by the Board of Trustees and that it accords with the internal control guidance for directors in the Combined Code as deemed appropriate for higher education.

### **Going Concern**

The Board of Trustees has considered the level of reserves and the financial resources available to the ICR and considers these are adequate to meet its operational needs for the foreseeable future. Consequently the going concern basis has been adopted in preparing these financial statements.

## **Statement of the Responsibilities of Members of the Board of Trustees**

Members of the Board of Trustees are responsible for preparing the Report of the Board of Trustees, the Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and the financial position of the ICR and the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICR will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the ICR's transactions and disclose with reasonable accuracy at any time the financial position of the ICR 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 ICR and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Board of Trustees have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

### **Approval of the Trustees' Report and Strategic Report**

The Trustees' Report and Strategic Report were approved by the Board of Trustees on 26 November 2015.



Luke Johnson  
Chair of The Institute of Cancer Research

## **Independent auditor's report to the Board of Trustees of The Institute of Cancer Research: Royal Cancer Hospital**

We have audited the financial statements of The Institute of Cancer Research: Royal Cancer Hospital (the 'Institute') for the year ended 31 July 2015 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated statement of historical cost surplus, the Group and Institute balance sheets, the consolidated cash flow statement, the accounting policies 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 Institute's Board of Trustees, 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 Institute's Board of Trustees those matters we are required to state to it 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 Institute and the Institute's Board of Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Board of Trustees and auditor**

As explained more fully in the Statement of Responsibilities of the Board of Trustees set out on page 19, the Board of Trustees (who are also the directors of the charitable company for the purposes of company law) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under the Companies Act 2006 and the Education Reform Act 1988 and report in accordance with regulations made under those Acts. 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the Institute's affairs as at 31 July 2015 and of the group's surplus, and its income and expenditure, recognised gains and losses and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the 2007 Statement of Recommended Practice: Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Board of Trustees', incorporating the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Opinion on other matters prescribed by HEFCE's Memorandum of assurance and accountability dated June 2014**

In our opinion, in all material respects:

- funds from whatever source administered by the Institute for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by HEFCE have been applied in accordance with the Memorandum of assurance and accountability and any other terms and conditions attached to them; and
- the requirements of HEFCE's accounts direction have been met.

### **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 by the Institute, or returns adequate for our audit have not been received from branches not visited by us; or
- the Institute's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the Board of Trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Grant Thornton UK LLP*

Carol Rudge  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
26 November 2015

**THE INSTITUTE OF CANCER RESEARCH**  
**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
for the year ended 31 July 2015

	Note	2015 £000	2014 £000
<b>Income</b>			
Funding Council grants	2	18,769	20,340
Academic fees	3	2,177	1,715
Research grants and contracts	4	65,999	49,599
Other operating income	5	38,322	31,732
Endowment and investment income	6	740	481
<b>Total income</b>		<b>126,007</b>	<b>103,867</b>
<b>Expenditure</b>			
Staff costs	19	55,191	52,087
Other operating expenses	7	39,831	32,405
Depreciation	8	4,596	4,904
<b>Total expenditure</b>		<b>99,618</b>	<b>89,396</b>
<b>Surplus on continuing operations after depreciation of fixed assets at valuation and before tax</b>		<b>26,389</b>	<b>14,471</b>
Taxation	22	(2,655)	-
<b>Surplus on continuing operations after depreciation of fixed assets at valuation and tax</b>		<b>23,734</b>	<b>14,471</b>

All of the ICR's operations are continuing.

The notes on pages 27 to 46 form part of these financial statements.

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**THE INSTITUTE OF CANCER RESEARCH****CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
for the year ended 31 July 2015

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	Note	2015 £000	2014 £000
<b>Recognised gains relating to the year</b>			
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax		23,734	14,471
Unrealised surplus on revaluation of fixed assets		-	6,771
Appreciation of investments		6,412	513
Actuarial loss on defined benefit pension schemes	19	(5,987)	(6,605)
<b>Total recognised gains relating to the year</b>		<b>24,159</b>	<b>15,150</b>
<b>Reconciliation</b>			
Opening reserves and endowments		109,951	94,801
Total recognised gains for the year		24,159	15,150
Closing reserves and endowments		134,110	109,951

**CONSOLIDATED STATEMENT OF HISTORICAL COST SURPLUS**  
for the year ended 31 July 2015

	2015 £000	2014 £000
Surplus on continuing operations after taxation	23,734	14,471
Difference between historical cost depreciation and the actual charge for the period calculated on the revalued amount	999	809
Historical cost surplus for the period after taxation	24,733	15,280

The notes on pages 27 to 46 form part of these financial statements.

THE INSTITUTE OF CANCER RESEARCH

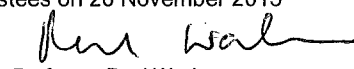
BALANCE SHEETS

31 July 2015

	Note	Group		Institute	
		2015 £000	2014 £000	2015 £000	2014 £000
<b>Fixed assets</b>					
Tangible assets	8	114,102	110,215	114,102	110,215
Investments	9a	61,626	54,383	61,631	54,388
		<u>175,728</u>	<u>164,598</u>	<u>175,733</u>	<u>164,603</u>
<b>Endowment assets</b>	9b	<u>2,572</u>	<u>3,068</u>	<u>2,572</u>	<u>3,068</u>
<b>Current assets</b>					
Stocks - finished goods		158	159	158	159
Investments	9c	22,158	6,453	22,158	6,453
Debtors	10	36,481	21,549	36,465	36,557
Cash at bank and in hand		1,709	1,483	1,679	1,469
		<u>60,506</u>	<u>29,644</u>	<u>60,460</u>	<u>44,638</u>
<b>Creditors: amounts falling due within one year</b>	11a	<u>(43,814)</u>	<u>(32,856)</u>	<u>(43,773)</u>	<u>(47,855)</u>
<b>Net current assets/ (liabilities)</b>		<b>16,692</b>	<b>(3,212)</b>	<b>16,687</b>	<b>(3,217)</b>
<b>Total assets less current liabilities</b>		<b>194,992</b>	<b>164,454</b>	<b>194,992</b>	<b>164,454</b>
<b>Creditors: amounts falling due after more than one year</b>	11b	<u>(220)</u>	<u>(220)</u>	<u>(220)</u>	<u>(220)</u>
<b>Provisions for liabilities and charges</b>	11c	<u>(331)</u>	<u>(329)</u>	<u>(331)</u>	<u>(329)</u>
<b>Net assets excluding pension liability</b>		<b>194,441</b>	<b>163,905</b>	<b>194,441</b>	<b>163,905</b>
Defined benefit pension scheme liability	19(v)c	<u>(20,943)</u>	<u>(16,304)</u>	<u>(20,943)</u>	<u>(16,304)</u>
<b>Net assets including pension liability</b>		<b>173,498</b>	<b>147,601</b>	<b>173,498</b>	<b>147,601</b>
<b>Deferred capital grants</b>	12	<u>39,388</u>	<u>37,650</u>	<u>39,388</u>	<u>37,650</u>
<b>Endowments</b>					
Expendable	15	1,856	2,427	1,856	2,427
Permanent	15	716	641	716	641
		<u>2,572</u>	<u>3,068</u>	<u>2,572</u>	<u>3,068</u>
<b>Reserves</b>					
Income and expenditure account excluding pension reserve	13	113,010	82,717	113,010	82,717
Pension reserve	13, 19(v)c	<u>(20,943)</u>	<u>(16,304)</u>	<u>(20,943)</u>	<u>(16,304)</u>
Income and expenditure account including pension reserve		92,067	66,413	92,067	66,413
Revaluation reserve	14	39,471	40,470	39,471	40,470
<b>Total reserves</b>		<b>131,538</b>	<b>106,883</b>	<b>131,538</b>	<b>106,883</b>
<b>Total funds</b>		<b>173,498</b>	<b>147,601</b>	<b>173,498</b>	<b>147,601</b>

These financial statements were approved by the Board of Trustees on 26 November 2015

  
 Luke Johnson  
 Chairman of the Board of Trustees

  
 Professor Paul Workman  
 Chief Executive and President

The notes on pages 27 to 46 form part of these financial statements.

Company Number 534147



**THE INSTITUTE OF CANCER RESEARCH**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 July 2015

	Note	2015 £000	2014 £000
Net cash inflow from operating activities	1	19,961	9,377
Returns on investments and servicing of finance	2	740	481
Capital expenditure and financial investment	3	<u>6,528</u>	<u>(10,726)</u>
<b>Net cash inflow/ (outflow) before use of liquid resources and financing</b>		<b>27,229</b>	<b>(868)</b>
Financing and management of liquid resources	4	<u>(11,298)</u>	<u>(387)</u>
<b>Increase/ (decrease) in cash in the year</b>		<b><u>15,931</u></b>	<b><u>(1,255)</u></b>

ANALYSIS OF NET FUNDS

	31 July 2014 £000	Cash Flows £000	31 July 2015 £000
Cash at bank and in hand	1,483	226	1,709
Current asset investments	<u>6,453</u>	<u>15,705</u>	<u>22,158</u>
	7,936	15,931	23,867
Money market and other deposits	<u>1,804</u>	<u>11,298</u>	<u>13,102</u>
	<b><u>9,740</u></b>	<b><u>27,229</u></b>	<b><u>36,969</u></b>

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**THE INSTITUTE OF CANCER RESEARCH****NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 July 2015

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**1. Reconciliation of consolidated operating surplus to net cash inflow from operating activities**

	2015	2014
	£000	£000
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax	23,734	14,471
Net release of deferred capital grants	(2,381)	(4,377)
Depreciation charges	4,596	4,904
Reversal of impairment	-	(360)
Loss on disposal of fixed assets	71	28
Investment income	(740)	(481)
Decrease/ (increase) in stocks	1	(10)
Increase in debtors	(14,932)	(7,477)
Increase in creditors	10,960	3,158
Pension contributions less current service and finance costs	(1,348)	(479)
	<u>19,961</u>	<u>9,377</u>

**2. Returns on investments and servicing of finance**

	2015	2014
	£000	£000
Income from endowments	9	6
Other investment income	731	475
	<u>740</u>	<u>481</u>

**3. Capital expenditure and financial investment**

	2015	2014
	£000	£000
Payments to acquire tangible fixed assets	(8,554)	(14,715)
Deferred capital grants received	4,119	3,697
Purchases of investments	(18,147)	(21,494)
Receipts from sales of investments	29,110	21,786
	<u>6,528</u>	<u>(10,726)</u>

**4. Financing and management of liquid resources**

	2015	2014
	£000	£000
Increase in short term deposits	(11,298)	(387)
	<u>(11,298)</u>	<u>(387)</u>

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**THE INSTITUTE OF CANCER RESEARCH**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 July 2015

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**1. Accounting policies**

**(i) Basis of preparation**

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting for Further and Higher Education " and the annual accounts direction issued by the Higher Education Funding Council for England (HEFCE) issued in August 2014 and in accordance with applicable UK accounting standards.

The Trustees consider that the ICR has adequate resources to continue its activities for the foreseeable future and that, for this reason, it should continue to adopt the going concern basis in preparing the accounts.

The ICR has an exemption from presenting its unconsolidated income and expenditure account under section 408 of the Companies Act 2006. The non-consolidated surplus is £23,732,000 (2014: £14,471,000) and the non-consolidated turnover is £126,218,000 (2014: £104,927,000).

**(ii) Basis of accounting**

These financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and investments to market value, in accordance with applicable accounting standards. The ICR has availed itself of Regulation 4 of Schedule 1 of SI 2008/410 *The Large and Medium Sized Companies and Groups Accounts and Reports Regulations 2008*) and adapted the specified formats to reflect the special nature of the ICR's activities.

**(iii) Land and buildings**

Land and buildings are valued at least every five years in accordance with the Guidance Notes for the Valuation of Assets issued by the Royal Institute of Chartered Surveyors for the purpose of balance sheet valuations. The last full valuation took place as at 31 July 2014.

Valuations are made on a Depreciated Replacement Cost basis for scientific properties. Unrealised gains arising at each revaluation are shown in the Revaluation Reserve. Unrealised losses are taken to the Income and Expenditure Account, except to the extent that they reverse revaluation gains on the same asset.

Where buildings are acquired and depreciated with the aid of specific grants they are capitalised and depreciated as above. The related grants are treated as Deferred Capital Grants and released to income over the expected useful life of the buildings.

**(iv) Investments**

Listed investments are stated at the market value at the date of the balance sheet. Investments such as hedge funds and private equity funds, which have no readily identifiable market value, are included at the most recent valuations from their respective managers. Unlisted shares, where there is no readily identifiable market value, are recorded at cost or a nominal amount. Investments in subsidiaries are stated at cost less any provision for impairment. Revaluation gains or losses arising during the year are included in the statement of total recognised gains and losses. Impairments are charged to the Income and Expenditure account. Investment income is the amount receivable by the ICR in the year.

**(v) Incoming resources**

Income from Research Grants, contracts and other services is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs.

Income in respect of the Research and Development tax credit is included in the year in which ICR is entitled to the credit and where there is certainty of receipt and the amount can be identified.

Income from short-term deposits is included in the Income and Expenditure Account in the period in which it is earned.

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**THE INSTITUTE OF CANCER RESEARCH****NOTES TO THE FINANCIAL STATEMENTS**for the year ended 31 July 2015

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**1. Accounting policies continued**

Recurrent grants from HEFCE are recognised in the period in which they are receivable. Non-recurrent grants from HEFCE or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the asset.

Legacies and donations are included in the Income and Expenditure Account in the year in which they are received except where income is accounted for once it is known with certainty that an identifiable sum of money is going to be received. Entitlement to legacy income is taken to be the earlier of estate accounts being finalised and cash received. This includes the value of material properties which have been bequeathed to the ICR but not realised at the balance sheet date.

Royalty income is included in the income and expenditure account in the year in which ICR is entitled to claim it, where there is certainty of receipt and the amount due can be identified.

**(vi) Foreign currency translation**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the year-end rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

**(vii) Depreciation**

Depreciation is provided to write off the costs of leases and buildings over their useful economic lives based on their Net Book Values. The annual rates of depreciation are as follows; -

Freehold buildings 2%

Leasehold buildings 2% or the length of the lease if shorter than 50 years.

The cost of refurbishing and maintaining the buildings is written off in the year the expenditure is incurred. Freehold land is not depreciated.

**(viii) Equipment and depreciation**

Equipment (including computers and software) and furniture costing less than £25,000 for each individual item are written off in the year of acquisition. All other items of equipment and furniture are capitalised in the year of acquisition. Capitalised equipment is stated at cost and depreciated over four years on a straight-line basis.

**(ix) Assets under Construction**

Buildings and furniture, plant and equipment under construction at year end are included in note 8 as assets under construction, and are not depreciated. On completion of construction, these assets are transferred into the appropriate asset class and depreciated from the month of completion onwards in line with the depreciation policy for that asset.

**(x) Stocks**

Stocks of research material are valued using the average of opening and closing stock prices.

**(xi) Pensions**

The ICR participates in three defined benefit schemes, the Universities' Superannuation Scheme (USS), National Health Service Pension Scheme (NHSPS) and The ICR Pension Scheme (ICRPS).

The ICR participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The ICR is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme.

The NHSPS is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of The Secretary of State, in England and Wales. As a consequence it is not possible for the ICR to identify its share of the underlying scheme liabilities.

As a result, the amount charged to the income and expenditure account for the USS and NHSPS represents the contributions payable to the scheme in respect of the accounting period.

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**THE INSTITUTE OF CANCER RESEARCH****NOTES TO THE FINANCIAL STATEMENTS**for the year ended 31 July 2015

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**1. Accounting policies continued**

For the ICRPS the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the income and expenditure account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses. Gains arising on a curtailment not allowed for in the actuarial assumptions are recognised in the income and expenditure account under incoming resources.

ICRPS scheme assets are held separately from those of the ICR. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on high quality corporate bonds. The actuarial valuation is obtained at least tri-annually and is updated at each balance sheet date. The resulting defined benefit asset or liability is shown separately on the face of the balance sheet. A pensions reserve has been created within the unrestricted funds.

**(xii) Consolidation basis**

The ICR owns 100% of the share capital of four companies – ICR Enterprise Ltd, ICR Chelsea Development Ltd (ICRCD), ICR Sutton Developments Ltd (ICRSD) and ICR Equipment Leasing No.8 Limited (ICRENo8). ICR Enterprises Ltd undertakes trading activities. ICRCD and ICRSD have been set up to act as developers for the construction of laboratories. ICRENo8 owns a long leasehold interest in the Chester Beatty Laboratory which is occupied by the ICR. The consolidated statements include the financial statements of these companies as well as Everyman Action Against Male Cancer. No Income and Expenditure Account is presented for the ICR.

The ICR makes a small contribution each year towards the costs of the Student Association. The ICR has no management responsibility for the Association and therefore does not consolidate their accounts into the ICR's accounts.

**(xiii) Leases**

Assets held under leasing arrangements which transfer substantially all the risks and rewards of ownership to the ICR are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the Income and Expenditure Account so as to produce a constant periodic rate of charge. Other leases are regarded as operating leases and the rentals are charged directly to the Income and Expenditure Account on a straight-line basis over the term of the lease.

**(xiv) Research and development**

Research and development expenditure is written off in the period in which it is incurred.

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**2. Funding Council grants**

	2015 £000	2014 £000
<i>Recurrent grants</i>		
Higher Education Funding Council for England (HEFCE)	17,305	17,522
NHS pension funding supplement	186	249
<i>Specific grants</i>		
Higher Education Innovation Fund	703	703
Other specific funds	28	60
<i>Deferred capital grants released during the year</i>		
Buildings (note 12)	547	427
Equipment (note 12)	-	1,379
	<u>18,769</u>	<u>20,340</u>

**3. Academic fees**

	2015 £000	2014 £000
Academic fees	<u>2,177</u>	<u>1,715</u>

**4. Research grants and contracts**

	2015 £000	2014 £000
UK based charities	34,739	34,994
Research Councils	3,199	1,238
UK Government, local health and hospital authorities	7,452	6,576
EU	1,203	757
Industry, commerce and other	5,549	4,443
Other overseas	1,751	1,591
Research and development tax credit	<u>12,106</u>	<u>-</u>
	<u>65,999</u>	<u>49,599</u>

In 2014/15 the ICR claimed research and development tax credits in respect of qualifying expenditure incurred in 2012/13 and 2013/14, totalling £6,831,000. A further claim of £5,274,000 has been accrued for 2014/15.

**5. Other operating income**

	2015 £000	2014 £000
Legacies and donations	12,307	12,046
Invention and other income	<u>26,015</u>	<u>19,686</u>
	<u>38,322</u>	<u>31,732</u>

Voluntary income is largely derived from the UK. The ICR has been notified of legacies of £3,091,000 which have not been recognised as income at 31 July 2015 as no notification of impending distribution or approval of estate accounts has been received (2014: £3,548,000).

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**6. Endowment and investment income**

	<b>2015</b>	2014
	<b>£000</b>	£000
Income from permanent endowments	9	6
Other investment income	<u>731</u>	<u>475</u>
	<b><u>740</u></b>	<b><u>481</u></b>

**7. Other operating expenses**

	<b>2015</b>	2014
	<b>£000</b>	£000
Laboratory consumables	<b>25,762</b>	21,305
Repairs and general maintenance	<b>3,548</b>	2,157
Other premises	<b>4,041</b>	3,417
Central administration services	<b>2,300</b>	2,189
Library and information services	<b>729</b>	572
Information technology	<b>1,240</b>	981
Other expenses	<u>2,211</u>	<u>1,784</u>
	<b><u>39,831</u></b>	<b><u>32,405</u></b>

Other operating expenses include the following:

	<b>2015</b>	2014
	<b>£000</b>	£000
Fees payable to the ICR's auditors for the audit of the annual accounts	<b>35</b>	35
The audit of the ICR's subsidiaries, pursuant to legislation	<u>5</u>	<u>5</u>
Total external audit fees	<b><u>40</u></b>	<b><u>40</u></b>
Hire of other assets - operating leases	<b>410</b>	410

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**8. Tangible assets**

Group and Institute

	Freehold land and buildings	Leasehold land and buildings	Furniture plant and equipment	Assets under construction	Total
	£000	£000	£000	£000	£000
<i>Cost or valuation</i>					
At 1 August 2014	85,805	2,677	37,063	17,964	143,509
Additions at cost	1,092	-	4,338	3,124	8,554
Disposals at cost	-	-	(376)	-	(376)
Transfer of completed assets	19,096	-	-	(19,096)	-
<b>At 31 July 2015</b>	<b>105,993</b>	<b>2,677</b>	<b>41,025</b>	<b>1,992</b>	<b>151,687</b>
<i>Depreciation</i>					
At 1 August 2014	-	207	33,087	-	33,294
Provided in the year	1,767	110	2,719	-	4,596
Disposals in the year	-	-	(305)	-	(305)
<b>At 31 July 2015</b>	<b>1,767</b>	<b>317</b>	<b>35,501</b>	<b>-</b>	<b>37,585</b>
<i>Net book value</i>					
<b>At 31 July 2015</b>	<b>104,226</b>	<b>2,360</b>	<b>5,524</b>	<b>1,992</b>	<b>114,102</b>
of which:					
Scientific properties	104,176	2,034	5,524	1,992	113,726
Other properties	50	326	-	-	376
At 31 July 2014	85,805	2,470	3,976	17,964	110,215
of which:					
Scientific properties	85,755	2,135	3,976	17,964	109,830
Other properties	50	335	-	-	385
<i>Historic cost - net book value</i>					
<b>At 31 July 2015</b>	<b>66,357</b>	<b>758</b>	<b>5,524</b>	<b>1,992</b>	<b>74,631</b>
At 31 July 2014	46,972	833	3,976	17,964	69,745
<i>Financed by</i>					
Capital grant	35,365	190	3,833	1,000	40,388
Other	68,861	2,170	1,691	992	73,714
	<b>104,226</b>	<b>2,360</b>	<b>5,524</b>	<b>1,992</b>	<b>114,102</b>

The value of assets under construction includes £992,000 in respect of the Centre for Cancer Drug Discovery, and £1,000,000 in respect of equipment.

£19,096,000 was moved from assets under construction into freehold land and buildings in respect of the Centre for Cancer Imaging, completed on 23 February 2015.



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9. Investments and endowment assets

	Market value 1 August 14 £000	Additions at cost £000	Disposals at book value £000	Gains/ (losses) £000	Market value 31 July 15 £000
<b>a. Investments (Group)</b>					
Listed					
UK	16,305	5,959	(4,806)	1,710	19,168
Overseas	20,015	3,387	(8,654)	3,330	18,078
	<u>36,320</u>	<u>9,346</u>	<u>(13,460)</u>	<u>5,040</u>	<u>37,246</u>
Unlisted					
UK	23	2,627	(2,339)	(331)	(20)
Overseas	16,332	5,470	(12,144)	2,188	11,846
	<u>16,355</u>	<u>8,097</u>	<u>(14,483)</u>	<u>1,857</u>	<u>11,826</u>
Investment cash and deposits	<u>1,708</u>	<u>127,073</u>	<u>(116,227)</u>	<u>-</u>	<u>12,554</u>
<b>Total investments</b>	<u>54,383</u>	<u>144,516</u>	<u>(144,170)</u>	<u>6,897</u>	<u>61,626</u>
<b>b. Endowment assets (Group and Institute)</b>					
Listed					
UK	920	249	(201)	(169)	799
Overseas	1,130	117	(361)	(154)	732
	<u>2,050</u>	<u>366</u>	<u>(562)</u>	<u>(323)</u>	<u>1,531</u>
Unlisted					
UK	1	110	(98)	(14)	(1)
Overseas	921	228	(507)	(148)	494
	<u>922</u>	<u>338</u>	<u>(605)</u>	<u>(162)</u>	<u>493</u>
Investment cash and deposits	<u>96</u>	<u>5,303</u>	<u>(4,851)</u>	<u>-</u>	<u>548</u>
<b>Total endowment assets</b>	<u>3,068</u>	<u>6,007</u>	<u>(6,018)</u>	<u>(485)</u>	<u>2,572</u>
<b>c. Current asset investments (Group and Institute)</b>					
Cash held in deposit accounts	<u>6,453</u>	<u>176,858</u>	<u>(161,153)</u>	<u>-</u>	<u>22,158</u>

The investments held by the Group were all held by the ICR which in addition held investments of £5,000 in subsidiary companies.

The endowment assets are restricted but are managed as part of a single portfolio with the ICR's investments.

The negative balance on unlisted UK investments relates to currency forward contracts.

The historical cost of the Group and the ICR investments at 31 July 2015 was £55,795,000 (2014: £52,896,000) and £55,800,000 (£52,901,000) respectively.

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**9. Investments and endowment assets (continued)**

The following investments represented holdings in excess of 5% of the investment portfolio at 31 July 2015:

	2015	2014
Battle Against Cancer Investment Trust	11.0%	12.0%

**10. Debtors**

	Group		Institute	
	2015 £000	2014 £000	2015 £000	2014 £000
Revenue grants	4,385	4,053	4,385	4,053
Other trade debtors	382	495	344	495
Legacy debtors	-	179	-	179
Other debtors	148	139	145	139
Amounts due from subsidiary undertakings	-	-	25	15,008
Prepayments and accrued income	<u>31,566</u>	<u>16,683</u>	<u>31,566</u>	<u>16,683</u>
	<u>36,481</u>	<u>21,549</u>	<u>36,465</u>	<u>36,557</u>

Prepayments and accrued income includes £12,105,000 in respect of the Research and Development Credits claimed in respect of qualifying expenditure incurred in 2012/13, 2013/14, and 2014/15.

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**11. Creditors**

**a. Amounts falling due within one year**

	Group		Institute	
	2015 £000	2014 £000	2015 £000	2014 £000
Trade creditors	3,396	2,205	3,396	2,205
Accruals	8,423	5,343	7,824	4,833
Amounts due to subsidiary companies	-	-	473	15,090
Other creditors	823	1,383	823	1,383
Taxes and social security (see Note 22)	6,114	2,624	6,199	3,043
Deferred research grants	25,058	21,301	25,058	21,301
	<b>43,814</b>	<b>32,856</b>	<b>43,773</b>	<b>47,855</b>

**b. Amounts falling due after more than one year**

	Group		Institute	
	2015 £000	2014 £000	2015 £000	2014 £000
Other creditors	220	220	220	220

**c. Provisions for liabilities and charges**

	Group		Institute	
	2015 £000	2014 £000	2015 £000	2014 £000
<i>Dilapidations and decommissioning</i>				
At 1 August 2014	329	323	329	323
Provided in the year	2	6	2	6
Released in the year	-	-	-	-
	<b>331</b>	<b>329</b>	<b>331</b>	<b>329</b>

The dilapidation and decommissioning provision is held to cover liabilities as a result of vacating leasehold premises and the safe removal of a caesium source.

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**12. Deferred capital grants**

Group and Institute

	HEFCE	Other funders	Total
	£000	£000	£000
<i>At 1 August 2014</i>			
Land and buildings	20,240	15,374	35,614
Equipment	-	2,036	2,036
<i>Cash receivable in the year</i>			
Land and buildings	886	-	886
Equipment	-	3,233	3,233
<i>Released to income and expenditure</i>			
Land and buildings	(547)	(398)	(945)
Equipment	-	(1,436)	(1,436)
<i>At 31 July 2015</i>			
Land and buildings	20,579	14,976	35,555
Equipment	-	3,833	3,833
<b>Total at 31 July 2015</b>	<b>20,579</b>	<b>18,809</b>	<b>39,388</b>

**13. Income and expenditure account**

	Balance at 1 August 2014	Income	Expenditure	Transfers, gains and losses	Balance at 31 July 2015
	£000	£000	£000	£000	£000
Income and expenditure account excluding pension reserve	82,717	126,007	(98,700)	2,986	113,010
Pension deficit	(16,304)	-	(152)	(4,487)	(20,943)
Income and expenditure account including pension reserve	<u>66,413</u>	<u>126,007</u>	<u>(98,852)</u>	<u>(1,501)</u>	<u>92,067</u>

The income and expenditure account includes £8,403,000 cumulative net unrealised gains on revaluation of fixed asset investments.

**14. Revaluation reserve**

Group and Institute

	£000
At 1 August 2014	40,470
Other transfers, gains and losses	(999)
<b>Revaluation reserve at 31 July 2015</b>	<b>39,471</b>

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**15. Endowments**

	Balance at 1 August 2014 £000	Income £000	Expend- iture £000	Transfers, gains and losses £000	Balance at 31 July 2015 £000
<i>Expendable endowments</i>					
Research Project Endowment Fund	766	-	(766)	-	-
Hensley Nankivell Studentship Fund	1,242	-	-	146	1,388
The Ivan and Felicite Stoller Fund	419	-	-	49	468
Total expendable endowment funds	<u>2,427</u>	<u>-</u>	<u>(766)</u>	<u>195</u>	<u>1,856</u>
<i>Permanent endowments</i>					
Sir SK Tang Fund	641	-	-	75	716
Total endowment funds	<u>3,068</u>	<u>-</u>	<u>(766)</u>	<u>270</u>	<u>2,572</u>

The Research Project Endowment Fund relates to donations with specific restrictions on their expenditure. The Hensley Nankivell Studentship Fund was received from the estate of Mrs SMA Nankivell for the purpose of supporting research studentships at the ICR. The Ivan and Felicite Stoller Fund is a legacy received from the estate of Mr IM Stoller. The Sir SK Tang Fund is a legacy received from the estate of Sir SK Tang. The Research Project Endowment, Tang and Stoller funds are for cancer research.

The Sir S K Tang Fund has been classified as a permanent endowment for which a total return approach to investment has been adopted and the unapplied total return can be spent on qualifying expenditure:

	Endowment £000	Unapplied total return £000	Total £000
<b>Balance as at 1 August 2014</b>			
Gift component of the permanent endowment	333	-	333
Unapplied total return	-	308	308
Total permanent endowments as at 1 August 2014	<u>333</u>	<u>308</u>	<u>641</u>
<b>Movements in the period</b>			
Investment return: realised and unrealised gains	-	75	75
	-	75	75
<b>Balance as at 31 July 2015</b>			
Gift component of the permanent endowment	333	-	333
Unapplied total return	-	383	383
Total permanent endowments as at 31 July 2015	<u>333</u>	<u>383</u>	<u>716</u>

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**16. Lease Commitments**

At 31 July 2015 the ICR had annual operating lease commitments in respect of equipment and property leases which expire as follows:

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Within two years	<b>92</b>	<b>-</b>
Between two and five years	<b>325</b>	<b>417</b>

**17. Capital commitments**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Contracted but not provided for	<b>8,618</b>	<b>10,184</b>

The capital commitments relate to laboratory and office building works and equipment.

**18. Emoluments of the Board of Trustees**

No fees are paid to the members of the Board of Trustees for their services as charity trustees or company directors. During the year, there were three members of staff of the ICR who are members of the Board of Trustees and who receive only the normal remuneration of their appointments. This includes the Chief Executive and Academic Dean, whose remuneration is shown in note 19 (iii). The other staff member is the representative elected by the Academic Board to serve on the Board of Trustees, whose remuneration is included in note 19 (iv) - this role was undertaken by Professor Jones until 28 February 2015, and by Professor De Souza. From 1 March 2015. In addition, Miss Razaz (from 1st September 2013 to 28 February 2015), and Dr Murphy (from 1 March 2015) undertook the role of student representative on the Board of Trustees, who received the normal PhD student stipend. The aggregate emoluments of those who serve on the Board of Trustees was £629,240 (2014: £423,846). The emoluments of the highest paid director were £253,000 (2014: £215,000). Three of the four staff who are trustees participate in defined benefit pension schemes. Five non-executive trustees received a total of £4,236 (2014: three received £2,215) for reimbursement of travel expenses.

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**19. Staff costs**

**(i) Average number of employees**

	2015 No.	2014 No.
Research Staff	812	802
Research support staff	154	144
Fundraising services	20	18
Corporate services including academic services	87	78
	<u>1,073</u>	<u>1,042</u>

**(ii) Remuneration**

	2015 £000	2014 £000
Wages and salaries	45,644	43,091
Social security costs	3,682	3,558
Other pension costs	5,865	5,438
	<u>55,191</u>	<u>52,087</u>

**(iii) Remuneration of Executive Directors**

The remuneration of Executive Directors is listed below inclusive of distinction awards. National Insurance contributions and employer's pension contributions are excluded except where indicated.

	2015 £000	2014 £000
Chief Executive's salary	253	-
-1 August 2013 to 30 June 2014	-	190
-1 July 2014 to 31 July 2014	-	25
Academic Dean salary	110	110
Chief Executive including employer's pension contributions	253	-
-1 August 2013 to 30 June 2014	-	209
-1 July 2014 to 31 July 2014	-	25

**(iv) Remuneration of higher paid staff**

	2015 No.	2014 No.
£100,001 - £110,000	6	5
£110,001 - £120,000	2	1
£120,001 - £130,000	1	1
£130,001 - £140,000	4	4
£140,001 - £150,000	2	1
£150,001 - £160,000	2	4
£160,001 - £170,000	4	5
£170,001 - £180,000	3	2
£180,001 - £190,000	1	-
£190,001 - £200,000	1	1
£210,001 - £220,000	-	1
£220,001 - £230,000	-	2
£250,001 - £260,000	1	-
£260,001 - £270,000	1	-

19. Staff costs (continued)

(v) Superannuation schemes

The ICR participates in three superannuation schemes. The majority of scientific and other non-clinical staff are in the Universities Superannuation Scheme (USS) (and the Universities Supplementary Dependants & Ill Health Retirement Pension Scheme (USDPS)). The majority of clinical staff are in the National Health Service Superannuation Scheme (NHSPS). The ICR Pension Scheme (ICRPS) was closed to future accrual for new and existing members on 31 July 2008 and most of its active members joined the USS. All three schemes provide benefits based on final pensionable salary.

**a) Universities Superannuation Scheme (USS) (and the Universities Supplementary Dependants & Ill Health Retirement Pension Scheme (USDPS))**

The ICR participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The ICR is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the company's employees. In 2015, the percentage was 16% (2014: 16%). The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme.

The total cost charged to the income and expenditure account is £5,222,000 (2014: £4,886,000) as shown in note 19 ii). This includes £403,000 (2014: £412,000) outstanding contributions at the balance sheet date.

A contingent liability exists in relation to the USS pension valuation recovery plan, since the ICR is an employer of members within the scheme. The contingent liability relates to the amount generated by past service of current members and the associated proportion of the deficit. Given that the scheme is a multi-employer scheme and the ICR is unable to identify its share of the underlying assets and liabilities, the contingent liability is not recognised as a provision on the balance sheet. The associated receivable from the scheme in respect of the reimbursement of the ICR's expenditure is similarly not recognised.

The latest available triennial actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method and is currently being audited by the scheme auditor. Based on this 2014 valuation it is expected that employer contributions will increase to 18% from 1 April 2016.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

FRS 17 liability numbers have been produced using the following assumptions:

	2015	2014
Discount rate	3.3%	4.5%
Pensionable salary growth	3.5% in the first year and 4.0% thereafter	4.4%
Price inflation (CPI)	2.2%	2.6%

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

Male members' mortality S1NA ["light"] YoB tables – No age rating  
 Female members' mortality S1NA ["light"] YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted for the 2014 FRS17 figures, for the March 2015 figures the long term rate has been increased to 1.5% and the CMI 2014 projections adopted, and the tables have been weighted by 98% for males and 99% for females. The current life expectancies on retirement at age 65 are:

	2015	2014
Males currently aged 65 (years)	24.2	23.7
Females currently aged 65 (years)	26.3	25.6
Males currently aged 45 (years)	26.2	25.5
Females currently aged 45 (years)	28.6	27.6

	2015	2014
<b>Existing benefits</b>		
Scheme assets	£49.0bn	£41.6bn
FRS 17 liabilities	£67.6bn	£55.5bn
FRS 17 deficit	£18.6bn	£13.9bn
FRS 17 funding level	72%	75%



**19. Staff costs (continued)**

**b) National Health Service Pension Scheme (NHSPS)**

This Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of The Secretary of State, in England and Wales. As a consequence it is not possible for the ICR to identify its share of the underlying scheme liabilities.

The scheme is subject to a full valuation by the Government Actuary to assess the scheme's assets and liabilities to review the contribution rates. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date. On advice from the actuary the contribution may be varied from time to time to reflect changes in the scheme's liabilities.

The conclusion from the 2004 valuation was that the Scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004. However, after taking into account the changes in the benefit and contribution structure effective from 1 April 2008, the Scheme actuary reported that employer contributions could continue at the existing rate of 14% of pensionable pay. Up to 31 March 2008, the vast majority of employees paid contributions at the rate of 6% of pensionable pay. From 1 April 2008, employees' contributions are on a tiered scale from 5% up to 13.3% of their pensionable pay depending on total earnings.

The ICR charges employer's pension costs contributions to operating expenses as and when they become due. The total employer contribution payable was £491,000 (2014: £502,000). There were £76,000 (2014: £41,000) of outstanding contributions at the balance sheet date.

**c) ICR Pension Scheme (ICRPS)**

The Institute operates a closed funded defined benefit scheme in the UK (the 'Scheme').

The total charged to the income and expenditure account under FRS 17 for the year amounts to £152,000 (2014: £20,000). Given there is no past service cost this is equal to finance income of £152,000 (2014: £20,000).

A full actuarial valuation was carried out at 31 July 2015, based on membership data at 31 March 2013, updated to take account of expected benefit outgo since 31 March 2013, using actuarial assumptions at 31 July 2015.

The major assumptions used by the actuary were (in nominal terms):

	At 31/07/2015	At 31/07/2014
Discount rate	3.80%	4.30%
Consumer Prices Index ("CPI")	2.40%	2.40%
Future 5%LPI pension increases	2.40%	2.40%
Future 2.5%LPI pension increases	2.40%	2.40%
Revaluation in deferment	2.40%	2.40%

Assumed life expectancies on retirement at age 65 are:

Retiring today	Males	23.0	22.9
	Females	25.4	25.3
Retiring in 20 years time	Males	25.2	25.1
	Females	27.8	27.6

The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions which, due to the timescales covered, may not necessarily be borne out in practice.

The assumptions used in determining the overall expected return of the assets of the Scheme have been set having regard to yields available on government bonds, corporate bonds, bank base rates and incorporating appropriate risk margins where appropriate.

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**19 Staff costs (continued)**

The fair value of the Scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the Scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Long-term rate of return expected at 31/07/2015	Value at 31/07/2015 £000s	Long-term rate of return expected at 31/07/2014	Value at 31/07/2014 £000s
Equities and Property	5.50%	30,054	6.30%	26,831
Fixed Interest	3.80%	2,921	4.30%	2,673
Inflation Linked Bonds	3.80%	957	4.30%	978
Alternatives	5.50%	3,317	6.30%	4,900
Insured Annuities	3.80%	24,391	4.30%	23,565
Cash and Other	0.50%	4,870	0.50%	2,907
Overall return on Scheme assets	4.41%		5.15%	

None of the Scheme's assets are invested in the Institute's own financial instruments and none of the assets are properties or other assets used by the Institute.

Fair value of Scheme assets	66,510	61,854
Less refunds agreed (not used to offset irrecoverable surp	-	-
Net fair value of Scheme assets	66,510	61,854
The actual return on assets over the period was	5,105	3,866

**The amounts recognised in the balance sheet are as follows:**

Present value of Scheme liabilities	(87,453)	(78,158)
Fair value of Scheme assets	66,510	61,854
	(20,943)	(16,304)
Present value of unfunded Scheme liabilities	-	-
Unrecognised past service cost	-	-
Deficit	(20,943)	(16,304)
(Irrecoverable surplus)	-	-
Net pension liability recognised before tax	(20,943)	(16,304)

**The amounts recognised in the income and expenditure account are as follows:**

Interest on obligation	3,324	3,233
Expected return on Scheme assets	(3,172)	(3,213)
Total	152	20

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NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 July 2015

19 Staff costs (continued)

Reconciliation of opening and closing balances of the present value of the Scheme liabilities

	31/07/2015	31/07/2014
	£000s	£000s
Liabilities at beginning of period	78,158	69,604
Interest cost	3,324	3,233
Actuarial (gain)/loss	7,920	7,258
Benefits paid	(1,949)	(1,937)
Liabilities at end of period	<u>87,453</u>	<u>78,158</u>

In July 2012 the Board of Trustees of the Institute decided to cease the approval of discretionary increases until the Scheme's funding position improves. The Institute previously had an established practice of providing discretionary increases to pensions in payment where no inflation-linking is provided for under the Scheme Rules. A discretionary pension increase of 1.2% was subsequently granted in April 2015, which has been allowed for in the liability figures as at 31 July 2015. The reported Scheme liabilities at 31 July 2014 and 31 July 2015 make no allowance for future discretionary increases.

Reconciliation of opening and closing balances of the fair value of Scheme assets

	31/07/2015	31/07/2014
	£000s	£000s
Fair value of Scheme assets at beginning of period	61,854	59,426
Expected return on Scheme assets	3,172	3,213
Actuarial gain/(loss)	1,933	653
Contributions by employers	1,500	499
Benefits paid	(1,949)	(1,937)
Fair value of Scheme assets at end of period	<u>66,510</u>	<u>61,854</u>

Amount recognised in statement of total recognised gains and losses (STRGL)

	31/07/2015	31/07/2014
	£000s	£000s
Actuarial losses	(5,987)	(6,605)
Change in irrecoverable surplus	-	-
Total	<u>(5,987)</u>	<u>(6,605)</u>

The Scheme's current Schedule of Contributions requires the Institute to contribute £1,539,150 to the Scheme in the year commencing 1 August 2015.

History of Scheme assets, obligations and experience adjustments

	As at 31/07/2015	As at 31/07/2014	As at 31/07/2013	As at 31/07/2012	As at 31/07/2011
	£000s	£000s	£000s	£000s	£000s
Present value of Scheme liabilities	(87,453)	(78,158)	(69,604)	(69,314)	(66,365)
Fair value of Scheme assets	66,510	61,854	59,426	60,824	60,260
Recoverable surplus/(deficit) in the Scheme	(20,943)	(16,304)	(10,178)	(8,490)	(6,105)
Experience adjustments arising on Scheme liabilities	(34)	(339)		(319)	(276)
Experience item as a percentage of Scheme liabilities	(0%)	(0%)	(1%)	(0%)	(0%)
Experience adjustments arising on Scheme assets	1,933	653	(4,591)	(1,160)	3,945
Experience item as a percentage of Scheme assets	3%	1%	(8%)	(2%)	7%
Cumulative actuarial gains/(loss) shown in the STRGL	(34,897)	(28,910)	(22,305)	(18,587)	(15,977)

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**THE INSTITUTE OF CANCER RESEARCH**

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 July 2015

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**19. Staff costs (continued)**

**d) Unfunded pensions**

A small group of pensioners, who retired under the previous superannuation scheme are in receipt of unfunded pensions paid directly by the ICR. These pensions are increased, at the ICR's discretion, by analogy, with the Pensions Act 1995.

**(vi) Health and Safety at Work**

The ICR through its Safety Committee performs its duties as an employing authority under the provisions of The Health and Safety at Work Act 1974.

**20. Value Added Tax**

The ICR incurred irrecoverable VAT amounting to some £1.9 million during the year (2014: £1.9 million). It is a member of the Charities Tax Reform Group which campaigns on behalf of its members for a reduction in their VAT burden.

**21. Subsidiary undertakings**

The ICR has the following subsidiary undertakings:

**(i) ICR Chelsea Development Limited** - The ICR owns 100% of the issued share capital of this company which has been set up to act as the developer of a refurbishment project which has now been completed. It did not make a profit or a loss for the period ended 31 July 2015 and its net assets at that date amounted to £2. The accounts of ICR Chelsea Development Ltd have been consolidated into the accounts of the ICR.

**(ii) ICR Sutton Developments Limited** - The ICR owns 100% of the issued share capital of this company which has been set up to act as the developer of ICR properties. It made a profit of £161,271 for the year ended 31 July 2015 (2014: £873,269) which will be paid to the ICR by means of a payment under gift aid. Its net assets at 31 July 2015 and 31 July 2014 amounted to £2. The accounts of ICR Sutton Developments Ltd have been consolidated into the accounts of the ICR.

**(iii) ICR Enterprises Limited** - The ICR owns 100% of the issued share capital of this company which undertakes trading activities for the benefit of the ICR that the ICR cannot carry out itself as an exempt charity. It made a profit after interest of £17,134 for the year ended 31 July 2015 (2014: £2,484) which will be paid to the ICR by means of a payment under gift aid. Its net assets at 31 July 2015 and 31 July 2014 amounted to £2. The accounts of ICR Enterprises Ltd have been consolidated into the accounts of the ICR.

**(iv) ICR Equipment Leasing No.8 Limited** - The ICR owns 100% of the share capital of this company which holds a leasehold interest in the Chester Beatty Laboratory. It made a profit of £101 for the year ended 31 July 2015 (2014: £102) which will be paid to the ICR by means of a payment under gift aid. Its net assets at 31 July 2015 and 31 July 2014 were £5,063. The accounts of ICR Equipment Leasing No.8 Limited have been consolidated into the accounts of the ICR.

**(v) Everyman Action Against Male Cancer** - The company is limited by guarantee and was dormant throughout the period ended 31 July 2015.

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NOTES TO THE FINANCIAL STATEMENTS  
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**21. Subsidiary undertakings (continued)**

A summary of the results of the subsidiaries is set out below:

**ICR Sutton Developments Limited**

	<b>2015</b>	2014
	<b>£000</b>	£000
Turnover	<b>2,672</b>	12,131
Expenditure	<b>(2,511)</b>	(11,258)
Operating profit	<b>161</b>	873
Payment under gift aid to the ICR	<b>(161)</b>	(873)
Profit for the year	<b>-</b>	-
Assets	<b>597</b>	15,516
Liabilities	<b>(597)</b>	(15,516)
Funds	<b>-</b>	-

**ICR Equipment Leasing No. 8 Limited**

	<b>2015</b>	2014
	<b>£000</b>	£000
Turnover	-	-
Expenditure	-	-
Operating profit	-	-
Payment under gift aid to the ICR	-	-
Profit for the year	-	-
Assets	<b>5</b>	5
Liabilities	-	-
Funds	<b>5</b>	5

ICR Chelsea Development Limited has net assets of £2. There were no transactions for this subsidiary during 2014/15.

**ICR Enterprises Limited**

	<b>2015</b>	2014
	<b>£000</b>	£000
Turnover	<b>20</b>	5
Expenditure	<b>(3)</b>	(3)
Operating profit	<b>17</b>	2
Payment under gift aid to the ICR	<b>(17)</b>	(2)
Profit for the year	<b>-</b>	-
Assets	<b>27</b>	10
Liabilities	<b>(27)</b>	(10)
Funds	<b>-</b>	-

## **22. Taxation**

The ICR is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and as such is a charity within the meaning of paragraph 1 of Schedule 6 of the Finance Act 2010. Accordingly the ICR is exempt from taxation in respect of income or capital gains received within categories covered by Section 471 and 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

In 2014/15 the ICR claimed research and development tax credits in respect of qualifying expenditure incurred in 2012/13 and 2013/14, totalling £6,831,000, with Corporation Tax of £1,548,000 withheld by HMRC. A further claim of £5,274,000 has been accrued for 2014/15, along with taxation of £1,107,000. The total accrued income is £12,106,000 and the total accrued taxation is £2,655,000. The effective Corporation Tax rate for 2014/15 was 20.67% (2014: 22.33%).

## **23. Indemnity insurance**

The ICR has purchased indemnity insurance to provide the Board of Trustees and Officers with an indemnity against a wide range of legal actions which they might face in carrying out their duties. The cost of this insurance was £3,848 (2014: £3,848).

## **24. Related parties**

The ICR has taken the exemption given by Financial Reporting Standard 8, Related Party Disclosures, from disclosing transactions with subsidiaries. One of the Trustees is employed by Cancer Research UK which provides funding to the ICR in the form of grants awarded through open competition and external peer review. £20,628,000 of funding was received from Cancer Research UK during the year, and £1,106,000 from their subsidiary company Cancer Research UK Technology Ltd. This includes £3,017,000 in pending grant instalments included on the ICR's balance sheet, and £455,000 owed to Cancer Research UK at the year end. One of the Trustees is Chief Executive of The Royal Marsden NHS Foundation Trust ("The Royal Marsden"). The ICR's Chief Executive is a non-executive director of The Royal Marsden. Research expenditure includes £2,545,000 and research grant income includes £4,967,000 invoiced to The Royal Marsden. At the year end, £1,545,000 was owed to ICR by The Royal Marsden and £19,000 was owed to The Royal Marsden by ICR. There are no other material related party transactions.

### The Board of Trustees

The Board of Trustees is the governing body of The Institute of Cancer Research and is constituted under Article 13 of the Institute's Articles of Association.

Name	Title/Nominating Body	No <sup>1</sup> of meetings could have attended	No of meetings attended Aug 14 to July 15
Mr Luke Johnson MA(Hons)	Chair/Co-option	9	9
Professor Sir Tom Blundell FRS FMedSci (to 3/2015)	Deputy Chair & senior member/Co-option	6	6
Professor Adrian Harris DPhil FRCP FMedSci	Deputy Chair & senior member (from 4/2015)/Co-option	6	2
Konstantin Graf von Schweinitz (to 12/2014)	Honorary Treasurer/Co-option	2	2
Dr Brendan O'Neill (from 1/2015)	Honorary Treasurer/Co-option	5	5
Professor Paul Workman PhD DSc FMedSci FRSC	Chief Executive and President/Ex Officio	6	6
Professor Clare Isacke DPhil	Academic Dean/Ex Officio	6	6
Mr William (Bill) Burns BA(Hons) (from 10/2014)	Co-option	6	6
Professor Nandita de Souza MD FRCR (from 3/2015)	Academic Board	3	3
Ms Mandy Donald (from 8/2015)	Co-option	-	-
Dr Iain Foulkes PhD (from 3/2015)	Cancer Research UK	3	3
Mr Charles Geffen	Co-option	7	7
Mrs Jane Hamilton BCom FRICS	Co-option	6	6
Mrs Isabelle Hotimsky MBA	Co-option	8	7
Professor Keith Jones PhD CChem FRSC (to 2/2015)	Academic Board	3	3
Dr Harpal Kumar MA MEng MBA DSc (to 2/2015)	Cancer Research UK	3	2
Professor Timothy Maughan (from 12/2014)	Co-option	4	3
Mrs Ravindhi Murphy (from 3/2015)	Student	3	3
Miss Cally Palmer CBE MSc MIHM DipHSM Mr Ian Molson BA(Hons)	The Royal Marsden NHS Foundation Trust Alternate Director	6	3
Miss Parisa Razaz (to 2/2015)	Student	3	3
Mr Michael Usher BA CPFA (to 7/2015)	Co-option	6	6

<sup>1</sup>Includes Board of Trustees, Constitutional and Nomination Committee and Remuneration Committee meetings

#### Senior members of staff in attendance at Board of Trustees meetings

Professor Chris Marshall FRS FMedSci (to 8/2015)	Director of Research
Mr Paul Norris BSc(Hons) ACA MBA	Director of Finance
Mrs Cathy Scivier MSc FCIPD MIoD	Chief Operating Officer

***The Institute benefits from external expertise on the following committees that report to the Board of Trustees (as at 31 July 2015):***

**The Constitutional and Nomination Committee**

Mr Luke Johnson MA(Hons) - *Chair*  
Professor Sir Tom Blundell FRS FMedSci – *Deputy Chair (to 3/2015)*  
Professor Adrian Harris DPhil FRCP FMedSci – *Deputy Chair (from 4/2015)*  
Mr William (Bill) Burns BA(Hons) (*from 2/2015*)  
Mrs Isabelle Hotimsky MBA

**The Audit Committee**

Mr Michael Usher BA CPFA – *Chair*  
Mr Graham Clarke MSc MBA FCMA CGMA  
Professor Howard Morris FRS  
Ms Sharmila Nebhrajani OBE MA ACA (*to 11/2014*)  
Dr Michael Young PhD FCA MIOD  
Ms Nebhrajani attended 2 (or 2) meetings, Mr Clarke, Professor Morris, Mr Usher and Dr Young attended all 4 meetings held (August 2014 to July 2015)

**The Remuneration Committee**

Mr Luke Johnson MA(Hons) - *Chair*  
Professor Sir Tom Blundell FRS FMedSci – *Deputy Chair (to 3/2015)*  
Mr Charles Geffen (*from 3/2015*)  
Konstantin Graf von Schweinitz (*to 12/2014*)  
Dr Brendan O'Neill (*from 3/2015*)

**The Investments and Building Development Committee**

Konstantin Graf von Schweinitz – *Chair (to 12/2014)*  
Dr Brendan O'Neill PhD – *Chair (from 1/2015)*  
Mrs Marie-Christine Riachi CFA – *Deputy Chair*  
Mrs Jane Hamilton BCom FRICS (*from 2/2015*)  
Mr Clive Heaphy BSc CPFA  
The Honourable Thomas Henderson HonDSc(Med)

***The Institute also benefits from the expertise of those it has appointed as Trustees of The Institute of Cancer Research Pension Scheme (ICRPS)***

Mr John Roberts CBE BA(Hons) FRSA FColl - *Chair*  
Mr Fred Maroudas MA  
Mrs Win Robbins  
Mr Michael Weston MA MBA AIIIR



### **Fellows of the Institute**

The honorary appointment of Fellow of the Institute is conferred upon distinguished individuals who have some connection with the Institute or with cancer research in its broadest sense. Such appointments are in recognition of past achievement and based on a major contribution to the advancement of the Institute's objectives.

Sir John Ashworth PhD DSc

Professor Sir Kenneth Calman KCB FRSE

Professor D Catovsky MD DSc(Med) FRCPath FRCP FMedSci

Mr E A C Cottrell MA

Dr M J Crumpton CBE PhD HonFRCPath FRS FMedSci

Professor T M Dexter DSc HonFRCP FRS FMedSci

Lord Faringdon KCVO

Professor P B Garland CBE MA PhD MB BChir DSc(hc) LLD(hc) FRSE

Professor K R Harrap CBE DSc CChem FRSC

Mr J M Kipling FCA DChA

Baroness Morgan of Drefelin

Professor Sir Michael Peckham MD FMedSci

Professor M Waterfield FRS HonFRCPath FMedSci

Professor R A Weiss PhD HonFRCP FRCPath FRS FMedSci

### Members of the Institute

Members of the Institute are persons who, by reason of their past and present contributions, are, in the opinion of the Board of Trustees, likely to assist the furtherance of the objects of the Institute. Members are subscribers to the Institute's Articles of Association and as such are entitled to attend any Extraordinary General Meeting which may be convened.

Mr N Ashley DUniv  
Sir John Ashworth PhD DSc  
Dr P J Bailey PhD  
Dr D Barford FRS FMedSci  
Lord Bell FIPA FIPPR FPRCA  
Professor A J Bellingham CBE FRCP FRCPATH  
Mr R Bird MA FCA  
Professor Sir Tom Blundell FRS FMedSci  
Dr M Bodmer PhD  
Sir Henry Boyd-Carpenter KCVO MA  
Mr W Burns BA(Hons)  
Mr G Clarke MSc MBA FCMA CGMA  
Mr E A C Cottrell MA  
Miss P M Cunningham CBE FRSA  
Professor G A Currie MD FRCP FRCPATH  
Mr S R Davie CB  
Professor A J S Davies PhD DSc  
Mr M de Ferranti BSc  
Mr J J Defries BCom IPFA  
Ms M Donald  
Mr A W C Edwards  
Mr R J Elliott  
Lord Faringdon KCVO  
Dr S E Foden MA DPhil  
Mr B W Freedman  
Mr D Fryatt MA FCA FCIBS  
Professor P B Garland CBE MA PhD MB BChir DSc(hc) LLD(hc) FRSE  
Mr C Geffen  
Mr D J Gleeson MA  
Dr P N Goodfellow FRS FMedSci  
Mrs J Hamilton BCom FRICS  
Professor A Harris DPhil FRCP FMedSci  
Mr C Heaphy BSc CPFA  
The Honourable Thomas Henderson HonDSc(Med)  
Dr T A Hince PhD  
Mr J Hollond  
Mrs I Hotimsky MBA  
Mr L Johnson MA(Hons)  
Mrs S A Johnson BA  
Mr P J C Keemer MPhil  
Mr J M Kipling FCA DChA  
Professor R A Laskey CBE FRS FMedSci FLSW HonDSc(Med) HonLLD  
Mr K C Lawrance  
Mr A E Lightly FRICS  
Mr M G Lillywhite  
Professor R Marais PhD FMedSci  
Mr K A Markham  
Mr F Maroudas MA  
Professor T Maughan  
Dr M J Morgan PhD  
Professor H R Morris FRS  
Professor G J Mufti DM FRCP FRCPATH  
Ms S Nebhrajani OBE MA ACA  
Professor S Neidle PhD DSc ARCS DIC FRSC  
Dr B O'Neill PhD  
Professor A van Oosterom MD PhD  
Professor R J Ott PhD FInstP CPhys HonFBIR  
Lady Otton SRN  
Mr J M Pearce

Professor Sir Michael Peckham MD FMedSci  
Miss A C Pillman OBE HonDSc(Med)  
Mrs Tim Rathbone  
Professor Dame Lesley Rees DBE MD DSc FRCP FRCPATH FMedSci  
Mrs M-C Riachi CFA  
Dame Stella Rimington DCB  
Mrs W Robbins  
Mr A J Roberts CBE BA(Hons) FRSA FColl  
Rt Hon Lord Ryder of Wensum OBE  
Mr G Sangster  
Konstantin Graf von Schweinitz  
Sir Julian Seymour CBE  
Mr R S Sharp  
Mr M S Smith MA  
Dr K Snell PhD FRSA LRPS AFIAP  
Mr R E Spurgeon  
Ms A Stevens MA DLitt(Hon)  
Professor Sir Michael Stratton FRS FMedSci HonDSc(Med)  
Mr S A Taylor MBA FCCA  
Mr J Thorne MA  
Mr M J Usher BA CPFA  
Miss M I Watson MA MBA  
Professor S Webb PhD DIC DSc ARCS FInstP HonFIPEM FRSA  
Mr M Weston MA MBA AIIIR  
Mr A Wolstenholme OBE FEng BSc CEng FICE  
Sir David Wootton MA  
Dr M Young PhD FCA MIoD

### **Associates of the Institute**

Appointment as an Associate of the Institute is conferred on long-serving ex-employees of the Institute or on those former members of staff or students or other individuals who are deemed eligible by reason of their having rendered exceptional service to the Institute or having otherwise done something outstanding to enhance the reputation of the Institute.

Dr G Aherne PhD  
Mrs R J Atkins  
Mrs R Barfoot  
Ms M Barrell  
Dr S E Barrie MA PhD  
Mr D A Brunning ALA  
Professor R L Carter CBE MA DM DSc FRCP FRCPATH  
Professor J Chamberlain MB FRCP FFPH  
Mr N Clarke  
Miss S Clinton  
Mr P F Collins  
Mrs G Coombes RN  
Mrs J Cordell BSc(Hons) MPhil  
Professor Dame Jessica Corner DBE PhD RN FMedSci  
Mrs C Croucher  
Dr D A Darcy MA DPhil  
Mr P Farley  
Mrs C A Faux  
Dr E O Field DM DMRD  
Dr M A Flower PhD FIPEM  
Mr F Friedlos MPhil  
Professor M Garret PhD  
Mrs P M Goddard MPhil  
Dr G H Goodwin PhD  
Dr H S Greer MD FRCPsych FRANZCP  
Mr L J Griggs BSc  
Dr P L Grover DSc  
Professor B A Gusterson PhD FRCPATH  
Professor J G Hall MB BS PhD DSc FRCPATH  
Mr J G Harris  
Mr A J Hewer CBiol  
Professor C R Hill DSc FInstP FIEE HonFRCR HonFIPEM  
Mr P Hyett BA ABIPP RMIP MIMI  
Professor A L Jackman PhD  
Ms L Jackson  
Professor M Jarman DSc CChem FRSC HonDSc(Med)  
Mr M Jones MIBiol  
Mrs M Kipling  
Mrs B Lloyd  
Mr R MacCormick  
Mrs R Marriott  
Dr E Matutes MD PhD FRCPATH  
Dr E McDonald MA PhD ARCS  
Mr R K Merrifield MSc  
Mr E Merryweather  
Ms J Mills MPhil  
Dr R M Orr PhD  
Dr M Osborne PhD  
Dr K Owusu-Ankomah BSc(Hons)  
Mr G Parnell CBiol MIBiol MISTR  
Dr H Paterson PhD  
Dr J H Peacock PhD  
Mrs R A Pendry FBIFM AMIBiol  
Ms N Perusinghe BSc  
Professor C R Pinkerton MD FRCPCH FRACP  
Mrs M Rangeley  
Dr J Renshaw PhD  
Mrs S Sanford  
Mr D J C Simmons MPhil FIBMS

Mrs M Snigorska  
Professor G G Steel DSc  
Mr A Stewart  
Mrs S M Stockbridge  
Professor D M Taylor DSc FRSC FRCPATH  
Miss D L Tharp BSc  
Mr M Valeri BSc(Hons)  
Dr S Venitt PhD  
Mr W Warren BSc  
Dr K Weston PhD  
Mrs E Williams SRN

## **Legal and administrative information**

### **Auditors**

Grant Thornton UK LLP

Grant Thornton House, Melton Street, Euston Square, London  
NW1 2EP

### **Bankers**

HSBC plc

Onslow Square Branch, 1 Sydney Place, London SW7 3NW

### **Investment Managers**

Partners Capital LLP

5 Young Street, London W8 5EH

Cazenove Capital Management

12 Moorgate, London EC2R 6DA

### **Solicitors**

Farrer & Co

66 Lincoln's Inn Fields, London WC2A 3LH

Veale Wasbrough Vizards LLP

Barnards Inn, 86 Fetter Lane, London EC4A 1AD

### **Registered Office**

123 Old Brompton Road

London SW7 3RP

### **Company number**

534147