

The Institute of Cancer Research:  
Royal Cancer Hospital

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Annual Report and  
Financial Statements  
for the year ended  
31 July 2013

2013

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

Company Number 534147

Annual Report and Financial Statements  
for the year ended 31 July 2013

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# Executive summary

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The Board of Trustees of The Institute of Cancer Research presents its Annual Report and Financial Statements for the year ended 31 July 2013.

## About us

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

## Our strategy

The ICR's strategy aims to deliver excellent research for the benefit of patients, high-quality training for the next generation of cancer researchers and clinicians, and a sustainable organisation. Our scientific strategy focuses on the genetics and epidemiology of cancer risk, the biology of tumours and the discovery of new therapeutics, as key elements of an overall quest for new personalised treatments for cancer.

## Our finances

During 2012/13, our overall income was £96.4million, with £20.4million coming from the Higher Education Funding Council for England (HEFCE), £52.3million coming from peer-reviewed research grant awards, £9.1million from our fundraising activities, £11.2million from royalty income and £3.4million from teaching grants, tuition fees and other sources.

Our expenditure in 2013 was £90.3million, with 83 per cent of that being spent directly on our research activities, and 17 per cent on support costs, teaching and governance.

Our surplus for the year was £6.1million, an increase of £5million from 2011/12.

Our general fund reserves at 31 July 2013 were £20.5million, towards the top end of our target range.

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£96.4m

of income in 2012/2013

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83%

is spent directly on research

46

potential drug targets identified using virtual experiments

### Initiatives and achievements

We launched a number of initiatives during 2012/13 aimed at achieving our strategic goals:

- We began the construction of a new Centre for Cancer Imaging, aimed at providing state-of-the-art facilities for imaging to enhance and accelerate our drug discovery and development work.
- We opened a new Tumour Profiling Unit, aimed at analysing tumours in unprecedented detail, to allow treatments to be targeted at specific molecular traits.
- We recruited a number of internationally renowned scientists, including new heads for the Division of Molecular Pathology and Joint Department of Physics.
- We launched a major new fundraising initiative, The Discovery Club, which aims to attract a new community of high-value donors.

We published a series of major papers improving our understanding of cancer and setting out potential new treatments for different tumour types. Our top discoveries of the year included:

- The drug abiraterone, discovered at the ICR, benefits men with prostate cancer before they have received chemotherapy, opening the door to wider use of the treatment.
- A key 'founder mutation' underlies childhood leukaemia, and could be a new target for cancer drugs.
- Using virtual experiments to assess genes known to contribute to cancer has uncovered 46 previously overlooked but potentially exciting drug targets.

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# Report of the Board of Trustees



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# Strategy and operations

Our mission is to make the discoveries that defeat cancer.

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It is estimated that one in three people will be diagnosed with cancer at some point in their life. Even for those who have not been personally affected it is likely that someone they know has gone through their own cancer experience. Our goal is to be a world leader in research into cancer and the translation of discoveries into improved outcomes for cancer patients.

The ICR's 2011 – 2016 strategic plan focuses on undertaking high quality-research which delivers significant benefits for cancer patients. It sets out three main strategic goals:

## 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 (The Royal Marsden).

### 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.

## 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.

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 currently teach oncology trainees from across the UK and the majority of London-based medical oncology trainees.

In 2012/13 we had 195 research degree students and 124 active MSc students.



## 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 provide 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 SCIENTIFIC STRATEGY

The ICR's scientific strategy 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.

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# 100k

women took part in the Breakthrough Generations study hosted at the ICR

### 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 gene 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, so we can 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 over 500 patients per year for new drug treatment, and with more than 20 trials open at any one time is one of the largest such units in the world.

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# 16

pre-clinical drug development candidates identified and 7 progressed to clinical trial since 2005

## OUR SITES AND STAFF

The ICR operates across two sites in London, which largely consist of laboratory space. Each site is located within close proximity of 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 and standard of our current provision but also on expansion in order provide further state of the art facilities to fulfil our mission.

In 2013 the ICR had around 1000 employees of whom almost 80 per cent were directly engaged in research. Approximately one-third of our faculty are medically qualified and many of them lead developments in clinical practice through their work in The Royal Marsden as well as leading their research teams.

The ICR is committed to equality of opportunity for all staff and students, and works to provide a supportive environment. Particular attention is paid to areas such as recruitment, training, career development, and the physical work environment to support individuals. In addition to 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 briefings by the Chief Executive of all staff, Board of Trustees' minutes, summaries of Executive Strategy Board meetings and regular organisational updates reported through the ICR intranet and weekly staff newsletter. The ICR supports active staff and student associations. Each association has their own budget and works closely with the ICR's Learning and Development team to develop bespoke training programmes to promote broader career development. The Chairs of these associations 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 through four-monthly meetings of 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 personnel policy and practice.

**OUR FUNDING**

**Total incoming resources 2012-13**

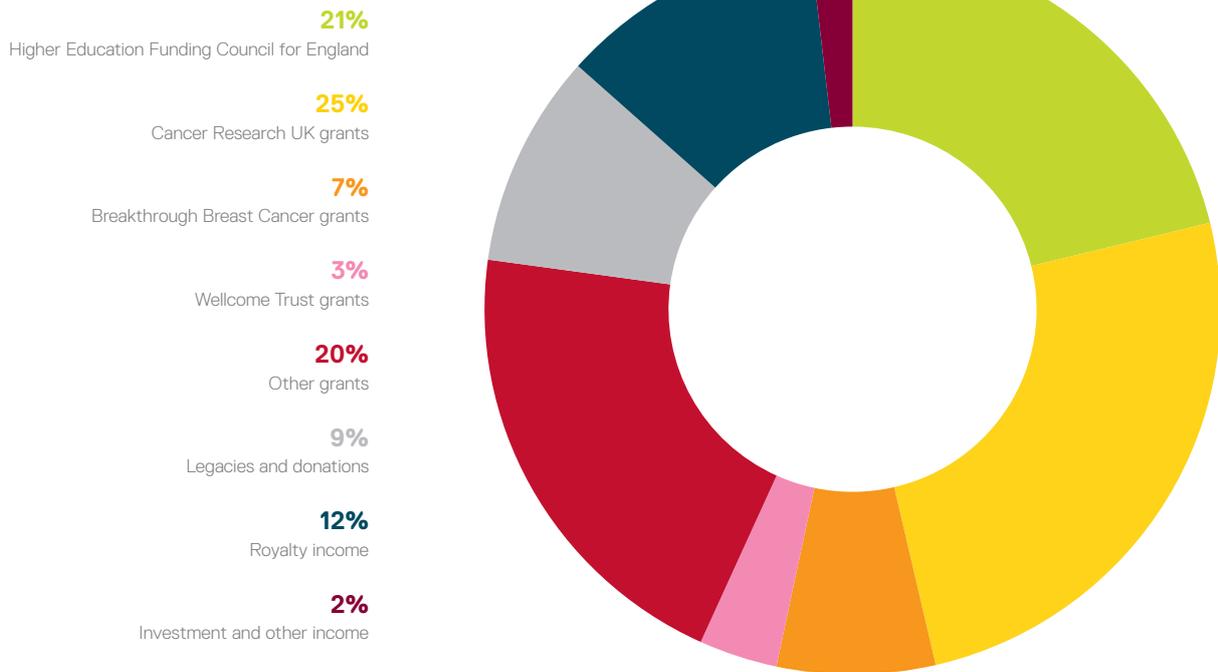


Figure 1.1: ICR funding breakdown

Three quarters of the ICR’s activities are funded through competitively won peer-reviewed grants or through the competitive Research Assessment Exercise of the Higher Education Funding Council for England. These external reviews ensure the ICR maintains research excellence.

The ICR’s income of £96.4million in 2012/13 was broadly:

- 54 per cent peer-reviewed research grant income, with 25 per cent of our income received from Cancer Research UK, 7 per cent from Breakthrough Breast Cancer and 3 per cent from the Wellcome Trust
- 21 per cent Higher Education Funding Council for England, of which £16.7million funds research and £0.8million funds education and teaching
- 12 per cent royalty income
- 9 per cent legacy income and donations raised through our Development Office
- 2 per cent teaching and support grants and contracts
- 2 per cent income from investments, student fees and other sources.

**54%**

of peer-reviewed research income

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# Key initiatives

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

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Over 2012/13, the ICR has launched a number of initiatives designed to support both the delivery of our scientific strategy and the sustainability of the organisation

## **Centre for Cancer Imaging**

The Centre for Cancer Imaging is a new state-of-the-art building that will bring our imaging scientists together to enhance and accelerate our drug development work, delivering benefits to patients much sooner. Advances in imaging technologies can improve how we develop drugs and monitor their effectiveness, and can also reduce the need for invasive procedures such as repeated biopsies. In October 2011 the Trustees gave approval for the construction project and the building is expected to be completed in July 2014.

## **Tumour Profiling Unit**

The ICR opened its new Tumour Profiling Unit (TPU) – a specialist unit seeking to change the way clinicians diagnose and monitor cancer. It aims to enable doctors to develop treatment programmes that are tailored to the specific DNA mutations driving cancer, at a particular point in time. The TPU will take advantage of new sequencing technologies to analyse the molecular biology of tumours in unprecedented detail, so researchers can relate tumour profiles to the response to treatment, and react to changes to a tumour's genetics over time.

## **New leaders for our research**

The ICR has appointed a series of internationally renowned scientists to senior roles across the organisation, as a means of delivering on our strategy and vision. Professor Markus Müschen, an expert in cell signalling and drug resistance in leukaemia, has been appointed Head of the Division of Molecular Pathology. Professor Uwe Oelfke, a specialist at using imaging to target radiotherapy, is the new Head of the ICR's and The Royal Marsden's Joint Department of Physics. Meanwhile Professor Kevin Harrington and Professor Chris Nutting have been promoted to the shared role of Joint Head of the Division of Radiotherapy and Imaging.

### The Discovery Club

The ICR's Development Office launched a major new fundraising initiative called The Discovery Club. This is a high-level giving club which asks members to help us drive forward our scientific strategy by making a philanthropic investment in one of several key initiatives, including the Centre for Cancer Imaging, the Tumour Profiling Unit and Clinician Scientist Fellowships. Our aim is to raise £1m over three years for each of these projects. More than 90 members have joined The Discovery Club already.

# £2.4m

donated by BACIT to support ICR research

### BACIT

In October 2012, the ICR became the main charitable beneficiary of BACIT (Battle Against Cancer Investment Trust), a new investment company listed on the London Stock Exchange. BACIT will donate 0.5 per cent of its net asset value to the ICR each year, and invest up to 1 per cent of its net asset value each year in ICR drug development and medical innovation projects. BACIT donated £0.5million to the ICR in July 2013 and has committed £1.9million to ICR research projects already.

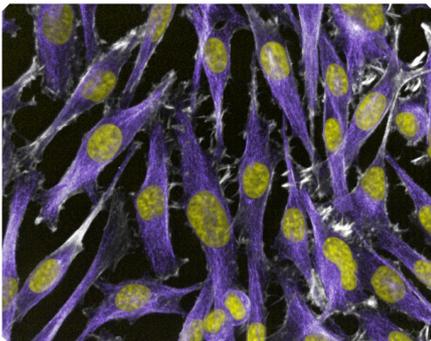


Researchers use state-of-the-art DNA sequencing equipment to help understand the intricate genetic make-up of tumours

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# Scientific achievements

## Our top discoveries of 2012/13.



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The ICR's scientific papers in biological science and clinical medicine are more cited than those of any other academic institution in the UK. Our Research Directorate judges the following 10 discoveries the most significant of 2012/13:

### **Abiraterone benefits men with prostate cancer before chemotherapy**

A Phase III clinical trial carried out with the ICR and The Royal Marsden demonstrated that abiraterone improves patient survival in patients with castration-resistant prostate cancer who had not received previous chemotherapy. It paves the way for men to be treated with abiraterone much earlier in the course of their disease, without having to undergo chemotherapy first.

### **A new mechanism appears to progress development of some breast cancers**

ICR researchers discovered what appeared to be a new mechanism of cancer development, through identifying mosaic mutations in the PPM1D gene, which are linked to an increased risk of breast and ovarian cancer. The PPM1D mutations were found only in blood cells and not in tumours themselves or in the normal breast or ovarian cells. It is possible that similar mosaic mutations in other genes, and in patients with other types of cancer, will emerge.

### **Shape-shifting ability aids cancer's spread**

ICR scientists discovered that mutations in the tumour suppressor gene PTEN allow melanoma cells to rapidly change shape in order to escape from the skin and spread around the body. Switching off PTEN expression increased the proportion of cells that were elongated, allowing them to travel through harder tissues like bone, rather than rounded, which allows them to travel through the bloodstream or invade soft tissues such as the brain. This could allow scientists to develop drugs to try and stop the spread of melanoma.

### **Virtual experiments identify 46 new drug targets**

An ICR study used a systematic and multifaceted approach to computational assessment of any human gene set to prioritise targets for therapeutic exploration. Using these virtual experiments to compare up to 500 potential drug targets at the same time, the team identified 46 previously overlooked but potentially druggable cancer targets.

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# 500

potential drug targets explored at the same time

### Gene mutation drives childhood glioblastoma

ICR researchers uncovered a mechanism driving the development of childhood glioblastoma, a form of brain tumour in children for which no drug treatments are available. They discovered that the first histone gene mutation in human disease biology – mutation of a histone protein called H3F3A which acts as a gene scaffold and controls gene activity – drives a distinct gene expression pattern, including upregulating MYCN, a potent oncogene that can lead to the development of glioblastomas.

### A two pronged attack helps bring down cancer’s defences

ICR scientists, in collaboration with researchers the University of Sussex, discovered a mechanism through which Hsp90-dependent kinase inhibitors vemurafenib and lapatinib destabilise oncogenic kinases such as B-Raf and ErbB2. The inhibitors, which are known to compete with ATP binding, can also prevent the kinases from binding to the Hsp90 molecular chaperone system. This suggests that though designed as ATP competitors, these drugs achieve part of their therapeutic effects through chaperone deprivation and subsequent kinase degradation.

### A founder mutation underlies development of leukaemia in the womb

ICR scientists sequenced the entire genomes of identical twins with acute lymphoblastic leukaemia (ALL), and discovered that the twin pairs shared only one significant (non-inherited) leukaemia-causing gene mutation. This will have arisen in one twin in the womb and spread to the other twin via the shared placenta’s blood vessels. ‘Founder’ mutations are critical initiating genetic lesions in cancer and as they are present in every single cancer cell, they might provide appropriate targets for therapy.

### Individualised long-term risk of breast cancer from lymphoma treatment identified

ICR researchers carried out the world’s largest cohort study to investigate breast cancer risk after supradiaphragmatic radiotherapy for Hodgkin lymphoma. The results provide individualised risk estimates based on large numbers of patients with Hodgkin lymphoma undergoing follow-up after radiotherapy at young ages, giving important information for personalising follow-up and preventive measures according to treatment type, age and time point during follow-up.

### Mechanism identified for resistance to aromatase inhibitors

A team of ICR scientists identified a mechanism through which cancers become resistant to aromatase inhibitors, which form an important part of hormone treatment for oestrogen receptor-positive breast cancers. The team demonstrated a potential means of reversing breast cancer cells’ resistance to aromatase inhibitors by chemically reducing the activity of RET, a receptor tyrosine kinase. This raises the possibility of increasing the effectiveness of aromatase inhibitors by designing drugs that specifically target the RET protein.

### Domino effect raises risk of myeloma

ICR scientists have uncovered a new way in which genetics can raise the risk of developing multiple myeloma, in which one gene fault appears to trigger another in a domino-like effect. It is the first time anyone has identified a specific gene fault that raises the risk of developing a second specific type of DNA damage. Inheritance of a DNA change termed CCND1 G870A was associated with an 80 per cent increase in the risk of developing a sub-type of myeloma.

80%

increase in the risk of myeloma sub-type with CCND1 G870A gene change



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# Measures of performance

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

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## RESEARCH

The ICR is currently ranked as the top University in the UK for research quality by the Times Higher Education, based on our performance in the 2008 national Assessment Exercise. Some 79 per cent of our research was rated world-leading or internationally excellent and the remainder was rated internationally recognised. We are currently preparing for the 2014 exercise, the results of which will be known in December 2014.

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# 2.84

is our five-year relative citation rate.

The impact of our work is continuing to grow and we are exceeding our target for the impact of our scientific papers, not only maintaining their relative citation rate, but increasing it year on year. The five-year rolling average for our relative citation rate in 2007 to 2011 was 2.84, up from the previous five-year rolling average of 2.63.

Over half of our work is funded by peer-reviewed research grant income, which has stayed relatively stable in 2013, £52.3million compared with £52.4million in 2012. We have remained consistent in the success of our research grant applications, achieving a success rate of 58 per cent (58 per cent 2012) by number and 79 per cent (74 per cent 2012) by value this year.

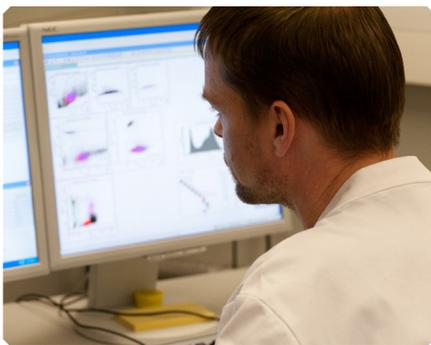
## EDUCATION AND TRAINING

The achievement of our students continues to be excellent, with our PhD students consistently achieving a 100 per cent pass rate and 90 per cent of our MSc students leaving with a postgraduate qualification. Although we have a relatively small number of students, we continue to recruit above our target range, with 124 new and continuing MSc registrations in 2013.

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# 79%

research grant success rate by value



## ENVIRONMENT AND INFRASTRUCTURE

We closely monitor our financial sustainability and our free reserves as at 31 July 2013 were £20.5million, which is towards the top of the range set out in the ICR's reserves policy. We achieved a surplus of £6.1million in 2013 and our net funds grew by £15.0million.

In our five-year strategy we set out the need to expand our current estate in order to provide the state-of-art facilities required for our research activities. We have made significant progress during 2013 through our major build project, the Centre for Cancer Imaging, which will bring together the ICR's imaging work at a total cost of £20million. The project is progressing well and the building is due to be completed on time and to budget.

We are committed to minimising the impact of activities on the environment and in 2013 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.

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# Governance and management

Everything we do is aimed at fulfilling our mission.

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## 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, 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 13 – 14 we set out our top 10 scientific achievements for 2013 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. Details of the Trustees in the year are given on page 59. 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 Executive Strategy Board reports to the Board of Trustees. It is chaired by the ICR’s Chief Executive, Professor Alan Ashworth, and also includes the Deputy Chief Executive, the Chief Operating Officer, the Director of Operations, the Director of Finance and all Heads of Division.

The Board of Trustees has also established a number of sub-committees: 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 monitors the ICR’s strategic performance. It also approves new initiatives and non-recurrent expenditure costing £1million or more.

The Board of Trustees consists of 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. The Board of Trustees recognises the principles underlying ‘the Committee on Corporate Governance’s Combined Code and The Committee of University Chairmen Governance Code of Practice and applies them within the ICR.

The Board of Trustees met seven times in 2012/13. A copy of the register of interests of Board members is available upon application to the Chief Operating Officer.



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.

Three new appointments have been made to the Board of Trustees since August 2013. Mr Luke Johnson took up appointment as the ICR's Chair on 1 August 2013. The ICR used a firm of search consultants to assist with this appointment. Professor Clare Isacke took up appointment as the ICR's Academic Dean (an internal appointment) on 1 August 2013. Miss Parisa Razaz was appointed as the student nominee on 1 September 2013.

During the financial year Professor Alan Horwich, Professor Ronald Laskey, Miss Clare Pillman and Lord Ryder stepped down from the governing body. The ICR is grateful for their valuable contributions during their appointments. Mr Daniel Itzhak and Lady Helen Otton have stepped down since 1 August 2013.

#### **STATEMENT OF THE FINANCIAL 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 and the financial statements in accordance with applicable laws and regulations. Under that law the Trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and financial position of ICR 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.

In so far as the Board of Trustees are aware:

- there is no relevant audit information of which the ICR's auditors are unaware; and
- the Board of Trustees has taken all 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 ICR's auditors are aware of that information.

# Financial review

## Increased income means we can channel more funds back into our research.

### OVERALL RESULTS

In 2012/13, the net incoming resources of the ICR were £6.1million, an increase of £5.0 million when compared with 2011/12. Income has grown substantially, largely due to royalty income arising from sales of the drug abiraterone and an increase in our voluntary income. This has enabled us to increase expenditure on our core activities, with research expenditure six per cent higher than in 2011/12.

During the year we made capital investments of £6.5million, 65 per cent of which has been spent on the ongoing build of our new Centre for Cancer Imaging.

### INCOME

Total incoming resources for 2012/13 were £96.4million, compared with £86.6 million in 2011/12, an increase of 11 per cent. The main movements were as follows:

- Royalty income grew by £6.4 million (134%) as a result of income arising from sales of abiraterone as worldwide use of the drug continued to grow rapidly.
- Voluntary income has grown by £2.0 million (29%), due to a capital campaign for the Centre for Cancer Imaging, an increase in legacy income and new income arising from BACIT.
- Other incoming resources have increased by £0.7 million (129%), largely due to an increase in student income.

### Incoming resources five year history - £m

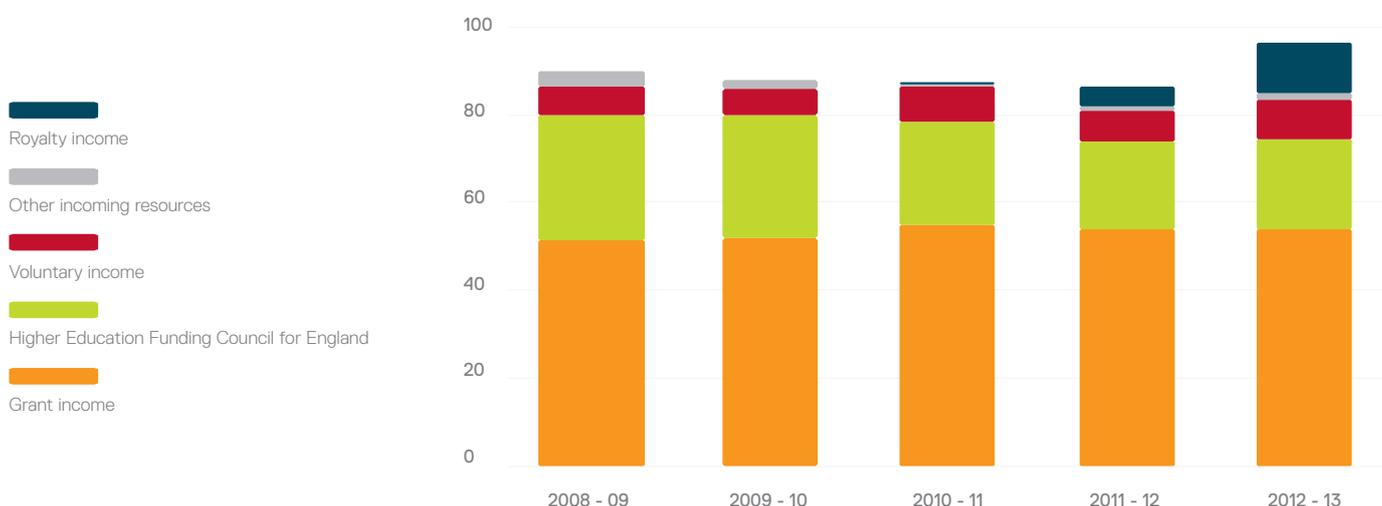


Figure 6.1 sets out the five-year history of our incoming resources.

## EXPENDITURE

Total resources expended in 2012/13 were £90.3million, compared with £85.6million 2011/12, an increase of 5%. This is largely due to a growth in expenditure on research, which has increased by £4.8million when compared with the prior year.

### Total resources expended

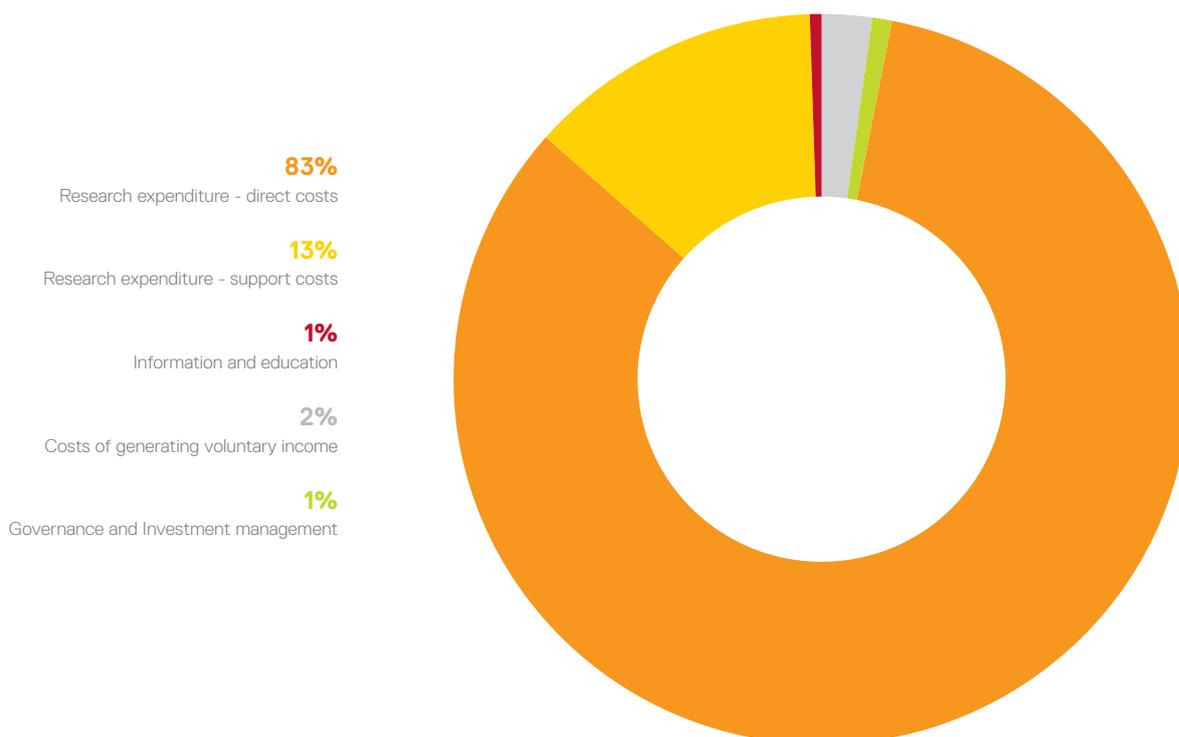


Figure 6.2: Total resources expended 2012/13

## NET ASSETS

ICR total net assets have increased by £15.0million since 2012, from £138.9million to £154.0million. This is due to revaluation of our scientific properties, gains on our investment portfolio and the surplus achieved in 2012/13, 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 Board of 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 £17.2million to £21.0million, which equates to 10-12 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.

The closing position of our general funds is £20.5 million, a decline £0.3 million when compared with 2012 but towards the top of the target range.

**General funds five-year history, 31 July - £m**

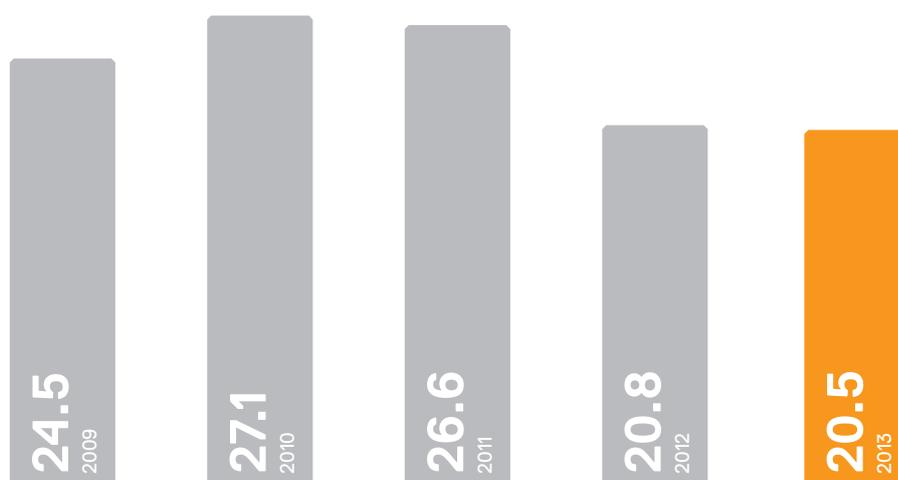


Figure 6.3: General funds five-year history (£m)

The reduction of the ICR's free reserves since 2010 is in line with the budgeted intention to use unrestricted funds, preserved in recent years during the widespread financial uncertainty, to implement the ICR's scientific strategy. The ICR's financial plan involves reducing free reserves further in the short term in order to progress our mission.

Within our designated funds as at 31 July 2013, £21.2million is held in a development fund. This is the amount set aside by the ICR for future commitments related to the buildings, capital equipment and scientific developments. Some £10.5million relates to capital projects and refurbishment, mainly for our new Centre for Cancer Imaging.

## 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 £5.1 million is reported in the consolidated statement of financial activities and the total return on investments in the year was £5.7million.

## PENSIONS

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

The last actuarial valuation of the ICR Pension Scheme was undertaken as at 31 March 2010 and this showed that the scheme deficit had improved from £12.7 million as at 31 March 2007 to a deficit of £8.3 million as at 31 July 2010 calculated on the statutory funding basis. The next triennial valuation, as at 31 March 2013, is in progress.

In common with many defined benefit schemes, the financial statements show that the Scheme is in deficit. The FRS17 deficit as at 31 July 2013 is £10.2 million.

The ICR and the Trustees of the Scheme, on 29 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). The Scheme’s and the ICR Trustees continue to review the options with regard to the future of the closed scheme and how best to secure the funding position.

## REVALUATION OF PROPERTY FIXED ASSETS

The ICR’s policy is to revalue its scientific properties. An interim revaluation as at 31 July 2013 was carried out by Gerald Eve LLP on a depreciated replacement cost basis. As a result, the value of the scientific properties was increased to £88.5million.

## AUDITORS

Crowe Clark Whitehall LLP has indicated its willingness to be reappointed as statutory auditor.

No non-audit fees were paid to the external auditors in 2013 (2012: £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 Executive Strategy Board and corporate services directors, assisted by the individual responsible for the risk, are responsible for the identification and management of all the major risks to achievement of the ICR's strategic objectives. Each risk identified by the Board 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 Executive Strategy Board and approved annually by the Board of Trustees. Significant risks may be added, revised or removed from the Risk Register after evaluation by the Executive Strategy Board throughout the year. The Significant Risk List is appraised every four months by the Executive Strategy Board 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 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 and include within their audit procedures the monitoring of the ICR's management of risk.

The Audit Committee, on behalf of the Board of Trustees, keeps under review the adequacy and effectiveness of the ICR's arrangements for risk management, control and governance throughout the year, and for the management and quality assurance of data submitted to HESA, HEFCE and other funding bodies. The review also covers compliance with laws and regulations and the economy, efficiency and effectiveness of operations. The Audit Committee reviews the ICR's arrangements for the management of risks.

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 ongoing process for identifying, evaluating and managing the ICR's key risks, and that it has been in place for the year ended 31 July 2013 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.



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# Future developments

The success of the ICR depends on recruiting and retaining the world's leading scientists.

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In 2014 we will carry on recruiting scientists into senior roles to ensure we are able to deliver our strategy and vision. We need to provide cutting-edge facilities for these scientists to support their work and so will also continue to invest in the new Centre for Cancer Imaging and consider options for further laboratory estate development.

Our ability to invest depends on our funding. Like other organisations, some of the ICR's income streams have deteriorated in recent years and this is a key risk for the organisation, with implications for the volume of our research and sustainability of our estate. Our public sector capital funding has fallen significantly from £17.3million for the three-year period 2008-2011 to an indicative allocation of £5.9million for the four-year period 2011-2015. In 2012/13 we have been able to counterbalance these falls, growing our voluntary and royalty income and obtaining new funding through the BACIT investment trust. However ongoing wider economic pressure means that medium-term funding remains uncertain. We continue to monitor the sustainability of our finances closely and consider options for expanding and diversifying our income streams.

In November 2013 we will make our submission to the Research Excellence Framework (previously the Research Assessment Exercise). This exercise will assess the quality of research in UK higher education institutions and inform the selective allocation of public sector research funding with effect from 2015. The outcome of this exercise is therefore crucial to the ICR.

Going forward there are likely to be implications for the ICR and our postgraduate students from changes underway to the funding and regulation arrangements for higher education. There is a risk that funding may change significantly for postgraduates and as yet the implications of greater indebtedness of undergraduate students on application rates are unclear.

Forming strategic alliances and collaborations is a key objective of our five-year strategy and we risk not achieving the optimal outcome for cancer patients if we fail to exploit suitable opportunities. In 2014 we will continue to maintain our close partnership with The Royal Marsden and our key funders. A key new alliance for the ICR in 2014 will be the London Lung Cancer Alliance, announced in April 2013. The ICR will work with other leading research intuitions and hospitals to deliver benefits to lung cancer patients. We will continue to monitor opportunities for collaborations that will deliver benefit for cancer patients.

#### **APPROVAL OF THE FINANCIAL STATEMENTS**

The Financial Statements were approved by the Board of Trustees on 21 November 2013.

A handwritten signature in black ink, appearing to read 'Luke Johnson', with a long horizontal flourish extending to the right.

**Luke Johnson**  
Chair of The Institute of Cancer Research

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# Independent Auditor's Report

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# Independent Auditor's Report

## Independent Auditor's Report to the Members of The Institute of Cancer Research: Royal Cancer Hospital

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We have audited the financial statements of The Institute of Cancer Research: Royal Cancer Hospital for the year ended 31 July 2013 set out on pages 32 - 57. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **Scope of the audit of the financial statements**

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

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2013 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

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

**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:

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Pesh Framjee**  
Senior Statutory Auditor

For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
London

27 November 2013

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# The financial statements for the year ended 31 July 2013

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The Institute of Cancer Research  
**Consolidated statement of financial activities**  
(Incorporating the Consolidated Income and Expenditure  
Account) for the year ended 31 July 2013

	Note	Unrestricted funds £000	Restricted funds £000	Total funds 2013 £000	Total funds 2012 £000
<b>Incoming resources</b>					
<i>Incoming resources from charitable activities</i>					
External grants	2	19,995	54,380	<b>74,375</b>	73,974
Royalty income		11,151	-	<b>11,151</b>	4,766
<i>Incoming resources from generated funds</i>					
Voluntary income	3	4,272	4,817	<b>9,089</b>	7,053
Income from investments	4	540	-	<b>540</b>	312
Other incoming resources		1,224	-	<b>1,224</b>	534
<b>Total incoming resources</b>		<b>37,182</b>	<b>59,197</b>	<b>96,379</b>	<b>86,639</b>
<b>Resources expended</b>					
<i>Costs of generating funds</i>					
Costs of generating voluntary income		1,382	121	<b>1,503</b>	1,589
Legacy development		493	-	<b>493</b>	681
Investment management		307	-	<b>307</b>	260
Charitable activities	5	28,905	58,639	<b>87,544</b>	82,641
Governance costs	6	465	-	<b>465</b>	442
<b>Total resources expended</b>		<b>31,552</b>	<b>58,760</b>	<b>90,312</b>	<b>85,613</b>
<b>Net incoming/resources before transfers</b>		<b>5,630</b>	<b>437</b>	<b>6,067</b>	<b>1,026</b>
Transfers between funds	14	303	(303)	-	-
Net incoming/resources before other recognised gains and losses		<b>5,933</b>	<b>134</b>	<b>6,067</b>	<b>1,026</b>
<i>Other recognised gains/(losses)</i>					
Gains on investment assets	9	4,950	168	<b>5,118</b>	421
Revaluation gains on fixed assets	8	7,581	-	<b>7,581</b>	-
Actuarial (losses) on defined benefit pension schemes	17	(3,718)	-	<b>(3,718)</b>	(2,610)
<b>Net movement in funds</b>		<b>14,746</b>	<b>302</b>	<b>15,048</b>	<b>(1,163)</b>
Fund balances at 1 August 2012		72,833	66,091	<b>138,924</b>	140,087
<b>Fund balances at 31 July 2013</b>		<b>87,579</b>	<b>66,393</b>	<b>153,972</b>	<b>138,924</b>

Restricted funds include endowment funds of £2,273,000 comprising brought forward balances of £2,105,000 and investment gains of £168,000. All of the ICR's operations are continuing. There were no gains or losses other than those stated above. As provided by the Companies Act 2006 no non-consolidated Statement of Financial Activities is presented for the ICR. The surplus for Companies Act purposes is £6,067,000 (2012: surplus £1,026,000). The notes on pages 36 to 57 form part of these financial statements.

## Balance sheets

31 July 2013

		Group		Institute	
	Note	2013 £000	2012 £000	2013 £000	2012 £000
<b>Fixed assets</b>					
Tangible assets	8	93,301	84,849	93,301	84,849
Investments	9	56,843	51,658	56,848	51,663
		<b>150,144</b>	<b>136,507</b>	<b>150,149</b>	<b>136,512</b>
<b>Current assets</b>					
Stocks -finished goods		149	227	149	227
Investments		8,196	7,036	8,196	7,036
Debtors	10	14,072	11,664	16,532	12,780
Cash at bank and in hand		995	1,303	987	1,033
		<b>23,412</b>	<b>20,230</b>	<b>25,864</b>	<b>21,076</b>
<b>Creditors: amounts falling due within one year</b>	11a	<b>(8,863)</b>	<b>(8,787)</b>	<b>(11,320)</b>	<b>(9,638)</b>
<b>Net current assets</b>		<b>14,549</b>	<b>11,443</b>	<b>14,544</b>	<b>11,438</b>
<b>Total assets less current liabilities</b>		<b>164,693</b>	<b>147,950</b>	<b>164,693</b>	<b>147,950</b>
<b>Creditors: amounts falling due after more than one year</b>	11b	<b>(220)</b>	<b>(220)</b>	<b>(220)</b>	<b>(220)</b>
Provisions for liabilities and charges	11c	(323)	(316)	(323)	(316)
<b>Net assets excluding pension liability</b>		<b>164,150</b>	<b>147,414</b>	<b>164,150</b>	<b>147,414</b>
Defined benefit pension scheme liability	17	(10,178)	(8,490)	(10,178)	(8,490)
<b>Net assets including pension liability</b>		<b>153,972</b>	<b>138,924</b>	<b>153,972</b>	<b>138,924</b>
<b>Unrestricted funds</b>					
General funds	13	20,514	20,768	20,514	20,768
Revaluation reserve	8	33,856	26,275	33,856	26,275
Designated funds	13	43,387	34,280	43,387	34,280
Pension reserve	17	(10,178)	(8,490)	(10,178)	(8,490)
		<b>87,579</b>	<b>72,833</b>	<b>87,579</b>	<b>72,833</b>
<b>Restricted funds</b>					
Income funds	14a	64,120	63,986	64,120	63,986
Endowment funds	14b,c	2,273	2,105	2,273	2,105
		<b>66,393</b>	<b>66,091</b>	<b>66,393</b>	<b>66,091</b>
<b>Total funds including deficit on pensions reserve</b>		<b>153,972</b>	<b>138,924</b>	<b>153,972</b>	<b>138,924</b>

These financial statements were approved by the Board of Trustees on 21 November 2013



**Luke Johnson**  
Chair of the Board of Trustees

The notes on pages 36 to 57 form part of these financial statements



**Professor Alan Ashworth**  
Chief Executive

The Institute of Cancer Research  
**Consolidated cash flow statement**  
for the year ended 31 July 2013

	Note	2013 £000	2012 £000
Net cash inflow from operating activities	1	9,103	6,679
Returns on investments and servicing of finance	2	540	312
Capital expenditure and financial investment	3	(8,827)	(3,987)
Net cash inflow before use of liquid resources and financing		816	3,004
Financing and management of liquid resources	4	36	496
<b>Increase in cash in the year</b>		<b>852</b>	<b>3,500</b>

Analysis of net funds	1 August 2012 £000	Cash Flows £000	31 July 2013 £000
Cash at bank and in hand	1,303	(308)	995
Current asset investments	7,036	1,160	8,196
	8,339	852	9,191
<b>Money market and other deposits</b>	1,454	(36)	1,418
	9,793	816	10,609

Statement of historical cost surplus for the year ended 31 July 2013	2013 £000	2012 £000
Surplus on continuing operations before tax	6,067	1,026
Difference between historical cost depreciation and the actual charge for the period calculated on the revalued amount	846	540
<b>Historical cost surplus for the period before and after taxation</b>	<b>6,913</b>	<b>1,566</b>

The Institute of Cancer Research  
**Notes to the consolidated cash flow statement**  
for the year ended 31 July 2013

<b>1 / Reconciliation of changes in resources to net inflow from operating activities</b>	<b>2013 £000</b>	<b>2012 £000</b>
Net incoming resources	6,067	1,026
Depreciation charges	5,606	6,942
Investment income	(540)	(312)
Decrease/(increase) in stocks	78	(16)
Increase/(decrease) in debtors	(2,409)	228
Increase/(decrease) in creditors	82	(1,029)
Pension contributions less current service and finance costs	219	(160)
	<b>9,103</b>	<b>6,679</b>

<b>2 / Returns on investments and servicing of finance</b>	<b>2013 £000</b>	<b>2012 £000</b>
Investment income	540	312

<b>3 / Capital expenditure and financial investment</b>	<b>2013 £000</b>	<b>2012 £000</b>
Payments to acquire tangible fixed assets	(6,493)	(3,500)
Purchases of investments	(32,184)	(18,085)
Receipts from sales of investments	29,850	17,598
	<b>(8,827)</b>	<b>(3,987)</b>

<b>4 / Financing and management of liquid resources</b>	<b>2013 £000</b>	<b>2012 £000</b>
Decrease in short term deposits	36	496
	<b>36</b>	<b>496</b>

## 1 / Accounting policies

### (i) Accounting convention

The accounts are prepared under the historical cost convention as modified by the revaluation of land and buildings and investments to market value, in accordance with applicable UK accounting standards.

Although not a legal requirement for an exempt charity, the accounts comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" ("SORP") published in March 2005 except that the emoluments of staff and student representatives elected by the Academic Board to serve on the Board of Trustees are not disclosed as they receive no remuneration for their service as trustees and only receive remuneration based on the normal salary and stipend levels of the ICR for staff of their position. 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.

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.

### (ii) Land and buildings

Land and buildings are valued 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 on 31 July 2010. An interim valuation took place on 31 July 2013. 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 Statement of Financial Activities ("SOFA") except to the extent that they reverse revaluation gains on the same asset.

### (iii) 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 SOFA. Impairments are charged to resources expended on charitable activities. Investment income is the amount received by the ICR in the year.

### (iv) Incoming resources

Income is included in the accounts in the year in which it is receivable.

### (v) Grants accounting

Income from external grants other than capital grants is recognised in the SOFA as soon as it is receivable unless there are requirements of the funder related to performance and specific deliverables. These grants are accounted for as the charity earns the right to consideration by its performance. Where income is received in advance of its recognition it is deferred and included in creditors. Where entitlement occurs before the income is received the income is accrued and included in debtors.

### (vi) Capital grants

Grants for capital expenditure are recognised in the SOFA when the grant is receivable. The depreciation of the asset is charged to the SOFA over the life of the asset.

### (vii) Legacies and donations

Legacies and donations are included in the SOFA 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.

## 1 / Accounting policies (continued)

### (viii) 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 amortisation and depreciation are as follows:

Freehold buildings	2%
Leasehold building	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.

### (ix) Equipment and depreciation

Equipment (including computers and software) and furniture costing less than £25,000 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.

### (x) Stocks

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

### (xi) Resources expended

Support costs are allocated to activities on the following basis:

IT costs - number of computers used by each activity

Premises costs - number of staff

Pension financing costs - number of staff

Other costs - based on the time spent.

Governance costs relate to the general running of the ICR and include both direct and support costs as well as internal and external audit and legal advice for the trustees.

Research and development costs are written off in the period in which they are incurred.

The cost of administering current legacy income is included in the costs of generating voluntary income. Legacy development costs are incurred to build and maintain the ICR's future legacy income and are shown separately.

### (xii) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Board of Trustees in furtherance of the general objectives of the charity and which have not been designated for any other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Board of Trustees for particular purposes. The aim of each designated fund is set out in the notes to the financial statements. This includes the Fixed Asset Fund which represents the amount of general funds invested in fixed assets and the Revaluation Reserve which represents the increase in fixed assets arising as a result of revaluation.

Restricted funds are funds which have to be used in accordance with specific restrictions imposed by grant bodies or donors. This includes funds invested in fixed assets.

Endowment funds are funds for which the capital is required to be retained in accordance with the donor's wishes. The income is also treated in accordance with the donor's wishes. A total return approach to investment has been adopted for endowments classified as permanent endowment for which the unapplied total return can be spent on qualifying expenditure.

## 1 / Accounting policies (continued)

### (xiii) 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). USS and NHSPS are multi-employer schemes for which employer contributions are charged directly to the Statement of Financial Activities as if the schemes were defined contribution schemes.

For defined benefit schemes 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 SOFA 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 SOFA. Gains arising on a curtailment not allowed for in the actuarial assumptions are recognised in the SOFA under incoming resources.

Defined benefit 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 in compliance with paragraph 335 of the SORP.

### (xiv) Consolidation basis

The ICR owns 100% of the share capital of four companies: ICR Enterprises Limited, ICR Chelsea Developments Ltd (ICRCD), ICR Sutton Developments Ltd (ICRSD) and ICR Equipment Leasing No.8. Limited (ICRENo8). ICR Enterprises Ltd undertakes trading activities and is wholly owned by the ICR. 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.

### (xv) 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 SOFA 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 SOFA on a straight-line basis over the term of the lease.

### (xvi) 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.

<b>2 / External grants</b>	Unrestricted funds	Restricted funds	<b>Total funds 2013</b>	Total funds 2012
	£000	£000	£000	£000
Higher Education Funding Council for England	17,378	3,048	<b>20,426</b>	19,857
Grants for research	2,617	48,860	<b>51,477</b>	52,388
Grants in kind for research	-	793	<b>793</b>	-
Grants and contracts for teaching and support services	-	1,679	<b>1,679</b>	1,729
	<b>19,995</b>	<b>54,380</b>	<b>74,375</b>	<b>73,974</b>

Grants in kind represents the cost of genotyping services that have been paid directly by funding bodies for the Institute's research. The amount represents the amount paid by the funding body for the services supplied to the Institute.

<b>3 / Voluntary income</b>	Unrestricted funds	Restricted funds	<b>Total funds 2013</b>	Total funds 2012
	£000	£000	£000	£000
Legacies	2,156	-	<b>2,156</b>	1,664
Donations	2,116	4,817	<b>6,933</b>	5,389
	<b>4,272</b>	<b>4,817</b>	<b>9,089</b>	<b>7,053</b>

Voluntary income is largely derived from the UK. The ICR has been notified of legacies of £2,910,000 which have not been recognised as income at 31 July 2013 as no notification of impending distribution or approval of estate accounts has been received (2012: £2,308,000).

<b>4 / Investment income</b>	Unrestricted funds	Restricted funds	<b>Total funds 2013</b>	Total funds 2012
	£000	£000	£000	£000
<b>UK Listed</b>				
UK Government	134	-	<b>134</b>	59
Other UK	100	-	<b>100</b>	23
Overseas	295	-	<b>295</b>	<b>219</b>
<b>Investment cash and deposits</b>	<b>11</b>	<b>-</b>	<b>11</b>	<b>11</b>
	<b>540</b>	<b>-</b>	<b>540</b>	<b>312</b>

<b>5 / Charitable activities</b>	<b>Direct costs</b>	Support costs	<b>Total</b>	Total
	<b>£000</b>	£000	<b>2013</b>	2012
			<b>£000</b>	£000
Research expenditure	75,372	11,712	<b>87,084</b>	82,248
Information and education	406	54	<b>460</b>	393
	<b>75,778</b>	<b>11,766</b>	<b>87,544</b>	82,641

<b>6 / Governance costs</b>	<b>Total</b>	Total
	<b>2013</b>	2012
	<b>£000</b>	£000
Fees payable to the ICR's auditors for the audit of the annual accounts	<b>34</b>	33
The audit of the ICR's subsidiaries, pursuant to legislation	<b>6</b>	6
<b>Total external audit fees</b>	<b>40</b>	39
Legal and professional	<b>14</b>	13
Internal audit	<b>76</b>	83
Support costs	<b>335</b>	307
	<b>465</b>	442

Enil was paid to the external auditors during 2013 in respect of grant certification fees (2012: £10,000).

<b>7 / Support costs</b>	Directorate	Finance	HR	Pension financing costs	Premises	IT	<b>Total</b>	Total
	£000	£000	£000	£000	£000	£000	<b>2013</b>	2012
							<b>£000</b>	£000
Fundraising costs	153	56	61	6	170	84	<b>530</b>	508
Legacy development	-	56	-	1	28	-	<b>85</b>	86
Investment management	6	55	-	-	-	-	<b>61</b>	69
	159	167	61	7	198	84	<b>676</b>	663
Research expenditure	646	890	1,133	200	5,807	3,036	<b>11,712</b>	11,010
Information and education	24	-	-	1	29	-	<b>54</b>	54
	670	890	1,133	201	5,836	3,036	<b>11,766</b>	11,064
Governance	270	55	-	-	7	3	<b>335</b>	307
	<b>1,099</b>	<b>1,112</b>	<b>1,194</b>	<b>208</b>	<b>6,041</b>	<b>3,123</b>	<b>12,777</b>	12,034

This table analyses the allocation of support costs across activities.

The Institute of Cancer Research  
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<b>8 / Tangible assets</b> Group and Institute	Freehold land and buildings	Leasehold land and buildings	Furniture plant and equipment - owned £000	Furniture plant and equipment - leased £000	Total
	£000	£000	£000	£000	£000
<i>Cost or valuation</i>					
At 1 August 2012	79,100	2,556	32,880	1,000	115,536
Revaluation gain	2,911	33	-	-	2,944
Additions at cost	4,789	-	1,704	-	6,493
Disposals at cost	-	(358)	(111)	-	(469)
<b>At 31 July 2013</b>	<b>86,800</b>	<b>2,231</b>	<b>34,473</b>	<b>1,000</b>	<b>124,504</b>
<i>Depreciation</i>					
At 1 August 2012	3,018	479	26,190	1,000	30,687
Revaluation gain	(4,534)	(103)	-	-	(4,637)
Provided in the year	1,516	115	3,975	-	5,606
Disposals in the year	-	(357)	(96)	-	(453)
<b>At 31 July 2013</b>	<b>-</b>	<b>134</b>	<b>30,069</b>	<b>1,000</b>	<b>31,203</b>
<i>Net book value</i>					
<b>At 31 July 2013</b>	<b>86,800</b>	<b>2,097</b>	<b>4,404</b>	<b>-</b>	<b>93,301</b>
<i>of which:</i>					
Scientific properties	86,750	1,753	-	-	88,503
Other properties	50	344	-	-	394
<b>At 31 July 2012</b>	<b>76,082</b>	<b>2,077</b>	<b>6,690</b>	<b>-</b>	<b>84,849</b>
Scientific properties	76,032	1,651	-	-	77,683
Other properties	50	426	-	-	476
<i>Historic cost - net book value</i>					
<b>At 31 July 2013</b>	<b>54,571</b>	<b>525</b>	<b>4,404</b>	<b>-</b>	<b>59,500</b>
At 31 July 2012	50,617	896	6,690	-	58,203

The net book value of freehold land and buildings includes £6,678,000 in respect of assets under construction (2012: £2,172,000) in relation to the construction of the new ICR Centre for Cancer Imaging as Phase 2 of the Sir Richard Doll building.

<i>Revaluation reserve</i>	2013 £000	2012 £000
Reserve at 1 August 2012	26,275	26,811
Transfer to fixed asset fund in respect of depreciation	7,581	(536)
<b>Reserve at 31 July 2013</b>	<b>33,856</b>	<b>26,275</b>

The ICR's scientific properties were revalued by Gerald Eve Chartered Surveyors as at 31 July 2010 and an interim valuation was undertaken as at 31 July 2013. The valuations were undertaken on a depreciated replacement cost basis. The laboratories were valued at £81.8m. Other properties are included at original cost.

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<b>9 / Investments</b> Group	Market value 1 August 12 £000	Additions at cost £000	Disposals at book value £000	Gains/ (losses) £000	Market value 31 July 13 £000
<b>Listed</b>					
UK Government	6,539	2,048	(5,496)	(69)	<b>3,022</b>
Other UK	10,396	5,316	(3,814)	870	<b>12,768</b>
Overseas	13,418	15,094	(4,465)	(2,982)	<b>21,065</b>
	<b>30,353</b>	<b>22,458</b>	<b>(13,775)</b>	<b>(2,181)</b>	<b>36,855</b>
<b>Unlisted</b>					
UK	1	-	-	-	<b>1</b>
Overseas	19,850	9,726	(17,832)	6,825	<b>18,569</b>
	<b>19,851</b>	<b>9,726</b>	<b>(17,832)</b>	<b>6,825</b>	<b>18,570</b>
Investment cash and deposits	1,454	-	(510)	474	<b>1,418</b>
	<b>51,658</b>	<b>32,184</b>	<b>(32,117)</b>	<b>5,118</b>	<b>56,843</b>

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

The historical cost of the Group and the ICR investments at 31 July 2013 was £50,095,000 (2012: £48,307,000) and £50,100,000 (£48,312,000) respectively.

The following investments represented holdings in excess of 5% of the investment portfolio at 31 July 2013:

	<b>2013</b>	2012
Battle Against Cancer Investment Trust	<b>6.4%</b>	-
UK Treasury Index Linked 2.5%	<b>5.5%</b>	7.0%
BlackRock Ascent UK Real Return Bond Fund	-	8.3%
BlackRock GiltTrak Fund	-	6.0%
BlackRock UK Corp Bond Index Fund	-	6.9%
CQS Diversified Fund (SPC)	-	6.3%
Partners Capital Eagle Fund (C) Ltd	-	16.9%
Partners Capital Falcon Fund (C) Ltd	-	7.2%
Partners Capital Harrier Fund (C) Ltd	-	8.8%
Pictet Asian Local Currency Debt	-	7.2%
Pictet Funds (LUX) - Emerging Local Currency Debt Fund	-	6.7%

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<b>10 / Debtors</b>	<b>Group</b>	<b>Group</b>	<b>Institute</b>	<b>Institute</b>
<b>Amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Revenue grants	1,577	2,453	1,577	2,453
Other trade debtors	376	391	375	388
Legacy debtors	15	41	15	41
Other debtors	167	127	167	127
Taxes and social security	394	-	43	-
Amounts due from subsidiary undertakings	-	-	2,812	1,119
Prepayments and accrued income	11,543	8,652	11,543	8,652
	<b>14,072</b>	<b>11,664</b>	<b>16,532</b>	<b>12,780</b>

<b>11 / Creditors</b>	<b>Group</b>	<b>Group</b>	<b>Institute</b>	<b>Institute</b>
<b>a. Amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade creditors	3,051	2,525	3,051	2,446
Accruals	3,393	3,860	2,967	3,844
Amounts due to subsidiary companies	-	-	2,883	872
Other creditors	1,248	1,270	1,248	1,270
Taxes and social security	1,171	1,132	1,171	1,206
	<b>8,863</b>	<b>8,787</b>	<b>11,320</b>	<b>9,638</b>

<b>b. Amounts falling due after more than one year</b>	<b>Group</b>	<b>Group</b>	<b>Institute</b>	<b>Institute</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Other creditors	220	220	220	220

<b>c. Provisions for liabilities and charges</b>	<b>Group</b>	<b>Group</b>	<b>Institute</b>	<b>Institute</b>
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<i>Dilapidations and decommissioning</i>				
At 1 August 2012	316	409	316	409
Provided in the year	7	8	7	8
Released in the year	-	(101)	-	(101)
	<b>323</b>	<b>316</b>	<b>323</b>	<b>316</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.

<b>12 / Analysis of net assets between funds</b>	<b>General</b>	<b>Designated</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total funds</b>
	<b>funds</b>	<b>funds</b>	<b>funds</b>	<b>funds</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Tangible fixed assets	33,856	21,435	38,010	-	93,301
Investments	6,508	21,952	26,110	2,273	56,843
Net current assets	14,549	-	-	-	14,549
Long term creditors	(543)	-	-	-	(543)
Pension creditor	(10,178)	-	-	-	(10,178)
Total net assets	44,192	43,387	64,120	2,273	153,972

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<b>13 / Unrestricted funds</b> Group and Institute	Balance at 1 August 2012 £000	Income £000	Expenditure £000	Transfers gains and losses £000	Balance at 31 July 2013 £000
<i>Designated funds</i>					
Fixed Asset Fund	21,123	336	(24)	-	<b>21,435</b>
Development Fund	12,470	268	(7,328)	15,822	<b>21,232</b>
FC Hunter Studentship Fund	569	-	-	-	<b>569</b>
Joan Frances Stowe Fund	14	-	-	-	<b>14</b>
Faringdon Fund	12	-	-	25	<b>37</b>
Amenity Fund	92	-	(32)	40	<b>100</b>
	<b>34,280</b>	<b>604</b>	<b>(7,384)</b>	<b>15,887</b>	<b>43,387</b>
Revaluation Reserve	26,275	-	-	7,581	<b>33,856</b>
Pension Reserve	(8,490)	-	2,030	(3,718)	<b>(10,178)</b>
General Fund	20,768	36,578	(26,198)	(10,634)	<b>20,514</b>
	<b>72,833</b>	<b>37,182</b>	<b>(31,552)</b>	<b>9,116</b>	<b>87,579</b>

The Fixed Asset Fund represents the amount invested in Fixed Assets from unrestricted funds.

The Development Fund is the amount set aside by the ICR for future commitments relating to the buildings, capital equipment and scientific development. The amount is calculated based on the position at the balance sheet date and a transfer is effected to or from unrestricted funds to achieve the amount required. The fund is made up as follows:

	2013 £000	2012 £000
Capital projects and refurbishments	<b>10,534</b>	1,877
Scientific initiatives	<b>9,304</b>	5,795
Other development funds	<b>1,394</b>	4,798
	<b>21,232</b>	12,470

The FC Hunter Studentship Fund is a legacy from the estate of Mr FC Hunter designated by the ICR for the purpose of supporting research studentships.

The Joan Frances Stowe Fund finances the Joan Frances Stowe Prizes in Palliative and Nursing Care.

The Faringdon Fund provides funds to enable the commercial potential of inventions by ICR scientists to be developed.

The Amenity Fund provides funds for staff welfare.

The Institute of Cancer Research  
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<b>14 / Restricted funds</b> Group and Institute	Balance at 1 August As restated 2012 £000	Income £000	Expenditure £000	Transfers gains and losses £000	Balance at 31 July 2013 £000
<b>a. Income funds</b>					
<i>Funds invested in fixed assets</i>					
Breakthrough Breast Cancer	4,204	-	(111)	-	<b>4,093</b>
The Bob Champion Cancer Trust	760	-	(20)	-	<b>740</b>
Everyman Appeal	602	-	(16)	-	<b>586</b>
The Garfield Weston Foundation	380	-	(10)	-	<b>370</b>
The Monument Trust	264	-	(7)	-	<b>257</b>
The Wolfson Foundation	990	1,000	(25)	-	<b>1,965</b>
Higher Education Funding Council for England	17,190	2,053	(436)	575	<b>19,382</b>
The Wellcome Trust	6,372	-	(159)	-	<b>6,213</b>
Equipment funds	6,690	1,704	(3,990)	-	<b>4,404</b>
	<b>37,452</b>	<b>4,757</b>	<b>(4,774)</b>	<b>575</b>	<b>38,010</b>
<i>Other restricted funds</i>					
Everyman and other restricted donations	1,164	3,817	(3,623)	-	<b>1,358</b>
Research grants	24,475	50,623	(50,363)	(303)	<b>24,432</b>
Other capital and refurbishment grants	895	-	-	(575)	<b>320</b>
	<b>26,534</b>	<b>54,440</b>	<b>(53,986)</b>	<b>(878)</b>	<b>26,110</b>
<i>Total restricted income funds</i>	<b>63,986</b>	<b>59,197</b>	<b>(58,760)</b>	<b>(303)</b>	<b>64,120</b>
<b>b. Permanent endowment funds</b>					
Sir SK Tang Fund	586	-	-	47	<b>633</b>
<b>c. Expendable endowment funds</b>					
Hensley Nankivell Studentship Fund	1,136	-	-	90	<b>1,226</b>
The Ivan and Felicite Stoller Fund	383	-	-	31	<b>414</b>
	<b>2,105</b>	<b>-</b>	<b>-</b>	<b>168</b>	<b>2,273</b>
<b>Total endowment funds</b>	<b>2,105</b>	<b>-</b>	<b>-</b>	<b>168</b>	<b>2,273</b>
<b>Total restricted funds</b>	<b>66,091</b>	<b>59,197</b>	<b>(58,760)</b>	<b>(135)</b>	<b>66,393</b>

Transfers totalling £303,000 were made from restricted to unrestricted funds following a review of closing restricted research balances.

Breakthrough Breast Cancer contributed funding for the Breakthrough Toby Robins Breast Cancer Research Centre, part of the Chester Beatty Laboratories.

The ICR has received monies from The Bob Champion Cancer Trust, The Monument Trust, The Garfield Weston Foundation, The Wolfson Foundation and donations from the Everyman Appeal to build the Male Urological Cancer Research Centre.

The Higher Education Funding Council for England, The Wellcome Trust and The Wolfson Foundation have contributed funding to the building of The Brookes Lawley Building. The Higher Education Funding Council for England also contributed funding to the Sir Richard Doll Building. The Wolfson Foundation contributed to the Centre for Cancer Imaging, being Phase 2 of the Sir Richard Doll building.

Equipment funds represent grants which have been invested in fixed asset equipment.

#### 14 / Restricted funds (continued)

The Everyman donations represent amounts raised to fund expenditure on male cancers and other restricted purposes.

The research grants are funds received by the ICR for specific cancer research projects. The transfers to and from restricted funds reflect adjustments to restricted grant funds following the review of balances held. Within research grants there are grants in deficit of £2,600,000 which represents grants where funding is expected to be received.

Other capital and refurbishment grants represent grants received for these purposes.

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 Sir SK Tang Fund is a legacy received from the estate of Sir SK Tang. The Ivan and Felicite Stoller Fund is a legacy received from the estate of Mr IM Stoller. The Tang and Stoller funds are for cancer research.

For permanent endowment funds the capital cannot be expended. For expendable endowment funds the capital can be spent on qualifying expenditure.

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	Unapplied total return	Total
	£000	£000	£000
<b>Balance as at 1 August 2012</b>			
Gift component of the permanent endowment	333	-	333
Unapplied total return	-	253	253
<b>Total permanent endowments as at 1 August 2012</b>	<b>333</b>	<b>253</b>	<b>586</b>
<b>Movements in the period</b>			
Investment return: realised and unrealised gains	-	47	47
Less: Investment management costs	-	-	-
	-	47	47
<b>Balance as at 31 July 2013</b>			
Gift component of the permanent endowment	333	-	333
Unapplied total return	-	300	300
<b>Total permanent endowments as at 31 July 2013</b>	<b>333</b>	<b>300</b>	<b>633</b>

#### 15 / Capital commitments

	2013 £000	2012 £000
Contracted but not provided for	14,161	15,395

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

## 16 / 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 who receive only the normal remuneration of their appointments. This includes the Chief Executive and Academic Dean whose remuneration is shown in note 17 (iii). The other staff member, Professor Jones, is the representative elected by the Academic Board to serve on the Board of Trustees whose remuneration is included in note 17 (iv). In addition, Mr Itzhak (until 31st August 2013) and Miss Razaz (from 1st September 2013) were the student representatives 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 £523,089 (2012: £915,413). The emoluments of the highest paid director, who is a member of a multi-employer defined benefit pension scheme, were £212,000 (2012: £215,000). Two of the three staff who are trustees participate in defined benefit pension schemes. Three non-executive trustees received a total of £2,468 (2012: six received £3,000) for reimbursement of travel expenses.

## 17 / Staff costs

(i) Average number of employees	2013 No.	2012 No.
Research Staff	763	800
Research support staff	140	138
Fundraising services	18	19
Corporate services including academic services	74	73
	<b>995</b>	<b>1,030</b>

(ii) Remuneration	2013 £000	2012 £000
Wages and salaries	40,784	40,009
Social security costs	3,358	3,179
Other pension costs	5,431	5,138
Pension past service cost	-	235
	<b>49,573</b>	<b>48,561</b>

## (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.

	2013 £000	2012 £000
Chief Executive	212	215
Academic Dean	210	210
Chief Executive including employer's pension contributions	<b>244</b>	<b>247</b>

**17 / Staff costs (continued)**  
**(iv) Remuneration of higher paid staff**

	2013 No.	2012 No.
£60,001 - £70,000	24	29
£70,001 - £80,000	23	14
£80,001 - £90,000	8	5
£90,001 - £100,000	2	6
£100,001 - £110,000	6	2
£110,001 - £120,000	2	6
£120,001 - £130,000	4	3
£130,001 - £140,000	3	2
£140,001 - £150,000	3	3
£150,001 - £160,000	1	2
£160,001 - £170,000	5	4
£170,001 - £180,000	1	1
£180,001 - £190,000	2	1
£190,001 - £200,000	-	-
£200,001 - £210,000	1	2
£210,001 - £220,000	2	1
£220,001 - £230,000	-	-
£230,001 - £240,000	1	1
£260,001 - £270,000	-	1

**(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 Dependents & 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 Dependents & Ill Health Retirement Pension Scheme (USDPS))**

This is a defined benefit scheme which is externally funded and contracted out of the State Second Pension Scheme (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The appointment of directors to the board of the trustee is determined by the company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom one at least must be a USS pensioner member; and a minimum of two and a maximum of four are co-opted directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

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 FRS17 'Retirement benefits' accounts for the scheme as if it were a defined contribution scheme. As a result the amount charged to the SOFA represents the contributions payable to the scheme in respect of the accounting period.

The latest triennial valuation of the scheme was at 31 March 2011. This was the second 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. The actuary also carries out a review of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level each year are also included in this note. The triennial

## 17 / Staff Costs (continued)

valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An 'inflation risk premium' adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum). To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

Standard mortality tables were used 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 but also provides an element of conservatism to allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted. The assumed life expectations on retirement at age 65 are:

**Males (females) currently aged 65:** 23.7 (25.6) years

**Males (females) currently aged 45:** 25.5 (27.6) years

At the valuation date, the market value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the Scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if the USS was a single employer scheme, using an AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

As a result of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. The next formal triennial actuarial valuation is as at 31 March 2014. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2014 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions but the allowance for promotional salary increases was not as high. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

## 17 / Staff costs (continued)

As at the valuation date the Scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of Salaries.

Following UK government legislation, from 2011 statutory pension increases or revaluations are based on the CPI measure of price inflation. Historically these increases have been based on the RPI measure of price inflation. Since the previous valuation as at 31 March 2011 there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

### New Entrants

Other than in specific, limited circumstances, new entrants are now provided on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

### Normal pension age

The normal pension age was increased for future service and new entrants, to age 65

### Flexible Retirement

Flexible retirement options were introduced.

### Member contributions increased

Contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

### Cost sharing

If the total contribution level exceeds 23.5% of salaries per annum, the employers will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.

### Pension increase cap

For service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increase by more than 5% then USS will pay half of the difference up to a maximum increase in 10%.

Since 31 March 2011 global investment markets have continued to fluctuate and following its peak in September 2011 inflation has declined rapidly towards the year end, although the market's assessment of inflation has remained reasonably constant. The actuary has estimated that the funding level as at 31 March 2012 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are sighted as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2012 estimation.

On the FRS17 basis, using a AA bond discount rate of 4.9% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2012 was 74%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 56%.

Surpluses or deficits which arise at future valuations may impact on The Institute's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements. The sensitivities regarding the principal assumptions used to measure the scheme liabilities on a technical provisions basis as at the date of the last triennial valuation are:

Assumption	Change in assumption	Impact on shortfall
Investment return	Decrease by 0.25%	Increase by £1.6 billion
The gap between RPI and CPI	Decrease by 0.25%	Increase by £1.0 billion
Rate of salary growth	Increase by 0.25%	Increase by £0.6 billion
Members live longer than assumed	1 year longer	Increase by £0.8 billion
Equity markets in isolation	Fall by 25%	Increase by £4.6 billion

### 17 / Staff costs (continued)

USS is a 'last man standing' scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The trustees believe that over the long term equity investment and investment in selected alternative asset classes will provide superior returns to other investment classes. The management structure and targets set are designed to give the fund a major exposure to equities through portfolios that are diversified both geographically and by sector. The trustees recognise that it would be theoretically possible to select investments producing income flows broadly similar to the estimated liability cash flows. However, in order to meet the long term funding objective within a level of contributions that it considers the employers would be willing to make, the trustees need to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the fund's liabilities. Before deciding what degree of investment risk to take relative to the liabilities, the trustees receive advice from its internal investment team, its investment consultant and the scheme actuary, and considers the views of the employers. The positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities. The trustees believe that this, together with the ongoing flow of new entrants into the scheme and the strength of the covenant of the employers enables it to take a long term view of its investments. Short term volatility of returns can be tolerated and need not feed through directly to the contribution rate although the trustees are mindful of the desirability of keeping the funding level on the scheme's technical provisions close to or above 100% thereby minimising the risk of the introduction of deficit contributions. The actuary has confirmed that the scheme's cash flow is likely to remain positive for the next ten years or more.

At 31 March 2013, USS had over 148,000 active members and the ICR had 756 active members participating in the scheme.

The total pension cost for the ICR was £4,565,000 (2012: £4,514,000). This includes £466,000 (2012: £367,000) of outstanding contributions at the balance sheet date. The contribution rate payable by the ICR was 16% of pensionable salaries.

#### 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 £498,000 (2012: £510,000). There were £74,000 (2012: £40,000) of outstanding contributions at the balance sheet date.

## 17 / Staff costs (continued)

### c) ICR Pension Scheme (ICRPS)

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

The total charged to the Statement of Financial Activities under FRS 17 for the year amounts to £219,000 (2012: £541,000). Given there is no past service cost (2012: past service cost £235,000) this is equal to finance income of £219,000 (2012: £306,000).

A full actuarial valuation was carried out at 31 March 2013 and updated to 31 July 2013 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms):

	At 31 July 2013 £000 (% p.a.)	At 31 July 2012 £000 (% p.a.)
Discount rate	4.70%	4.40%
Consumer Prices Index ("CPI")	2.50%	2.10%
Future 5%LPI pension increases	2.50%	2.10%
Future 2.5%LPI pension increases	2.50%	2.10%
Revaluation in deferment	2.50%	2.10%
Assumed life expectancies on retirement at age 65 are:		
Retiring today	Males	22.1
	Females	24.1
Retiring in 20 years time	Males	23.5
	Females	25.7

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.

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		Fair value	
	At 31 July 2013 (% p.a.)	At 31 July 2012 (% p.a.)	At 31 July 2013 £000	At 31 July 2012 £000
Equities and property	6.40%	5.80%	26,686	27,350
Fixed interest	4.70%	2.80%	2,625	5,251
Index linked gilts	4.70%	2.80%	977	14,470
Alternatives	6.40%	5.80%	4,809	8,637
Insured annuities	4.70%	4.40%	22,504	809
Cash and other	0.50%	0.50%	1,825	4,307
Overall return on scheme assets	5.47%	4.43%		

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.

## 17 / Staff costs (continued)

	At 31 July 2013 £000	At 31 July 2012 £000
Fair value of Scheme assets	59,426	60,824
Less refunds agreed (not used to offset irrecoverable surplus)	-	-
Net fair value of Scheme assets	59,426	60,824
The actual return on assets over the period was	(1,800)	1,943
The amounts recognised in the balance sheet are as follows:		
	2013 £000	2012 £000
Fair value of scheme assets	59,426	60,824
Present value of scheme liabilities	(69,604)	(69,314)
	(10,178)	(8,490)
Present value of unfunded obligation	-	-
Unrecognised past service cost	-	-
Deficit in the Scheme	(10,178)	(8,490)
Irrecoverable surplus	-	-
Deficit	(10,178)	(8,490)
Net pension liability recognised before tax	(10,178)	(8,490)
The amounts recognised in the SOFA are as follows:		
	2013 £000	2012 £000
Service cost	-	-
Interest on obligation	3,010	3,409
Expected return on Scheme assets	(2,791)	(3,103)
Past service cost	-	235
Total	219	541
Changes in the present value of the Scheme liabilities		
	2013 £000	2012 £000
Liabilities at beginning of the year	69,314	66,365
Interest cost	3,010	3,409
Actuarial losses/(gains)	(873)	1,450
Past service cost	-	235
Benefits paid	(1,847)	(2,145)
Liabilities at end of year	69,604	69,314

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. As such, the reported Scheme liabilities at 31 July 2012 and 31 July 2013 make no allowance for constructive obligations.

## 17 / Staff costs (continued)

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

	2013 £000	2012 £000
Fair value of Scheme assets	60,824	60,260
Expected return on Scheme assets	2,791	3,103
Actuarial gains	(4,591)	(1,160)
Contributions by employer	2,249	766
Benefits paid	(1,847)	(2,145)
Fair value of scheme assets at end of year	59,426	60,824
Actuarial gains recognised in the SOFA:	2013 £000	2012 £000
Actuarial gains	(3,718)	(2,610)

The Scheme's current Schedule of Contributions requires the Institute to contribute £498,923 to the Scheme in the year commencing 1 August 2013.

Amounts for the current and previous four periods are as follows:

	At 31 July 2013 £000	At 31 July 2012 £000	At 31 July 2011 £000	At 31 July 2010 £000	At 31 July 2009 £000
Present value of Scheme liabilities	(69,604)	(69,314)	(66,365)	(66,399)	(63,876)
Scheme assets	59,426	60,824	60,260	54,724	56,100
Deficit	(10,178)	(8,490)	(6,105)	(11,675)	(7,776)
Experience adjustments on Scheme liabilities	(513)	(319)	(276)	637	(1,687)
As a percentage of Scheme liabilities	-1%	0%	0%	1%	-3%
Experience adjustments on Scheme assets	(4,591)	(1,160)	3,945	1,178	(8,114)
As a percentage of Scheme assets	-8%	-2%	(7.0%)	2.0%	-14%
Cumulative actuarial losses shown in SOFA	(22,305)	(18,587)	(15,977)	(21,670)	(13,316)

### 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.

## 18 / 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 2013 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 £250,567 for the year ended 31 July 2013 (2012: £1,082) which will be paid to the ICR by means of a payment under gift aid. Its net assets at 31 July 2013 and 31 July 2012 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 £528 for the year ended 31 July 2013 (2012: £272,582) which will be paid to the ICR by means of a payment under gift aid. Its net assets at 31 July 2013 and 31 July 2012 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 £103 for the year ended 31 July 2013 (2012: £103) which will be paid to the ICR by means of a payment under gift aid. Its net assets at 31 July 2013 and 31 July 2012 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 2013.

**(vii) Other investments** - The ICR is a founder and shareholder of three companies whose aims are to exploit the intellectual property generated at the ICR. The companies and the ICR's shareholding are PROACTA Inc (0.5%), Domainex Limited (3%) and Chroma Therapeutics Limited (0.2%). The cost of the ICR's shareholding of these companies is included in unlisted investments

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

<b>ICR Sutton Developments Limited and ICR Chelsea Development Limited</b>	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Turnover	4,456	606
Expenditure	(4,206)	(605)
Operating profit	250	1
Payment under gift aid to the ICR	(250)	(1)
Profit for the year	-	-
Assets	3,236	691
Liabilities	(3,236)	(691)
Funds	-	-

### 18 / Subsidiary undertakings (continued)

ICR Equipment Leasing No. 8 Limited	2013 £000	2012 £000
Turnover	-	-
Expenditure	-	-
Operating profit	-	-
Payment under gift aid to the ICR	-	-
Profit for the year	-	-
Assets	5	5
Liabilities	-	-
Funds	5	5

ICR Enterprises Limited	2013 £000	2012 £000
Turnover	1	282
Expenditure	(1)	(9)
Operating profit	-	273
Payment under gift aid to the ICR	-	(273)
Profit for the year	-	-
Assets	3	524
Liabilities	(3)	(524)
Funds	-	-

### 19 / Taxation

The ICR is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of section 506 (1) of the Income and Corporation Taxes Act (ICTA) 1988. Accordingly the ICR is exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the ICTA 1988 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

### 20 / 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 (2012: £4,892).

### 21 / Lease commitments

At 31 July 2013 the ICR had annual operating lease commitments in respect of property leases which expire as follows:

	2013 £000	2012 £000
Within one year	-	-
Between two and five years	325	-
Over five years	-	325

## **22 / Value added tax**

The ICR incurred irrecoverable VAT amounting to some £1.8 million during the year (2012: £2.0 million). It is a member of the Charities Tax Group which campaigns on behalf of its members for a reduction in their VAT burden.

## **23 / 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 Chief Executive of Cancer Research UK which provides funding to the ICR in the form of grants awarded through open competition and external peer review. £24,263,000 of funding was received from Cancer Research UK during the year with £1,176 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 £4,255,000 and research grant income includes £6,504,000 from The Royal Marsden. At the year end, £750,477 was owed to ICR by The Royal Marsden and £79,481 was owed to The Royal Marsden by ICR. There are no other related party transactions.

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# Other information



# 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 August 12 to July 13	No of meetings attended August 12 to July 13
Rt Hon Lord Ryder of Wensum OBE (to 7/2013) Mr L Johnson (from 8/2013)	Chair/Co-option	9	9
Professor Sir Tom Blundell FRS FMedSci	Deputy Chair & senior member/Co-option	9	9
Konstantin Graf von Schweinitz	Honorary Treasurer/Co-option	8	8
Professor A Ashworth FRS FMedSci	Chief Executive/Ex Officio	7	7
Professor A Horwich PhD MRCP FRCR FMedSci (to 7/2013) Professor C Isacke DPhil (from 8/2013)	Academic Dean/Ex Officio	7	6
Dr P N Goodfellow FRS FMedSci	Co-option	8	6
Professor A L Harris DPhil FRCP FMedSci	Co-option	7	3
Mrs I Hotimsky MBA	Co-option	8	7
Mr D Itzhak BA(Hons) (to 8/2013) Miss P Razaz (from 9/2013)	Student	7	7
Professor K Jones	Academic Board	7	6
Dr H S Kumar MA MEng MBA DSc	Cancer Research UK	7	6
Professor R A Laskey CBE FRS FMedSci FLSW (to 10/2012)	University of London	2	0
Lady Otton SRN (to 10/2013)	Co-option	7	5
Miss C A Palmer CBE MSc MHSM DipHSM Mr I Molson BA(Hons)	The Royal Marsden NHS Foundation Trust Alternate Director	6	4
Miss A C Pillman OBE (to 3/2013)	Co-option	5	4
Mr M J Usher BA CPFA	Co-option	7	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 C J Marshall FRS FMedSci**  
Director of Research

**Mr P F W Norris BSc(Hons) ACA MBA**  
Director of Finance

**Mrs C Scivier MSc FCIPD MIoD**  
Chief Operating Officer

**Professor P Workman PhD DSc(Hon) FMedSci FSB FRSC**  
Deputy Chief Executive

# Governing Committees, Fellows, Members and Associates

The Institute benefits from external expertise on the following committees that report to the Board of Trustees (as at 31 July 2013):

## The Constitutional and Nomination Committee

Rt Hon Lord Ryder of Wensum OBE / **Chair**  
Professor Sir Tom Blundell FRS FMedSci / **Deputy Chair**  
Mrs I Hotimsky MBA  
Professor R A Laskey CBE FRS FMedSci FLSW (to 10/2012)

## The Audit Committee

Mr M J Usher BA CPFA / **Chair**  
Mr D R Fryatt MA FCA FCIBS / **Deputy Chair**  
Professor H R Morris FRS (from 2/2013)  
Ms S Nebhrajani MA ACA  
Mr S A Taylor MBA FCCA (to 1/2013)  
Mr Taylor attended 1 (of 2) meetings, Professor Morris attended 2 (of 2) meetings, Ms Nebhrajani attended 3 meetings, Mr Fryatt and Mr Usher attended all 4 meetings held (August 2012 to July 2013)

## The Remuneration Committee

Rt Hon Lord Ryder of Wensum OBE / **Chair**  
Professor Sir Tom Blundell FRS FMedSci / **Deputy Chair**  
Dr P N Goodfellow FRS FMedSci  
Konstantin Graf von Schweinitz

## The Investments and Building Development Committee

Konstantin Graf von Schweinitz / **Chair**  
Mr R J Elliott – Deputy Chair (to 9/2012)  
Mrs M-C Riachi CFA / **Deputy Chair**  
Mr C Heaphy  
The Honourable Thomas Henderson HonDSc(Med)

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

Miss M I Watson MA MBA FCIPD – Chair (to 12/2012)  
Mr A J Roberts CBE BA(Hons) FRSA FColl / **Chair**  
Mr R Bird MA FCA (to 12/2012)  
Mr F Maroudas MA  
Mrs W Robbins (from 4/2013)  
Mr M Weston MA MBA AIIIMR (from 4/2013)

## 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 P Brookes PhD DSc  
Professor Sir Kenneth Calman KCB FRSE  
Professor D Catovsky MD DSc(Med) FRCPPath FRCP FMedSci  
Mr E A C Cottrell  
Dr M J Crumpton CBE PhD HonFRCPPath 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  
Sir Kenneth Stowe GCB CVO MA HonDSc(Med)  
Professor M Waterfield FRS FMedSci  
Professor R A Weiss PhD HonFRCP FRCPPath FRS FMedSci  
Professor G Westbury OBE MB BS FRCP FRCS HonFRCSSEd

## Members of the Institute

The 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 Memorandum of Association and as such are entitled to attend the Institute's Annual General Meeting and any Extraordinary General Meeting which may be convened.

Mr N Ashley DUniv  
Sir John Ashworth PhD DSc  
Dr P J Bailey PhD  
Lord Bell FIPA FIPPR FPRCA  
Professor A J Bellingham CBE FRCP FRCPPath  
Mr R Bird MA FCA  
Professor Sir Tom Blundell FRS FMedSci  
Dr M Bodmer PhD  
Sir Henry Boyd-Carpenter KCVO MA  
Mr J M Cartwright FCA ATII  
Mr E A C Cottrell  
Miss P M Cunningham CBE

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  
Mr K D Dew FRICS  
Dr A Diment PhD  
Mr A W C Edwards  
Mr R J Elliott  
Lord Faringdon KCVO  
Dr S E Foden MA DPhil  
Professor A B Foster DSc  
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 D J Gleeson MA  
Dr P N Goodfellow FRS FMedSci  
Professor A Harris DPhil FRCP FMedSci  
Mr C Heaphy  
The Honourable Thomas Henderson HonDSc(Med)  
Dr T A Hince PhD  
Mr J Hollond  
Mrs I Hotimsky MBA  
Mr L Johnson  
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  
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  
Dr M J Morgan PhD  
Professor H R Morris FRS  
Mr R Mould  
Professor G J Mufti DM FRCP FRCPATH  
Ms S Nebhrajani MA ACA  
Professor S Neidle PhD DSc ARCS DIC FRSC  
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  
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Mr A J Roberts CBE BA(Hons) FRSA FColl  
Rt Hon Lord Ryder of Wensum OBE  
Mr G Sangster  
Konstantin Graf von Schweinitz  
Mr J Seymour  
Mr R S Sharp  
Mr M S Smith MA  
Dr K Snell PhD FRSA LRPS  
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Ms A Stevens MA DLitt(Hon)  
Sir Kenneth Stowe GCB CVO MA HonDSc(Med)  
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Mr J Thorne MA  
Mr M J Usher BA CPFA  
Miss M I Watson MA MBA FCIPD  
Professor S Webb PhD DIC DSc ARCS FInstP FIPEM FRSA CPhys CSci  
Professor G Westbury OBE MB BS FRCP FRCS HonFRCSed  
Mr M Weston MA MBA AIIMR  
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Mr D H Wootton MA

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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.

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Mrs R Barfoot  
Ms M Barrell  
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  
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Dr H S Greer MD FRCPsych FRANZCP  
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Mr P Hyett BA ABIPP RMIP MIMI  
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Mr M Jones MIBiol  
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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

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# Legal and administrative information

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### Auditors

Crowe Clark Whitehill LLP  
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### Bankers

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### Investment Managers

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### Solicitors

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