

Annual Report and Financial Statements 2018/19





Professor Vin Paleri with the da Vinci Xi surgical robot in Theatres.

Annual Report and Financial Statements 2018/19

Introduction

- 2 A letter from our Chairman and Managing Director

Trustees' Report (including the strategic report)

4 Objectives

- 4 The Royal Marsden NHS Foundation Trust
- 5 The Royal Marsden Cancer Charity
- 6 Research
- 6 Equipment
- 7 Treatment and care
- 7 Patient environments
- 8 Wider reach
- 9 Grant-making
- 10 Our fundraising practices
- 12 Our volunteers
- 12 Measuring success
- 12 Our strategic priorities

14 Activities, achievements and performance in 2018/19

- 15 Fundraising activities and achievements
- 16 Charitable activities and achievements
- 18 The difference you make

19 Plans for future periods

- 19 Future direction
- 19 Fundraising activities
- 19 Charitable activities

20 Financial review

- 20 Financial performance
- 21 Reserves policy
- 22 Investment policy and strategy
- 24 Principal risks and uncertainties

25 Structure, governance and management

- 25 Structure and governance
- 26 Management
- 27 Relationships with related parties

28 Statement of Trustees' responsibilities

29 Reference and administrative information

Financial statements

32 Independent auditor's report to the members of The Royal Marsden Cancer Charity

34 Consolidated statement of financial activities

35 Balance sheet

36 Consolidated cash flow statement

37 Notes to the financial statements

Introduction

A letter from our Chairman and Managing Director

This year, we have much to be proud of at The Royal Marsden Cancer Charity. We have had our best ever year, raising £36.1 million from donations and legacies. This has enabled us to continue to support the world-leading work of The Royal Marsden for the benefit of cancer patients everywhere.

We would like to thank all our donors, our wonderful team of volunteers, and all our staff at the Charity, without whom we simply could not have achieved the successes outlined in this report. Your support has given new hope to cancer patients – not just at The Royal Marsden, but across the UK and all over the world.

Donations supported The Royal Marsden in becoming the first hospital in the UK to use the MR Linac – the only technology in the world which combines an MRI scanner with a linear accelerator – giving clinicians a clear and constant image of the tumour during radiotherapy.

And thanks to a very generous donation of £1 million from the Denise Coates Foundation the Molecular Diagnostics team at The Royal Marsden was able to invest in the latest DNA sequencing machine, the NovaSeq 6000 – advanced technology that can sequence six trillion bases of DNA in a single run, while simultaneously searching for cancer-causing mutations. This powerful machine is changing the landscape of cancer care, providing new ways to diagnose cancer earlier and enabling the development of new personalised treatments.

We have also continued to support The Royal Marsden's exceptional work with young cancer patients. This year, through a £3.2 million five-year grant, the Charity continued to fund the work of the world-leading Oak Paediatric and Adolescent Drug Development Unit (OPDDU). The addition of new research posts funded by this grant will enable the development of breakthrough drugs and treatments for children with cancer. Together, we are making an invaluable difference to the lives of our country's youngest and most vulnerable patients – as well as for children with cancer all over the world.

Looking ahead, the exciting new Oak Cancer Centre, named in recognition of our largest ever donation of £25 million from Oak Foundation, will transform how cancer patients are cared for. We have already raised £52 million towards our £70 million target, and the building is on track to open in 2022.

These are just some of the highlights from the past year. We are immensely grateful to everyone who has supported us. Because of your generous support, the staff of The Royal Marsden have continued to change the lives of thousands of people with cancer.

Thank you so much.



Charles Alexander
Chairman
The Royal Marsden Cancer Charity



Antonia Dalmahoy
Managing Director
The Royal Marsden Cancer Charity

A patient receives treatment in the Diane McCarthy Medical Day Unit.



Objectives

The Royal Marsden NHS Foundation Trust

In 1851, Dr William Marsden founded The Royal Marsden with a vision to create a pioneering cancer hospital, dedicated to not only the treatment and care of people with cancer but also research into the underlying causes of the disease. This vision continues through to the present day.

Together with its academic partner, The Institute of Cancer Research (ICR), The Royal Marsden is the largest and most comprehensive cancer centre in Europe. It is a centre of excellence with an international reputation for groundbreaking research and pioneering the latest in cancer treatments and technologies, as well as specialising in cancer diagnosis and education.



A consultant with one of our young patients in the Oak Centre for Children and Young People.

The Royal Marsden Cancer Charity

The Royal Marsden Cancer Charity exists solely to support the work of The Royal Marsden.

Thanks to our supporters, we continue to be there for everyone who needs us. We ensure the nurses, doctors and research teams can provide the very best care and develop life-saving treatments, which are used across the UK and around the world.

From funding state-of-the-art equipment and groundbreaking research to creating modern patient environments, we will never stop looking for ways to improve the lives of cancer patients.

Charitable purpose

The Royal Marsden Cancer Charity's legal purpose is to raise funds that enable The Royal Marsden NHS Foundation Trust of London and Surrey to carry out life-changing work in cancer research, diagnosis, treatment and care.

The Charity supports both capital and ongoing projects that are in line with the hospital's ambitious vision and business strategy, and that will enhance the provision of care to patients.

Our charitable objectives focus on, but are not limited to, providing:

1. The relief of sickness related to cancer at the hospital
2. The promotion of clinical and other useful research at or in connection with the hospital
3. The advancement of education at or in connection with the hospital
4. The provision of accommodation, amenities and recreational facilities for the benefit of patients, carers, staff and students at the hospital, and the provision of comforts for such patients.

We apply these objectives to grants for funding work and equipment at The Royal Marsden, at the Trustees' discretion, under the four pillars of research, equipment, patient environments, and treatment and care.

Public benefit

The Royal Marsden, as an NHS Foundation Trust, provides free healthcare at the point of delivery for members of the general public seeking cancer treatment. The overarching ambition of the hospital continues to be the provision of the best cancer treatment and care available, supported by the highest-quality research, to improve outcomes for people with cancer everywhere.

Each year, The Royal Marsden sees more than 55,000 patients at its two hospitals in Chelsea and Sutton. Together with the ICR, it is the only National Institute for Health Research (NIHR) Biomedical Research Centre (BRC) in the UK dedicated solely to cancer. The specific remit of the BRC is to facilitate rapid and effective translation of scientific findings into improved therapies that are ultimately tested in large-scale national and international trials and subsequently influence clinical practice.

The Charity's support is vital in keeping the hospital at the forefront of its field, so it can provide the best possible service to its patients. We invest in new equipment and facilities to increase the hospital's capacity and vastly improve environments for patients and their families. We also fund groundbreaking research with the aim of achieving and publishing successful results and practices to influence work at the hospital and in the wider medical world.

Fundamentally, our public benefit is to enable more patients at The Royal Marsden and around the world to have quicker access to treatment, and to enable the development of more effective therapies. The Trustees believe they have complied with their duty regarding the Charity Commission's guidance on public benefit.

Research

The issue we're tackling

Cancer is a complex disease with hundreds of variations and an ability to adapt and evolve. This means we need to fund the development of life-saving treatments – evaluated in innovative clinical trials at The Royal Marsden – that will rapidly translate into better outcomes for patients.

The difference we make

The Royal Marsden is the leading centre for cancer clinical trials in the country, running more than 800 every year for over 42,000 patients. Working with the ICR, The Royal Marsden takes a 'bench to bedside' approach, quickly turning scientific advances into better treatments for patients.

The Royal Marsden Cancer Charity helps to fund clinical trials and research posts at The Royal Marsden, enabling specialist clinical research teams at the hospital to rapidly develop new life-saving treatments for different types of cancers. These specialists lead the way in personalised medicine, developing new targeted therapies that are helping patients to survive longer and be cured of their cancer.

In recent years the hospital has led and been part of some of the biggest and most important cancer trials. For example, it is leading the international PACE trial into the benefits of using hypo-fractionated radiotherapy, including CyberKnife, to treat prostate cancer, compared with the current standard treatments of surgery and radiotherapy. This work provides new treatments for patients at The Royal Marsden, across the UK and internationally, improving their quality of life and chances of survival.

Our overall aim

To extend, improve and save more lives at The Royal Marsden, across the UK and all over the world through funding world-leading translational cancer research at The Royal Marsden.

Equipment

The issue we're tackling

In order to give cancer patients the best outcomes and experience, we need to fund state-of-the-art equipment that can offer faster and more accurate diagnoses, more effective and less invasive treatments, and quicker recovery times.

The difference we make

As a world-leading centre of excellence, The Royal Marsden is constantly striving to give cancer patients the best care possible. Our funding gives their researchers, clinicians and scientists access to the latest state-of-the-art equipment, enabling them to discover new ways to diagnose cancer sooner, and deliver groundbreaking treatments that save and improve lives.

Differences in genetic mutations in a person's DNA means that patients with the same cancer can respond differently to the same treatment. Molecular diagnostics carried out at the National Institute for Health Research (NIHR) Centre for Molecular Pathology (CMP) use specialist equipment to look for these genetic mutations so that clinicians can work out which patients could benefit from certain types of drugs or therapies.

The NovaSeq 6000, the latest in DNA sequencing technology, offers new ways to diagnose cancer earlier, and enables the development of treatment plans tailored to individual patients.

Our overall aim

To ensure patients at The Royal Marsden are treated with leading-edge equipment that enables the latest research, and a personalised cancer diagnosis and treatment.

Treatment and care

The issue we're tackling

Every patient at The Royal Marsden should have a personalised treatment plan relating to their unique diagnosis. We need to help the hospital develop these life-saving treatments and support patients and their families and friends before, during and after treatment.

The difference we make

The Royal Marsden always puts the patient at the heart of its work, supporting them at every stage of their cancer journey. By supporting the hospital to provide the latest treatment and care, we can ensure that each patient is given the highest standard of care supported not just physically, but emotionally and psychologically too.

The Royal Marsden offers the largest and most comprehensive programme of robotic surgery for cancer in the UK. Robotic surgery offers patients less invasive, shorter operations compared to open surgery, leaving fewer scars and enabling them to recover more quickly. A new robotic nurse fellowship will be running alongside this programme to contribute to the very highest level of patient safety and standard of care during the surgeries.

Our overall aim

To ensure that every patient at The Royal Marsden has the very best treatment and care, appropriate to both their clinical, and emotional needs.

Patient environments

The issue we're tackling

To support the delivery of world-leading treatment and care, patients need welcoming, dignified and peaceful environments that enhance their wellbeing and support their treatment and care.

The difference we make

The cancer journey can be an uncertain and frightening time for patients, their families and friends. The Royal Marsden understands the profound importance of a welcoming, dignified environment during this time, and ensures that wards, units and facilities are of the highest standard, appropriate to the needs of the patient and their family and friends. This includes the funding of new, world-class class facilities and the refurbishment of existing ones to the highest possible standards, together with garden spaces for both adults and children, and a variety of artwork around the hospital which has shown to create a calm environment, ideal for patient recovery. The support of the Charity also allows for increases in capacity to allow the hospital's specialist staff to see more patients, and provide even better care.

Our overall aim

To ensure that The Royal Marsden's patient environments are of the highest quality, where patients receive the best possible levels of care from staff who are working in facilities that meet their clinical needs.

Wider reach

As well as directly benefiting patients of The Royal Marsden, the work we support also has a national and international impact, improving treatment for cancer patients everywhere.

The Royal Marsden leads international clinical studies where our researchers collaborate with their peers around the world. At any one time, The Royal Marsden is involved in 800 clinical trials, treating over 42,000 patients across the UK.

Cancer researchers and clinicians also regularly attend major oncology conferences around the world to share new data, hear about the latest advances in research and collaborate with international colleagues in order to improve treatment and care for patients.

Professor David Cunningham, Director of Clinical Research at The Royal Marsden, said: "Working with hospitals across the world on trials, new treatments and new techniques helps patients in your clinic on a daily basis. It's vital we not only share research with colleagues but also learn from them – it's by working together we can really change cancer treatment for everyone."

The Royal Marsden has, on many occasions, trialled new technologies and equipment – often funded by the Charity – proving its efficacy and value and enabling it to be rolled out as standard practice across the NHS, for example the da Vinci robotic surgery system.

This year, The Royal Marsden has been collaborating with Imperial College London on the MALIMAR trial, using artificial intelligence (AI) technology to read whole-body MRI scans to quickly flag up sites of possible cancer in myeloma patients. Whole-body MRI scanners, many of which are Charity-funded, can detect myeloma cancer before irreparable bone damage has occurred, therefore avoiding debilitating complications for these patients.

Dr Christina Messiou, Consultant Radiologist, said: "It is hoped that as a result of this trial, whole-body MRI testing will be offered to myeloma patients as standard treatment throughout the NHS."



The latest research carried out at The Royal Marsden.

Grant-making

Grants are only made to The Royal Marsden NHS Foundation Trust and not to any other organisation or individual. Because many of The Royal Marsden's clinicians work closely with the ICR and have joint appointments, grants made to staff or projects at The Royal Marsden can also have an impact on the ICR's work.

In order for the Charity to support a project, bids for funding must demonstrate that it meets at least one of the following objectives:

- Investigates the causes of cancer and the prevention, treatment, cure and defeat of cancer in all its forms
- Relieves sickness of patients, who are or have been treated at the hospital, suffering from cancer or its effects
- Enhances the quality of patient care
- Improves patient confidence in the care provided
- Stimulates and supports innovation
- Supports growth and development by extending the expertise at The Royal Marsden so more patients benefit from it
- Advances scientific and medical education in topics related to cancer
- Attracts, retains and develops staff of the highest calibre
- Relieves sickness at the hospital by promoting the efficient performance of staff

All ongoing funded projects are reviewed at least twice a year to ensure they are fulfilling the original award criteria and continue to have a significant positive impact on the patients of The Royal Marsden. The total cost of making grants, including support costs, is disclosed on the face of the consolidated statement of financial activities, and an analysis is disclosed in note 6 to our financial statements on page 42.

Charitable Special Purpose Funds

These funds are donated to the Charity for specific purposes within its charitable objectives but have a restrictive application. For example, the Charity may receive funds from a donor who has specified that the money should be applied to a particular type of research or a particular ward or department.

The Trustees have delegated the day-to-day management of each individual fund to a named fund-holder. This is likely to be a senior clinician, researcher or nurse who is in a position to oversee the management of the fund. They will have levels of expenditure agreed in accordance with the directions set out by the Trustees in the Charity's Special Purpose Fund Guidelines policy.

Fund-holders are accountable to the Trustees for the use of funds under their management.

The total of the actual funds spent on each main category of charitable activity, including support costs, is disclosed on the face of the consolidated statement of financial activities, and an analysis is disclosed in notes 7, 8 and 9 of our financial statements on page 43.

Social investment

The Charity has made a concessionary loan of £226,000 to The Royal Marsden NHS Foundation Trust to be used to finance loans to hospital staff for travel season tickets, bicycle purchase and staff awards ceremony tickets. The Trust is responsible for the administration of these loans and any defaults, tax liabilities and other costs relating to them. The Charity's loan to the Trust is interest free; however, the amount and terms of the loan are reviewed prior to renewal.

Our fundraising practices

At The Royal Marsden Cancer Charity we want to ensure our supporters are treated fairly and with respect.

We adhere to best practice across all our fundraising activities and continually look for ways to improve and ensure we address challenges and adopt new regulations effectively.

The Charity and external fundraisers complied with all fundraising standards as far as the Charity is aware in 2018/19.

Our fundraising approach

Our supporters make a huge difference by ensuring The Royal Marsden can develop life-saving treatments for cancer patients across the UK and beyond. In return, we make a promise to our supporters.

We are committed to the highest standards

We are registered with the Fundraising Regulator and are proud to champion the principles of honesty, accountability and transparency when fundraising.

We will be clear, honest and open

We will keep you up to date with our work and finances so you can see how your money is spent and the difference you are making. But you are in control. If you ever want to change the way we communicate with you, please just let us know.

We will treat you, and your privacy, with respect

Your details are safe with us. We will never sell your information to third parties or share your details with any other charities for their own purposes.

We are fair and reasonable

We treat our patients, supporters and the general public fairly, showing sensitivity and consideration.

We are accountable and responsible

We value your feedback. If you're unhappy with anything, please get in touch and let us know.

Working with third-party fundraisers

We have processes in place with external groups and fundraisers who raise funds on our behalf to ensure they follow the accepted fundraising standards. Monitoring and control of fundraising activities is vital to ensure that our supporters are treated fairly and with respect.

Members of our Charity team liaise regularly with our supporters and fundraisers about their activities and practices.

We do not use any external organisations to carry out telephone or face-to-face fundraising on our behalf and no professional fundraiser or commercial participator carried out any fundraising activities for the Charity.

Complaints

We try to make sure that supporting The Royal Marsden Cancer Charity is a great experience. However, sometimes people may disagree with some of our actions so we provide a fair complaints procedure which is clear, easy to use and published on our website.

We'll always make sure that:

- Complaints are acknowledged speedily and recorded
- Complaints are heard and investigated effectively
- Complaints are dealt with in an appropriate, fair and timely manner
- We learn from complaints.

We commit to supporters that we get back to them within one working day and commit to responding in full within 10 working days. If supporters are not satisfied with our response they can contact the Fundraising Regulator for advice.

Complaints and supporter feedback are an important source of information about the impact of our work on our supporters and members of the public, providing us with insight and lessons for future fundraising activities. In the year to 31 March 2019, we received 15 complaints. These were all resolved satisfactorily within the timetable set out in our Complaints Policy.

Supporter data

Our supporters' wishes are of the upmost importance to us and we are committed to protecting both their privacy and their data. As a part of this, we will continue to ensure that our supporters have a choice about how we communicate with them. This includes both the type of communications we send and the channel through which we send them.

By considering our supporters first and foremost within all fundraising communications we believe we will achieve a greater level of engagement in the long term.

We have also carried out privacy impact assessments to ensure that we do not unreasonably intrude on a person's privacy when processing their personal data. Such assessments were refreshed prior to the implementation of GDPR, and are regularly reviewed, to ensure ongoing compliance with data protection law.

Protecting people

The Royal Marsden Cancer Charity takes careful steps to ensure that we protect vulnerable people and other members of the public from behaviour that may be seen as unreasonable.

In line with the Fundraising Code of Practice and Institute of Fundraising guidance Treating Donors Fairly – Fundraising with People in Vulnerable Circumstances, the Charity has a clear Fundraising and Vulnerable Circumstances Policy in place. This is a key part of the induction and training process for all staff and is reviewed regularly. Managers are responsible for ensuring that their teams are aware of this policy and understand the information within it.



A surgeon in the Theatres suite, Chelsea.

Our volunteers

We are supported by a team of around 70 regular volunteers who are a vital part of our workforce. There are also many more volunteers who give their time to support our events such as cheering on our runners at the Virgin Money London Marathon. One of these volunteers is Minesh Shah.

Volunteer Minesh lost his uncle to cancer twelve years ago. He says: "The Royal Marsden was absolutely fantastic in looking after us through such a difficult time; they really went above and beyond.

"When I saw the opportunity to volunteer for The Royal Marsden Cancer Charity, it seemed like an ideal way for me to give something back. I even took my Mum with me when I signed up; it was a really emotional and special time for us both.

"This year I volunteered at the London Marathon. I'd run for the Charity a few years ago, but volunteering was a very different experience. It was amazing to see all of the support the runners had brought with them, and how emotional it was for them and their families.

"I also volunteered at The Banham Marsden March which was a perfect opportunity to get my mum involved. The passing of her brother always makes her emotional but I knew she would be really enthusiastic to support with me. On the day her voice was loud and proud and she was smiling and encouraging the walkers the whole time. It made me so happy, and the walkers especially so!

"I would 100 per cent recommend that people volunteer with The Royal Marsden Cancer Charity and have encouraged my friends and family to do so. All the staff at The Royal Marsden do such amazing work that it makes it so easy for volunteers like myself to give up our time for this cause. Anything people can do is worth it; even if it's only one or two days a year."

"All our volunteers are vital to our fundraising both in the hospital and out in the community. From everyone at The Royal Marsden Cancer Charity – thank you!"

Antonia Dalmahoy,
Managing Director

The Royal Marsden Cancer Charity

Measuring success

The Royal Marsden provides update reports to the Charity on all the areas of work funded through Charity grants at Trustee meetings.

Each report details the key achievements of the Charity funded projects against the objectives set for them and outlines the next steps for each project. Most importantly, the reports explain how the Charity's money is benefiting patients at The Royal Marsden, across the UK and around the world.

Our strategic priorities

This year marked the first year of a new three-year strategy which will run from 2018/19 to 2020/21. It set out how we will move into the next phase of our growth plan by focusing on the following six strategic priorities:

1. We will continue to attract the best possible people and retain them through excellent management and development, and the creation of an ambitious and positive organisational culture
2. We will increase the number of supporters giving to the Charity across all areas of fundraising, maximising the value of their support
3. We will establish The Royal Marsden Cancer Charity as the charity of choice for patients, their friends and family and staff of The Royal Marsden, ensuring they know who we are, what we do and why they should support us
4. We will successfully inspire new donors to support the Oak Cancer Centre, ensuring we are on track to meet our appeal target, and put in place clear plans to retain their support beyond the life of the appeal
5. We will ensure that our supporters feel valued and have a clear understanding of the difference they make, strengthening their commitment to the Charity
6. We will build and develop excellent systems and processes that support our ambitious targets.



A young patient plays with the toy linear accelerator in the Oak Centre for Children and Young People.

Activities, achievements and performance in 2018/19

In this section, we review the progress we made towards achieving our 2018/19 objectives, detailing how we performed against each of these objectives.

All the fundraising and charitable activities we undertook supported at least one of our four pillars of work: research, equipment, treatment and care, or patient environments. Our governance activities focused on helping the Charity to grow its income and increase its fundraising activity so that we will be able to fund even more projects in the future.

After our most successful year ever for income in 2017/18, we started 2018/19 in a strong position to drive further income growth. We planned to raise £27.9 million from donations and legacies with a cost/income ratio of 19%. Over 2018/19, we raised £36.1 million, an increase of 29% on our budget, resulting in a cost/income ratio of 12.6%.

You will find a more detailed analysis of our income and expenditure in the 'Financial review' section on pages 20-24.



A patient chats with a nurse while receiving treatment in the West Wing Clinical Research Centre.

Fundraising activities and achievements

Aims and objectives	Achievements and performance
Continue to build skilled teams of experts who form strong relationships and support the Charity's overall objectives and vision	Over the course of the year we have recruited to a number of posts across the Charity, attracting experts in their field to work with staff across the hospital and supporters. We carried out a comprehensive staff survey in which staff motivation levels scored significantly higher than the sector norm and the internal Charity target.
Undertake a review of the Community Fundraising portfolio to ensure it meets the needs of existing and potential supporters	A review of our existing Community Fundraising activities has been completed, including building our understanding of how our supporters are currently raising funds and sector trends. This will be used to inform the future development of our Community Fundraising offering.
Develop a programme to grow our supporter base, particularly those who give regularly through Direct Debit	In 2018/19 we developed a programme focused on the recruitment and retention of new supporters to The Royal Marsden Cancer Charity giving in a sustainable way through Direct Debit. Following research undertaken with patients, friends and family of patients and an audience who do not currently have a relationship with The Royal Marsden, we will be launching this new programme in 2019/20.
Develop activities, including in-hospital, that raise awareness of the importance of leaving gifts in Wills and provide excellent supporter care to those who have left, or are considering leaving, a gift to the Charity in their Will	New materials have been developed for use in hospital and for direct mail and social media marketing activities that help raise awareness of gifts in Wills. The Charity uses best practice communications for pledgers and prospects in order to support them in their decision to leave a gift in their Will. The Charity won an Institute of Fundraising National Fundraising Award for the 'Give back to the future' legacy campaign.
Increase awareness of the Charity with patients, particularly through their treatment and care pathway	In-hospital research was carried out with patients in March and November 2018. Spontaneous awareness of the Charity increased from 44% in March to 56% in November, an increase of 23%.
Continue to raise funds for the Oak Cancer Centre and significantly raise the profile of the appeal with our target audiences, including a programme of communications for the Appeal Board and for significant donations	By the end of 2018/19, we had raised £51.6 million for the Oak Cancer Centre appeal. Significant media coverage was secured for the announcement of the transformational £25 million donation from Oak Foundation, including coverage in mainstream TV news. Two further seven figure donations were also generously pledged during the year.
Deliver a programme of both small and large donor events, including a major event at Buckingham Palace	A successful event took place at Buckingham Palace on 14 June in the presence of HRH The Duke of Cambridge, President of The Royal Marsden. The 200 guests included existing and prospective major supporters of the Oak Cancer Centre appeal. A number of other engagement events were also held throughout the year.
Create and establish a grants management function that supports and enables the Charity to improve information provided to supporters about the difference their support makes to cancer patients	The Grants team was established in July 2018, starting with the appointment of a Head of Grants and, recently, a Grants and Funds Manager. The team have developed processes to ensure fundraising teams are equipped with relevant and timely information relating to each Charity funded grant to help build cases for support, as well as to feed back to supporters and Trustees. A new Grants Management strategy is currently in development.
Develop and implement the required infrastructure to improve our forecasting and strategic planning	We have issued the tender for the procurement of a new finance system due to be implemented in 2019/20. A new data-warehouse and analysis tool "Faststats" has been implemented to support fundraising reporting and insight.

Charitable activities and achievements

Aims and objectives	Achievements and performance
We aim to ensure that The Royal Marsden remains at the forefront of translational cancer research so its work extends, improves and saves more lives at The Royal Marsden, across the UK and beyond.	Through a £15 million grant committed in December 2016 to support translational research at The Royal Marsden, and a £3.2 million grant awarded in May 2017 to fund the work of the Oak Paediatric and Adolescent Drug Development Unit, we continue to fund leading research across all tumour types at The Royal Marsden.
We will continue to fund clinical trials and research posts at The Royal Marsden – including work in the Biobank in the NIHR Centre for Molecular Pathology (CMP) and posts in the West Wing Clinical Research Centre – through our £15 million grant.	In December 2016, the Charity approved a £15 million, five-year grant to enable The Royal Marsden to continue to carry out the most innovative research for the benefit of patients. In 2018/19 over 30 new studies opened on the West Wing Clinical Research Centre including a new study to improve treatment for patients diagnosed with glioblastoma multiforme, and the first CAR-T therapy study, an expanding and promising area of research. Through this grant, the Charity also funded the post of Dr Richard Lee, Consultant in Early Diagnosis, who will lead on innovative research and clinical projects focused on early lung cancer diagnosis and screening and advice on strategic matters in early stage diagnosis of all tumour types.
We will enable The Royal Marsden to purchase and develop the latest technology and equipment, giving patients access to leading-edge cancer treatments.	In December 2018, the Charity committed £7.1 million to fund a second CyberKnife machine for The Royal Marsden which will enable more patients to access this latest technology for radiotherapy treatment, together with an additional MRI machine. The new CyberKnife will also be the first machine in the world to include the ImagingRing system, allowing for an increased range of imaging capabilities. This allows for more efficient and effective treatment planning, resulting in more targeted treatment and shorter scanning times for patients.
We will continue to support funding across radiotherapy, imaging and surgery through an equipment grant aimed at improving patients' experience and treatment, as well as supporting research into improving survival for cancer patients everywhere.	In November 2017, we committed £14.3 million to purchase pioneering equipment to improve cancer diagnosis, treatment and survival. In June 2018, The Royal Marsden installed a new CT scanner as part of this grant which has significantly enhanced the patient experience, with quicker scanning meaning less time spent in the machines and images produced more quickly and with greater quality.

Aims and objectives	Achievements and performance
We will continue to deliver our largest-ever appeal to build the Oak Cancer Centre and support the hospital as it prepares for gaining planning consent.	The Oak Cancer Centre Appeal Board met three times during 2018/19 and continued to successfully drive fundraising for the project. The Royal Marsden continued to progress with the pre-planning process, meeting teams and councillors from the London Borough of Sutton. A public consultation event was held in February 2019 for local residents and staff.
We will support the improvement of wards and facilities across The Royal Marsden, helping patients to benefit from the most appropriate environments, as well as spaces that enhance their wellbeing and provide a high-quality patient experience.	The Royal Marsden Cancer Charity has funded an arts therapy programme at The Royal Marsden since 2016. Leading the programme is Arts Officer Ben Hartley, whose post our supporters help us to fund. This year he has run two new visual art exhibitions at The Royal Marsden, and overseen the donation of over 100 new pieces of art to the collection. The Charity also supports the funding of outdoor spaces, such as the Courtyard Garden at the Oak Centre for Children and Young People. This garden will provide respite from the wards and somewhere to relax in a peaceful environment.
We will support the provision of personalised treatment and care at The Royal Marsden to improve the lives of patients before, during and after their treatment.	In July 2018, the Charity committed a grant of £2.7 million to support safety, innovation and patient experience at The Royal Marsden. Investment in a range of safety, education and patient experience initiatives ensures that patients are benefiting from the very best treatment and care, in a safe environment.
We will continue to fund the hospital's programme of complementary therapies which, for many patients, help to relieve symptoms and enhance their physical and emotional wellbeing.	In April 2017, the Charity committed a £4.5 million grant to ensure staff can continue to provide an exceptional quality of care to patients across the hospital. Through this grant, the Charity continued to fund the complementary therapy service for both inpatients and outpatients at The Royal Marsden. This is a much valued, holistic service to help patients cope with their complex symptoms including pain, fear and anxiety and altered body image. Over the course of the year, the team provided therapeutic massage to approximately 750 patients, delivering 2100 individual treatment sessions. They gave out over 400 aromasticks, personal inhalation devices which can help with a range of symptoms including nausea, insomnia and anxiety.

The difference you make

In this section, we highlight the most significant fundraising and charitable activities we undertook in 2018/19 and the difference they've made to the lives of cancer patients at The Royal Marsden and beyond.

Research *Supporting breakthroughs that change lives*

The Royal Marsden's Oak Paediatric and Adolescent Drug Development Unit (OPDDU) is one of the largest and most successful research programmes in the world, developing revolutionary drugs and personalised treatments for children and young people with cancer.

Thanks to our supporters, including a generous grant from Oak Foundation, we have been funding the OPDDU for the last 15 years. Now, thanks to a five year, £3.2 million grant awarded in May 2017, we will continue to support this vital work, funding a number of posts at the unit including a drug development consultant, clinical fellows and research nurses. These posts will help to develop new anti-cancer drugs – improving cancer survival rates in children and reducing the side effects of treatments – transforming the lives of more young cancer patients everywhere.

Equipment *Investing in life-saving technology*

Thanks to a very generous donation of £1 million from the Denise Coates Foundation, The Royal Marsden was able to invest in the NovaSeq 6000 – DNA sequencing technology that makes their pioneering work in molecular diagnostics possible.

Whereas previously, only a handful of genes could be examined at a time, the NovaSeq 6000 can sequence six trillion bases of DNA in a single run, while simultaneously searching for cancer-causing variants in 200 genes from over 200 patients – all in less than a week. This huge increase in capacity offers new ways to diagnose cancer earlier and deliver new treatments specifically tailored to the individual patient.

Treatment and care *Enabling patients to have personalised treatments*

Thanks to a generous donation from the Worshipful Company of Cordwainers, we were able to fund 20 new 'chemo backpacks', giving patients with blood cancers the freedom to receive treatment in the comfort of their own homes.

Chemo backpacks are portable, chemotherapy-dispensing devices which are carried by blood cancer patients in specially designed rucksacks – or their own bag if they prefer. After staying as an inpatient for a month to check they don't experience an adverse reaction, the patient can then complete their treatment at home, rather than remaining in hospital, only having to visit the hospital once a day to change their medication. As well as freeing up beds for cancer patients who are in urgent need of overnight hospital care, the backpacks give patients who would otherwise spend long periods of time in hospital a restored feeling of independence and control over their lives.

Patient environments *Enhancing wellbeing and recovery*

This year, two garden spaces were opened at the Oak Centre for Children and Young People. The Glade Garden was the brain child of Jackie Debonnaire whose daughter, Ella Grace, was treated at The Royal Marsden until she sadly died in October 2012. Funded by supporters of The Royal Marsden Cancer Charity together with generous contributions from garden and building suppliers, the garden provides a peaceful space for children undergoing treatment to enjoy the outdoors.

The Courtyard Garden also provides respite from the wards and somewhere for young people to play in a fun environment. Taking into account the varying needs of children whilst in treatment, the concept for the space was created by renowned British designers, Hemingway Design, and has been split to create a multitude of activity areas.

Plans for future periods

Future direction

Following our most successful ever year in 2018/19, we are confident we can continue to deliver against our overall objectives through 2019/20, the second year of our three year strategy.

In 2019/20 we plan to raise £38.2 million and we have full confidence that this target is achievable through working in partnership with The Royal Marsden and our wonderful supporters.

Fundraising activities

We have a number of fundraising activities planned for the next financial year to help us realise our three-year strategic aims:

- Continue to fundraise for the Oak Cancer Centre, realising pledged income and securing additional in-year income, together with supporting the board to effectively fundraise for the appeal
- Plan a comprehensive fundraising and marketing and communications plan for the Oak Cancer Centre public fundraising appeal
- Launch a Free Will Service for our supporters that secures new pledges from gifts in Wills
- Launch a supporter acquisition campaign delivering vital income from new regular givers and develop a communications programme for these supporters which deepens their engagement with the Charity, and shows how their support makes a difference
- Develop and implement the infrastructure needed for improved data analytics within financial reporting, and improve the efficiency and structure of reports and analysis through investment in new data systems
- Develop a robust Grants Management strategy, complementing all areas of fundraising and supporting the strategic needs of The Royal Marsden

Charitable activities

We have a number of charitable activities planned for next year: some are new, while others are part of established ongoing projects. Here, we highlight our main aims for the next financial year and the ways in which we will support the overarching priorities of The Royal Marsden.

Research

We aim to ensure that The Royal Marsden remains at the forefront of translational cancer research so its work extends, improves and saves more lives at The Royal Marsden, across the UK and beyond.

We will continue to fund clinical trials and research posts at The Royal Marsden including in the area of early diagnosis, ensuring support for innovative research and clinical projects.

Equipment

We will enable The Royal Marsden to purchase and develop the latest equipment, giving patients access to leading-edge cancer treatments.

We will continue to support funding across radiotherapy and imaging through an equipment grant aimed at improving patients' experience and treatment.

Treatment and care

We will support the provision of personalised treatment and care at The Royal Marsden to improve the lives of patients before, during and after their treatment.

We will continue to support the hospital in providing treatment and care for patients at the Oak Centre for Children and Young People to ensure they have the most age-appropriate care, suited to their clinical, emotional and psychological needs.

Patient environments

We will continue to deliver our largest-ever appeal to build the Oak Cancer Centre and support the hospital through the planning application.

We will support the improvement of wards and facilities across The Royal Marsden, helping patients to benefit from the most appropriate environments, as well as spaces that enhance their wellbeing and provide a high-quality patient experience.

Financial review

Financial performance

Income

2018/19 was a record year for income for the Charity with total income of £37.3 million (2017/18: £26.8 million), a 39% increase on prior year. This included donations for the year of £26.3 million (2017/18: £17.0 million) and legacies of £8.3 million (2017/18: £6.8 million). During the year the Charity merged with The Friends of The Royal Marsden, Surrey whose net assets of £0.8m were transferred to the Charity. Grants receivable were lower this year at £0.3 million (2017/18: £1.5 million) and investment income was £0.9 million (2017/18: £1.1 million). The remaining income of £0.5 million (2017/18: £0.4 million) relates to the Charity's trading activities and other miscellaneous income.

Expenditure

Expenditure during the year totalled £31.4 million (2017/18: £22.8 million), which includes £23.0 million of grants committed or paid directly to The Royal Marsden for key projects (2017/18: £15.6 million). This includes a £7.1 million grant made towards equipment (2017/18: £14.3 million). The increased expenditure also reflects a grant towards the Sutton site development work and a number of multi-year grants committed this year (see pages 16-17 for further information).

The Royal Marsden Cancer Charity Trustees ensure that expenditure on raising funds and support costs is carefully monitored and controlled. Expenditure on raising funds in the year was 12.6% of income from donations and legacies (2017/18: 15.0%).

Financial position

Investment gains during the year totalled £2.4 million (2017/18: £5.2 million gain), contributing to a surplus of £8.3 million in the total net movement in funds (2017/18: total surplus of £9.2 million). A £17.3 million contribution in restricted funds in the year was partially offset by unrestricted funds net spend of £9.0 million.

The Royal Marsden Cancer Campaign Trading Company Limited is the Charity's trading subsidiary and had a turnover of £247,000 for the year (2017/18: £196,000), an increase of 26.0%. With cost of sales and other expenditure totalling £81,000 (2017/18: £63,000), the profits from the trading activities were £166,000 (2017/18: £133,000). These will be paid to the Charity under the Gift Aid scheme. Further details can be found in note 15 to the financial statements on page 48.

Overall, the Charity ended the year with reserves of £105.3 million (2017/18: £97.0 million), of which £56.7 million (2017/18: £39.3 million) is restricted and £48.7 million (2017/18: £57.7 million) is unrestricted. Within the unrestricted funds were £29.0 million (2017/18: £42.2 million) of designated funds and £19.6 million (2017/18: £15.5 million) of general funds/free reserves. Further details of all funds including restricted and designated funds, including an analysis of movements in the year can be found in note 22 to the financial statements on page 54.

Reserves policy

The Trustees reviewed the Charity's Free Reserves policy during the year. Trustees believe it is prudent to hold a level of free reserves, for two reasons.

It enables Trustees to take advantage of change and opportunity as it presents itself. It also ensures there are sufficient funds set aside to allow the fundraising operations of the Charity to continue for a period of one year. This will enable the Charity to respond in a considered way to any adverse change in circumstances, giving sufficient time to assess emerging situations and develop and implement plans, without requiring a crisis response.

In the year Trustees considered it appropriate to aim to hold free reserves of £10 million for such purposes. This allows for the uncertainty of both actual receipt and timing of future fundraising income, and meeting the unplanned costs of urgent requirements of The Royal Marsden. Free reserves are to be held in liquid and readily realisable assets, accessible within one month.

Any free reserves held at any time that are above £10 million are considered by Trustees to be available for grants to The Royal Marsden. In this situation, invitations to submit bids for consideration will be made.

Projected contributions to planned future projects, with Trustee approval in principle, will be designated from free reserves until such time as a formal bid is submitted for approval and commitment.

The Charity works closely with The Royal Marsden to identify how its support can best be applied to fulfil its charitable objectives and meet the need to spend funds raised within a reasonable timeframe, while ensuring that the Charity continues to invest for maximum patient impact.

At 31 March 2019 free reserves were £19.6 million, £9.6 million above the target policy level of free reserves. This excess amount is therefore considered immediately available for grants to The Royal Marsden and proposals for grant funding are being prepared for Trustees' consideration.

Since the end of the year, Trustees reviewed the Free Reserves policy again as part of their regular policy review cycle. The basis for the level of free reserves for the year ahead has been changed to a target level of free reserves of £6 million with a minimum of £3 million, equivalent to support six months of direct fundraising expenditure. These reserves are to be held in cash or in funds invested in cash and cash equivalents.



The Endoscopy Team in Chelsea.

Investment policy and strategy

The investment portfolio is designed to support:

- the funding of major capital and revenue projects at the hospital; and
- revenue projects at the hospital from the specific restricted funds in line with their terms of reference

The investment policy sets out the overall investment objectives in the context of the Charity's objectives and is reviewed annually. The investment strategy is set by the Trustees based on the Charity's investment policy.

The Board of Trustees has appointed a sub-committee, the Investment Committee, to make arrangements for the management of investments on its behalf, comprising up to five trustees. The members appoint a Chair who reports to the Board of Trustees after each Committee meeting.

The Investment Committee meets formally twice a year. It is responsible for appointing and monitoring the performance of investment managers, for meeting them formally at least annually and reviewing their performance. The Investment Committee must ensure that conflicts of interest have been identified, adequately recorded, addressed and responded to.

The expectation is set by the Trustees and takes into account income requirements and the risk profile of the Charity into its investment activity. The expectation is that the Charity's investment funds will exist for the foreseeable future but will vary in size depending on:

- The Royal Marsden's strategic objectives
- The Charity's appeal cycle and the timing of fundraising receipts against planned payment schedules for the commitments approved by Trustees

The Charity must not hold direct investments in tobacco shares. If any fund held invests in tobacco shares, the Charity will disinvest from that fund at the earliest opportunity. In addition, careful consideration should be given to the effects of any particular investment on public support for the hospital. There are no other restrictions on the Charity's power to invest.

Listed investments transferred from The Royal Marsden Hospital Charity are held in accordance with a Scheme dated 29 November 2001. The powers of investment under this Scheme are similar to those available under the Trustee Act 2000. The Scheme allows pooling of the Charity's investments.

The portfolio consists of a mix of conservatively positioned assets consistent with a short to medium-term investment horizon and, where a longer-term view can be taken for a proportion of the investments, assets requiring a longer-term horizon.

The overall investment objective is to maximise total return to the extent compatible with an appropriate risk profile, through a diversified portfolio. The portfolio may be invested in a variety of investment funds. A minimum of 50% should be held in sterling. The benchmark for the overall portfolio is agreed by the Investment Committee to reflect the current mandate.

There is a need for planned liquidity, with cash flow projections supplied to the Investment Committee for anticipated drawdowns or additions. The Charity's policy is to hold sufficient cash to meet its expenditure commitments over a rolling 12-month timeframe.

Investment properties

Investment properties are those transferred on 1 September 2011 from The Royal Marsden Hospital Charity to the Charity, together with property gifted to the Charity in February 2015. Investment properties are only those not considered to be of strategic importance to The Royal Marsden. These are properties that are not occupied by either The Royal Marsden NHS Foundation Trust or the Charity which are classified as tangible fixed assets.

In March 2019 contracts for the sale of one of the investment properties in the Charity's portfolio were exchanged and therefore the sale is recognised in the financial statements for the period ended 31 March 2019. The sale completed in April 2019 realising a £0.7m loss. The sale was agreed despite the loss as the investment required to reinstate the property to attract new tenants was not viable. As a consequence Trustees remain satisfied that the overall market value as of the portfolio at 31 March 2019 has not moved materially since the September 2017 valuation.

Investment performance

The majority of the investment portfolio is held in four funds managed by Egerton Capital (UK) LLP, Lansdowne Partners Ltd, Kiltearn Partners LLP and BlackRock Investment Management (UK) Ltd. These are held in combination to support the long-term objectives of the Charity. Cash is also held, outside the investment portfolio, in short-term deposit accounts to support the short – to medium-term needs of the Charity.

The Charity holds a number of freehold investment properties within the investment portfolio. These are subject to a triennial professional revaluation, the most recent of which was completed in September 2017 and resulted in a valuation of £6.2 million. The Trustees do not believe that this value has changed significantly since those valuation dates.

At year-end, the value of the investment portfolio was £92.3 million. The total return (including dividends) of the investment portfolio (including properties) for the year was 4.04%. The total return of the securities portfolio (which is the investment portfolio, excluding properties) was 4.16%.

Further investment information is provided in note 17 on page 49.



Radiographers preparing a patient for a CT scan.

Principal risks and uncertainties

The Trustees reviewed the risk policy during the year and have given consideration to the major risks to which the Charity is exposed.

The Trustees seek to actively manage the Charity's key strategic risks and consider that the Charity has established adequate systems and procedures to manage those risks. The current key strategic risks are considered to be:

A challenging political and economic environment

The Charity's senior leadership team continually assess the impact and possible mitigations of a number of national and international issues, including uncertainty surrounding Brexit, the resultant volatility of the domestic political environment, global economic uncertainties and possible changes within tax legislation to protect future income streams. Strategically the Charity will continue to diversify its income streams to minimise the impact of the current political and economic environment risks on overall income generation, thereby reducing the reliance on a limited range of fundraising activities.

An ever-increasing competitive market for charities

Given the external environment and general economic pressures there continues to be a growing competitive market for charities. The Charity's strategic fundraising plan helps to mitigate these impacts. We ensure our fundraising and marketing demonstrates the compelling difference that supporters of The Royal Marsden Cancer Charity make for cancer patients. We continue to work closely with The Royal Marsden to increase the awareness of the Charity throughout the hospital with patients, their family and friends, staff and volunteers.

Pace of donor acquisition following GDPR

The pace of donor acquisition following the introduction of GDPR in May 2018 may be slower than anticipated, which may impact our ability to achieve target income, donor acquisition and brand awareness. New supporter programmes are being developed to generate growth in the number of supporters. All our future programme and product development will include plans for data capture and management to ensure best practice and protect our supporters' privacy and information.

Risk to the value of investments

The work of the Investment Committee which comprises Trustees with significant, proven and current professional financial investment expertise and experience helps to mitigate this risk. The Investment Committee undertakes to:

- adhere to the investment policy and strategy approved by the Trustees
- employ carefully selected external investment managers
- monitor performance against agreed benchmarks on a regular basis and take appropriate action

These risks, and other identified risks relating to the Charity, are analysed in a formal risk register, which is reviewed regularly by the Charity's senior management team, includes controls and actions to mitigate them and is shared with Trustees on a quarterly basis.

Structure, governance and management

Structure and governance

The Royal Marsden Cancer Charity ('the Charity') is a company limited by guarantee (Company no. 04615761) and a registered charity (Charity no. 1095197) governed by its memorandum and articles of association. The Trustees constitute Directors of the Charity for the purposes of company law.

On 29 February 2008, The Royal Marsden Hospital Cancer Fund merged with the Charity and transferred all of its assets at that date to the Charity. The Royal Marsden Hospital Cancer Fund was removed from the Central Register of Charities on 29 February 2008, and any future donations or legacies for the Cancer Fund are now received into The Royal Marsden Cancer Charity.

On 9 September 2010, The Royal Marsden Cancer Campaign changed its name to The Royal Marsden Cancer Charity to reflect its positioning as a long-term charity supporting the work of The Royal Marsden NHS Foundation Trust (The Royal Marsden).

On 1 September 2011, The Royal Marsden Hospital Charity (RMHC) transferred its assets, liabilities and functions to The Royal Marsden Cancer Charity. A Deed of Covenant was also signed on 1 September 2011, whereby RMHC covenants to transfer all future income to the Charity.

The Board of Trustees of The Royal Marsden Cancer Charity includes:

- the Chairman of The Royal Marsden and Chief Executive of The Royal Marsden as ex-officio Trustees
- up to two Trustees nominated by The Royal Marsden
- no fewer than four but no more than seven Trustees independent of The Royal Marsden and appointed by the Board of Trustees

As at 31 March 2019 the Board of Trustees comprises seven Trustees, five of whom are independent, from a range of sectors and industries, all of whom are Members of the Charity and Directors of the charitable company.

Constant focus is placed on the skills mix of the Trustees to ensure that the Board of Trustees has all the necessary skills required to contribute fully to the Charity's development.

We have an induction programme for new Trustees to ensure that they all have the specific knowledge of the Charity, and general knowledge of their responsibilities as a Charity Trustee, to enable them to carry out their roles. A reference manual is provided that includes material on the Charity Commission's regulations and guidelines and The Royal Marsden Cancer Charity's strategy, business plan, policies and processes. Additionally, individual meetings are arranged with key hospital and Charity personnel.

All decisions must be made by a quorum of Trustees that includes a majority of independent Trustees. During the year ended 31 March 2019, Trustees met as a body four times, and additionally considered specific items via email.

No Trustee received any remuneration from the Charity during the period (2017/18: £nil).

It was with great sadness that we announced the sudden death of Professor Martin Gore, Trustee of The Royal Marsden Cancer Charity, in January 2019. Professor Gore's contributions as a Trustee, The Royal Marsden's Medical Director and as a clinician are unparalleled. He was central to the work of the hospital and an inspiration to fellow clinicians, his patients, their family and friends. And as a Trustee of the Charity for more than seven years, he saw millions of pounds committed to driving forward world-leading research, improving facilities and investing in the latest equipment at The Royal Marsden.

Management

The day-to-day management of the Charity is delegated to the Managing Director. All strategic and other major decisions are considered and taken by the Trustees. The management of the Charity falls into seven areas of responsibility:

Assessment and approval of business plan

The Charity management team prepares a detailed business plan and annual budget for consideration and approval by the Trustees. The plan lays out the operational and financial objectives for the financial year ahead.

Identification and approval of projects for funding

The Charity achieves its objectives by fundraising for key projects in support of the hospital (see 'Objectives' and 'Activities, achievements and performance in 2018/19' sections on pages 4-18).

The Trustees are committed to ensuring that the Charity's fundraising activities are in line with the strategic goals of The Royal Marsden. Therefore, new fundraising projects are initially identified with and approved by the hospital, before being reviewed and considered by the Trustees for approval.

Fundraising and communications

This area covers all fundraising appeals and initiatives, and the way that the Charity presents itself to the outside world.

Finance and administration

This encompasses finance and accounting, legal and administrative requirements of the Charity, the day to day management of which is delegated to the Associate Director of Finance. The Company Secretary responsible for all secretariat matters is the Chief Financial Officer of The Royal Marsden.

Management of funds and activities transferred from The Royal Marsden Hospital Charity

This covers the use of restricted and designated funds including those transferred from The Royal Marsden Hospital Charity. The everyday management of these funds is delegated to nominated fund-holders.

Arrangements for setting the pay and remuneration of the Charity's key senior management personnel

Key management personnel are detailed on page 30 and pay is set in line with market rates for comparable roles in similar organisations in the charity sector. The salary of the Managing Director is set by the Trustees and salaries for other staff are set by the Managing Director working within the approved budget.

Protection and social investment

This covers the management and control of fundraising with regard to supervising fundraising, protecting the Charity's reputation, money and other assets, following fundraising laws and regulation, adhering to recognised standards for fundraising, and being open and accountable. For more information about this area, please refer to 'Our fundraising practices' on pages 10-11.

Relationships with related parties

The Royal Marsden NHS Foundation Trust (The Royal Marsden)

The Royal Marsden provides a number of services to the Charity, which are recharged under a contractual service level agreement. During the year the majority of Charity staff previously employed by The Royal Marsden were transferred under TUPE to the Charity. The total amount payable to The Royal Marsden for its staff under the service level agreement for the year was £1,480,760 (2017/18: £2,652,943), with an additional £50,100 (2017/18: £47,870) in relation to other ancillary services.

In addition, The Royal Marsden pays other expenses on behalf of the Charity and at 31 March 2019, these amounts totalled £855,355 (2017/18: £1,309,543), excluding grants payable, and are reflected in note 20 on page 53.

The Charity makes grants to The Royal Marsden in accordance with its objects. Grant and revenue funding awarded to The Royal Marsden during the year was £22.5 million (2017/18: £15.1 million). Grants payable owed to The Royal Marsden as at 31 March 2019 totalled £43.3 million (31 March 2018: £31.8 million).

The Charity has provided an interest-free loan of £226,000 (2017/18: £226,000) to The Royal Marsden to offer support to staff for season tickets, bicycle purchases and staff award ceremony tickets. The amount and terms of the loan are reviewed and renewed annually.

As at 31 March 2019, two of the Trustees of the Charity – the Chair and the Chief Executive – also serve on the Board of The Royal Marsden. All decisions of the Charity must be made by a quorum of Trustees that includes a majority of Trustees independent of The Royal Marsden (see list of Trustees on page 30).

None of the Trustees or members of The Royal Marsden NHS Foundation Trust Board or parties related to them has undertaken any transactions excluding donations with the Charity or received any benefit from the Charity in payment or kind.

The Royal Marsden Hospital Charity

The Royal Marsden Hospital Charity is a registered charity with similar charitable objectives to The Royal Marsden Cancer Charity. The Trustee of The Royal Marsden Hospital Charity is The Royal Marsden NHS Foundation Trust (as a corporate Trustee).

All the assets and activities of The Royal Marsden Hospital Charity, excluding the endowment funds, were transferred to The Royal Marsden Cancer Charity. This took place between 2011 and 2013 to allow The Royal Marsden Cancer Charity to manage the application of these funds in accordance with the terms of the original endowments.

The Royal Marsden Cancer Charity now manages the assets, liabilities and functions of The Royal Marsden Hospital Charity as detailed in note 17 on page 49. The Royal Marsden Cancer Charity holds listed investments on behalf of The Royal Marsden Hospital Charity in relation to these funds. The amount due to The Royal Marsden Hospital Charity at 31 March 2019 totalled £78,390 (2017/18: £78,390).

Royal Marsden Cancer Campaign Trading Company Limited

Transactions with Royal Marsden Cancer Campaign Trading Company Limited, the subsidiary company, are not disclosed separately as the company is 100% owned by the Charity, and thus any transactions with the company are exempted from disclosure under section 33 of FRS 102.

The Institute of Cancer Research, London (ICR)

Many of the hospital's clinicians work very closely, and have joint appointments, with The Royal Marsden's academic partner, the ICR. Grants made for projects at The Royal Marsden could be used on resources provided by the ICR.

Donations to the Charity from a Trustee or a related party

Donations without conditions attached received during the year from a Trustee or related party totalled £14,723 (2017/18: £1,170).

Restricted donations of £58,775 were received by the Charity from its Trustees in 2018/19 (2017/18: £25,000).

Statement of Trustees' responsibilities

The Trustees (who are also Directors of The Royal Marsden Cancer Charity for the purposes of company law) are responsible for preparing the annual Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charity and the Group, and of the incoming resources and application of resources, including the income and expenditure, of the Group for that period.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice (the Charities' SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable United Kingdom Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Charity and the Group, 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 Charity and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

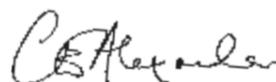
- so far as he/she is aware, there is no relevant audit information of which the Charity's auditor is unaware
- he/she has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006. The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Charity purchased insurance to protect it from any loss arising from the neglect or default of its Trustees, employees and agents, and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the Charity during the year totalled £5,040 (2017/18: £5,040) and provides cover of up to a maximum of £5.0 million (2017/18: £5.0 million).

Approved by the Trustees on 1 October 2019 and signed on their behalf by Charles Alexander:



Charles Alexander
Chairman
The Royal Marsden Cancer Charity

Reference and administrative information

Reference and administrative details, exemptions from disclosure and funds held as custodian Trustee on behalf of others

Charity name	The Royal Marsden Cancer Charity	
Charity registration number	1095197	
Company registration number	04615761	
Registered office and operational address	The Royal Marsden 203 Fulham Road London SW3 6JJ	
Website	www.royalmarsden.org	
Banker	Lloyds Bank plc 25 Gresham Street London EC2V 7HN	Bank of Scotland plc The Mound Edinburgh EH1 1YZ
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL	
Investment managers	Lansdowne Partners Ltd 15 Davies Street London W1K 3AG	Egerton Capital (UK) LLP Stratton House 5 Stratton Street London W1J 8LA
	Kiltearn Partners LLP 3 Exchange Street 3 Semple Street Edinburgh EH3 8BL	Blackrock Investment Management (UK) Ltd 12 Throgmorton Avenue London EC2N 2DL
Solicitors	Slaughter & May One Bunhill Row London EC1Y 8YY	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT
	DAC Beachcroft The Walbrook Building 25 Walbrook London EC4N 8AF	

Trustees

The following individuals were Trustees and served as such throughout the year, except where shown:

Trustee	Capacity
Charles Alexander	Chairman, The Royal Marsden NHS Foundation Trust <i>Ex-officio Trustee</i>
Robin Broadhurst CVO CBE	<i>Elected Trustee – Until 11 February 2019</i>
Sir Douglas Flint CBE	<i>Elected Trustee</i>
Professor Martin Gore CBE	Consultant Medical Oncologist, The Royal Marsden NHS Foundation Trust <i>Appointed Trustee – Until 10 January 2019</i>
Sir Terry Leahy	<i>Elected Trustee – From 9 May 2018</i>
Richard Oldfield OBE	<i>Elected Trustee</i>
Cally Palmer CBE	Chief Executive, The Royal Marsden NHS Foundation Trust <i>Ex-officio Trustee</i>
Lady Helen Taylor	<i>Elected Trustee</i>
Richard Turnor	<i>Elected Trustee</i>

Investment Committee

The following individuals are members of the Investment Committee and served as such throughout the year, except where shown:

- Richard Oldfield OBE, Chairman*
- Mark Aedy, Non-Executive Director, The Royal Marsden NHS Foundation Trust
- Charles Alexander*
- Sir Douglas Flint*
- Cally Palmer CBE*

*Trustees of the Charity

Company Secretary

Marcus Thorman – Chief Financial Officer, The Royal Marsden NHS Foundation Trust

Senior management

The following key senior management personnel served the Charity during the financial year and up to the time this report was approved:

Senior manager	Capacity
Antonia Dalmahoy	Managing Director
Linda Cherrington	Associate Director, Finance and Operations (Until 31 January 2019)
Peter Robson	Associate Director, Finance (Appointed 1 April 2019)
Antonia Newman	Associate Director, Philanthropy

Exemptions from disclosure

No details concerning the names of Trustees, the Charity's principal address, name of any chief executive officer or other senior staff members have been withheld from this report.

Funds held as custodian Trustee on behalf of others

Neither the Charity nor its Trustees are acting as custodian Trustees.



Independent auditor's report to the members of The Royal Marsden Cancer Charity

Opinion

We have audited the financial statements of The Royal Marsden Cancer Charity (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 March 2019 which comprise the group statement of financial activities, the group and charitable parent company balance sheets and consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 March 2019 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report which is also the directors' report for the purposes of company law (and includes the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report which is also the directors' report for the purposes of company law (and includes the strategic report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the charitable parent company; or
- the charitable parent 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.

Responsibilities of trustees

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

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

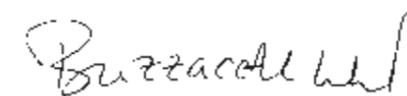
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Shachi Blakemore
Senior Statutory Auditor
For and on behalf of Buzzacott LLP,
Statutory Auditor
130 Wood Street
London
EC2V 6DL

1 October 2019

Consolidated statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 March 2019

	Note	2019			2018		
		Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
		£'000	£'000	£'000	£'000	£'000	£'000
Income from:							
Donations and legacies	2	12,546	23,334	35,880	10,436	14,847	25,283
Trading activities	3	247	–	247	191	–	191
Investments	4	864	1	865	885	248	1,133
Other		97	172	269	5	205	210
Total income		13,754	23,507	37,261	11,517	15,300	26,817
Expenditure on:							
Raising funds	5	4,507	–	4,507	3,798	2	3,800
Investment management costs	5	197	–	197	164	28	192
Trading activities	5	81	–	81	45	–	45
Charitable activities							
Charitable support of the hospital	6	22,701	329	23,030	14,822	792	15,614
Research	7	91	2,921	3,012	76	2,600	2,676
Patient Amenities	8	9	382	391	9	315	324
Staff Amenities	9	4	191	195	3	100	103
		22,805	3,823	26,628	14,910	3,807	18,717
Total expenditure		27,590	3,823	31,413	18,917	3,837	22,754
Net gains/(losses) on investments	17	2,436	8	2,444	5,690	(524)	5,166
Net (expenditure)/income	14	(11,400)	19,692	8,292	(1,710)	10,939	9,229
Transfers between funds	22	2,361	(2,361)	–	6,592	(6,592)	–
Net movement in funds		(9,039)	17,331	8,292	4,882	4,347	9,229
Reconciliation of funds							
Total funds brought forward at 1 April	22	57,701	39,340	97,041	52,819	34,993	87,812
Total funds carried forward at 31 March	22	48,662	56,671	105,333	57,701	39,340	97,041

All movements on reserves and recognised gains and losses are shown above, and all activities are continuing.

Balance sheets

As at 31 March 2019

	Note	The Group		The Charity	
		2019	2018	2019	2018
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	16	11,956	11,579	11,956	11,579
Investments	17	92,346	92,800	92,346	92,800
		104,302	104,379	104,302	104,379
Current assets					
Stocks	18	41	39	–	–
Debtors	19	9,692	2,891	9,993	3,058
Cash at bank and in hand		35,613	22,053	35,334	21,942
Total Current Assets		45,346	24,983	45,327	25,000
Liabilities					
Creditors: amounts falling due within 1 year	20	(34,818)	(16,252)	(34,799)	(16,269)
Net current assets		10,528	8,731	10,528	8,731
Total assets less current liabilities		114,830	113,110	114,830	113,110
Creditors: amounts falling due after 1 year	21	(9,497)	(16,069)	(9,497)	(16,069)
Total net assets		105,333	97,041	105,333	97,041
The funds of the Charity 22					
Restricted funds		56,755	39,440	56,755	39,440
Restricted funds in deficit		(84)	(100)	(84)	(100)
Unrestricted income funds					
General funds/free reserves		19,620	15,468	19,620	15,468
Designated funds:					
Tangible fixed assets fund		11,803	11,579	11,803	11,579
Investment properties fund		2,900	6,154	2,900	6,154
Grants fund		–	3,000	–	3,000
Other designated funds		14,339	21,500	14,339	21,500
Total Charity funds	22	105,333	97,041	105,333	97,041

The financial statements on pages 32-59 were approved and authorised for issue by the Board of Trustees on 1 October 2019, and were signed on its behalf by:



Charles Alexander
Chairman
Company no. 04615761
Charity no. 1095197

As permitted by section 408 of the Companies Act 2006, no separate Statement of Financial Activities or Income and Expenditure account has been presented for the Charity alone.

Consolidated cash flow statement

For the year ended 31 March 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash provided by operating activities	A	12,854	9,555
Cash flows from investing activities			
Dividends, interest and rent from investments		865	1,133
Proceeds from sale of investments		–	19,655
Payments to acquire tangible fixed assets		(534)	(237)
Purchase of investments		–	(16,339)
Net cash provided by investing activities		331	4,212
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at 1 April	B	22,428	8,661
Cash and cash equivalents at 31 March	B	35,613	22,428
A . Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period (as per the Statement of Financial Activities)		8,292	9,229
Adjustments for:			
Depreciation charges		157	122
Gains on investments and revaluation of fixed assets		79	(5,166)
Dividends, interest and rents from investments		(865)	(1,133)
(Increase)/Decrease in stocks		(2)	(3)
(Increase)/Decrease in debtors		(6,801)	671
Increase in creditors		11,994	5,835
Net cash provided by operating activities		12,854	9,555
B. Analysis of cash and cash equivalents			
Cash in hand		35,613	22,053
Cash held by investment managers		–	375
Total cash and cash equivalents at 31 March		35,613	22,428

Notes to the financial statements for the year ended 31 March 2019

1. Principal accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Practice.

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's financial statements.

In future years, the key risks to the Charity are a fall in income from donations, legacies or investments and a fall in the value of its investments, but the Trustees have arrangements in place to mitigate those risks (see the 'Reserves policy' and 'Principal risks and uncertainties' sections on pages 21 and 24 of the annual report for more information).

These financial statements consolidate the results of the Charity and its wholly owned subsidiary, Royal Marsden Cancer Campaign Trading Company Limited, on a line-by-line basis. Transactions and balances between the Charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the Charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by section 480 of the Companies Act 2006 and paragraph 15.11 of SORP (FRS 102) 2015.

The Charity is a public benefit entity. The financial statements are presented in sterling and rounded to the nearest thousand pounds.

b) Income

Income is recognised once the Charity is entitled to receipt, it is probable (more likely than not) that the resources will be received and the amount can be measured with reasonable reliability.

Legacies

Legacies are accounted for as income either upon receipt or where the receipt of the legacy is probable. Receipt is probable when:

- confirmation has been received from the representatives of the estate(s) that probate has been granted
- the executors have established that there are sufficient assets in the estate to pay the legacy
- all conditions attached to the legacy have been fulfilled or are within the Charity's control

Legacies subject to a life interest held by another party are not recognised until all other interests cease.

Donated goods, services and facilities

Donated goods for resale are recognised when they sold.

Donated goods given for use by the Charity are included in the SOFA as income when receivable.

Donated services and facilities (Gifts in Kind) are valued and included as income and expenditure in the SOFA at the value that the Charity estimates it would pay in the open market for an equivalent supply of service or facility.

Donated services from our volunteers are not included within the financial statements.

Investment income

Investment income generated from the charity's portfolio is treated entirely as unrestricted income, when generated on the portion of the portfolio held in endowment funds in which case it is shown as restricted income.

c) Expenditure and irrecoverable VAT

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT that cannot be recovered. Expenditure is allocated to the particular activity where the cost relates directly to that activity, and comprises the following:

The costs of raising funds

These are those costs attributable to generating income for the Charity, other than costs incurred in undertaking charitable activities or trading activities in furtherance of the Charity's objectives.

The costs of raising funds represent fundraising costs, direct costs and overheads associated with raising donated income (including recharged back office costs from The Royal Marsden NHS Foundation Trust), together with fees paid to investment managers in connection with the management of the Charity's listed investments and the fees paid to property managers in connection with the management of the Charity's investment properties. Only investment manager's fees charged separately to the charity are shown within expenditure on raising funds. These costs include an apportionment of support costs as shown in note 10 on page 44.

Charitable activities costs are categorised under the headings of the Charity's objects. Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objectives of the Charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs.

The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 10 on page 44.

Grants payable

These are payments made to The Royal Marsden NHS Foundation Trust in furtherance of the charitable objectives of the Charity. They are included in the statement of financial activities when approved and when The Royal Marsden NHS Foundation Trust has been informed of the decision to make the grant and has satisfied all related conditions.

Grants approved but not paid at the end of the financial year are accrued for as capital or revenue grant commitments. Grants where the beneficiary has not been informed or the final award is still within the control of the Charity are not accrued for, but are noted as financial commitments in the notes to the financial statements.

Support costs

These costs, which include governance costs, are those that do not relate directly to a single activity. These comprise costs incurred that are directly attributable to the administration of the Charity, management of the Charity's assets, organisational procedures and the necessary legal procedures for compliance with statutory and constitutional requirements, including some staff costs, external audit costs and HR and IT support.

The majority of costs are directly attributable to specific activities. Certain shared costs are apportioned between fundraising costs and charitable activities on an appropriate basis.

Office costs and recharged costs are allocated based on the direct costs incurred by each activity. The analysis of support costs and the bases of apportionment applied are shown in note 10 on page 44.

d) Tangible fixed assets and intangible fixed assets

Tangible fixed assets are stated at their transaction value. Depreciation is provided so as to write off the cost of fixed assets on a straight-line basis over their expected useful lives, as follows:

Tangible asset	Duration
Freehold land and buildings	50 years (buildings only)
Improvements to freehold and long leasehold properties	25 years

Certain properties previously held as investments have been reclassified under the new SORP with effect from 1 April 2014 and were recognised at their carrying or market value at that date. Under the transitional provisions of FRS 102, this value has been treated as deemed cost from 1 April 2014. Freehold land is not depreciated because its residual value is likely to be at least equal to its initial transaction value.

Property and buildings depreciation is recognised in the statement of financial activities and charged against charitable activities where the building is occupied by The Royal Marsden for its essential purposes and against support costs where the building is occupied as offices by the Charity.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Website – intangible assets (other fixed assets) – three years

e) Fixed asset investments

Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date.

Investment properties are revalued to market value every three years unless there is a possibility of a material movement in the valuation. The last valuation took place in September 2017. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise. The Charity's investment in the subsidiary company is valued at cost.

The main form of financial risk faced by the Charity is that of volatility in equity markets and other investment markets due to wider economic conditions, and changes in sentiment concerning equities and within particular sectors or subsectors. Further information on the Charity's investments can be found in note 17.

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

f) Stocks

Stocks of publications and consumables for resale are valued at the lower of cost and net realisable value.

g) Debtors

Debtors are amounts owed to the Charity. They are measured on the basis of the amount recoverable. These include concessionary loans to The Royal Marsden NHS Foundation Trust – these are measured at the amount originally loaned, which is the amount repayable.

h) Cash and cash equivalents

Cash at bank and in hand is held to meet the day-to-day running costs of the Charity and grant payments as they fall due.

i) Creditors

Creditors are amounts owed by the Charity. They are measured at the amount that the Charity expects to have to pay to settle the debt. Amounts that are payable in more than a year are shown as long-term creditors.

j) Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening carrying value (or purchase date if later).

k) Restricted funds

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

l) Designated funds

Designated funds represent funds that have been set aside out of unrestricted funds by the Trustees for specific purposes.

m) General funds

General funds represent those monies that are freely available for application towards achieving any charitable purpose that falls within the Charity's charitable objects.

2. Donations and legacies

	2019			2018		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Donations	5,555	20,757	26,312	6,265	10,714	16,979
The Friends of The Royal Marsden Surrey*	821	–	821	–	–	–
Legacies	6,071	2,248	8,319	4,139	2,658	6,797
Grants receivable	–	329	329	–	1,475	1,475
Donated goods and services	99	–	99	32	–	32
	12,546	23,334	35,880	10,436	14,847	25,283

*On the 17th December 2018 the Charity merged with The Friends of The Royal Marsden Surrey, whose net assets of £821,000 were transferred to the Charity.

3. Trading activities

	2019			2018		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Activities of the trading company	247	–	247	191	–	191

4. Investments

	2019			2018		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Income from listed investments	544	1	545	674	248	922
Rental income from investment properties	121	–	121	164	–	164
Interest receivable	199	–	199	47	–	47
	864	1	865	885	248	1,133

5. Raising funds and investment management costs

	Note	2019			2018		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Raising funds							
Fundraising costs		1,139	–	1,139	1,067	2	1,069
Outsourced fundraising costs		73	–	73	168	–	168
Marketing and consultancy		635	–	635	376	–	376
Donated goods and services		99	–	99	32	–	32
Support costs	10	2,561	–	2,561	2,155	–	2,155
		4,507	–	4,507	3,798	2	3,800
Trading activities							
		81	–	81	45	–	45
		4,588	–	4,588	3,843	2	3,845
Investment management costs							
Investment managers' fees		21	–	21	66	28	94
Investment properties' management costs		172	–	172	93	–	93
Support costs	10	4	–	4	5	–	5
		197	–	197	164	28	192

The Trustees have contracted the provision of various services, including staff for fundraising, management and day-to-day administration for the Charity, to The Royal Marsden NHS Foundation Trust. The Royal Marsden charges for those services, as shown above and elsewhere where indicated (see note 10 on page 44).

6. Charitable support of the hospital

Capital projects	Note	2019			2018		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Equipment grants:							
Linac Infrastructure		-	-	-	2,405	-	2,405
Genetic sequencing (Novaseq)		-	-	-	1,050	-	1,050
Equipment fund		-	-	-	2,500	-	2,500
MRI		-	-	-	5,595	-	5,595
CT		-	-	-	773	-	773
Robotic surgery		-	-	-	2,000	-	2,000
Cyberknife and MRI		7,090	-	7,090	-	-	-
		7,090	-	7,090	14,323	-	14,323
Other grants							
Paediatric Drug Development		-	-	-	-	457	457
LIBOR grant		-	329	329	-	335	335
Innovation and Education		2,640	-	2,640	-	-	-
Workforce Excellence		4,409	-	4,409	-	-	-
Oak Cancer Centre		7,982	-	7,982	-	-	-
		15,031	329	15,360	-	792	792
Depreciation of properties used in furtherance of charitable activity		59	-	59	59	-	59
Support costs	10	521	-	521	440	-	440
		22,701	329	23,030	14,822	792	15,614

The Charity makes grants to The Royal Marsden NHS Foundation Trust in accordance with its objectives and aims as set out in the Trustees' report.

7. Research

	Note	2019			2018		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Revenue funding to the hospital		-	658	658	-	605	605
Other expenditure:							
Recharged staff costs		21	1,901	1,922	-	1,445	1,445
Laboratory and consumables costs		-	22	22	-	159	159
Research support and facilities		-	340	340	1	391	392
Support costs	10	70	-	70	75	-	75
		91	2,921	3,012	76	2,600	2,676

8. Patient amenities

	Note	2019			2018		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Patient support and facilities		-	382	382	-	315	315
Support costs	10	9	-	9	9	-	9
		9	382	391	9	315	324

9. Staff amenities

	Note	2019			2018		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Staff support and facilities		-	191	191	-	100	100
Support costs	10	4	-	4	3	-	3
		4	191	195	3	100	103

10. Support costs

Support costs comprise amounts recharged by The Royal Marsden NHS Foundation Trust to the Charity and other direct costs. Support and overhead costs are allocated between fundraising activities and charitable activities. Governance costs are those support costs that relate to the strategic and day-to-day management of the Charity.

	Raising funds	Investment management costs	Charitable support of the hospital	Research	Patient amenities	Staff amenities	2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Note	5	5	6	7	8	9	
Finance & administration	1,603	3	326	43	6	3	1,984
Management support	139	–	28	4	0	0	171
IT support	113	–	23	4	0	0	140
HR support	229	–	47	6	1	0	283
Marketing and PR support	477	1	97	13	2	1	591
	2,561	4	521	70	9	4	3,169

	Raising funds	Investment management costs	Charitable support of the hospital	Research	Patient amenities	Staff amenities	2018 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Note	5	5	6	7	8	9	
Finance & administration	1,240	3	253	43	5	2	1,546
Management support	310	1	64	11	1	–	387
IT support	70	–	14	2	–	–	86
HR support	151	–	31	5	1	–	188
Marketing and PR support	384	1	78	14	2	1	480
	2,155	5	440	75	9	3	2,687

Allocations are made on the basis of direct costs incurred by each activity.

11. Staff costs and Trustees' remuneration

11a. Staff costs

In prior years the Charity did not employ any staff directly. All staff working for the Charity were employed by The Royal Marsden NHS Foundation Trust and supplied to the Charity under a service-level agreement. On 1 September 2018 Charity staff previously employed by The Royal Marsden NHS Foundation Trust, were transferred under TUPE to the Charity. All new employees working for the Charity from 1 April 2018 were employed directly by the Charity.

A proportion of corporate services staff are employed under joint contracts with The Royal Marsden NHS Foundation Trust and the Charity. Their costs together with additional support services provided by The Royal Marsden NHS Foundation Trust to the Charity are recharged to the Charity under a service level agreement.

Staff costs during the year were as follows:

	2019	2018
	£'000	£'000
The Group and the Charity		
Wages and salaries	2,288	1,920
Social security costs	241	211
Other pension costs	229	266
	2,758	2,397
Agency costs	184	100
	2,942	2,497

The average number of employees (full-time equivalent) of the Group and the Charity analysed by function during the year was:

	Headcount		Full time equivalent	
	2019	2018	2019	2018
Fundraising	62	63	55	51
Charitable activities	1	2	1	1
Support	5	7	3	4
	68	72	59	56

The additional staff resource to support the Charity recharged under the service level agreement is equivalent to 3.2 FTE.

The total number of employees whose emoluments for the year (not including pension contributions) exceeded £60,000 was as follows:

	2019	2018
	£'000	£'000
The Group and the charity		
£60,001 – £70,000	5	2
£70,001 – £80,000	–	–
£80,001 – £90,000	1	1
£90,001 – £100,000	–	–
£100,001 – £110,000	–	–
£110,001 – £120,000	–	1
£120,001 – £130,000	1	–
	7	4

The above employees accrued benefits under the defined contributions pension schemes and payments to defined contributions schemes totalled £70,264 (2017/18: £44,000).

The total amount of employee benefits, being gross salary and employer's pension contribution, received by the key management personnel listed on page 30 was £353,730 (2017/18: £362,000).

The salary of the Managing Director, being the highest paid employee, is set by the Trustees. Salaries of other staff working for the Charity are set by the Managing Director within the budget approved by Trustees.

The Charity makes payments to agency staff where additional temporary staff are required. For the year ended 31 March 2019, the total payments made by the Charity in respect of agency staff totalled £183,935 (2017/18: £99,600).

The salaries of staff undertaking research funded by the Charity are recharged by the hospital or other employing institution.

11b. Pension costs

Provision of a pension for employees of the Charity is through two schemes. Charity employees previously employed by The Royal Marsden NHS Foundation Trust at 31 March 2018 and transferred to the Charity under TUPE arrangements on 1 September 2018 were entitled to join the NHS Pensions Scheme. For all new employees who started employment with the Charity after 31 March 2018 a workplace pension scheme has been set up.

NHS Pensions Scheme

Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019 is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers. The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process. Pension payments to NHS Pensions Scheme recognised in the operating surplus during the year amount to £219,973 (2017/18: £266,000).

Workplace pension

The Charity has put in place a workplace pension scheme for all new employees from 1 April 2018. Pension payments to the Workplace Pension Scheme recognised in the operating surplus during the year amount to £9,335 (2017/18 £nil).

11c. Trustee expenses

The Charity Trustees neither received nor waived any emoluments during the year (2017/18: £nil). Trustees also were not reimbursed for any out-of-pocket expenses (2017/18: £nil). Trustee indemnity insurance is held at a cost of £5,040 (2017/18: £5,040).

12. Related party transactions

Disclosure of related party transactions is provided in the section of the Trustees' Report 'Relationships with related parties' on page 27. Other than the transactions disclosed in that section, there were no related party transactions during the year.

13. Taxation

The Royal Marsden Cancer Charity is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

14. Net income

This is stated after charging:	Unrestricted	Restricted	2019 Total	Unrestricted	Restricted	2018 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Auditor's remuneration						
Statutory audit services	19	–	19	19	–	19
Non audit services	3	–	3	4	–	4

15. Results of the subsidiary company

The Charity owns a wholly owned subsidiary company, Royal Marsden Cancer Campaign Trading Company Limited, which is registered in England and Wales under company number 04722285. This subsidiary is used for non-primary purpose trading activities, and all activities have been consolidated on a line-by-line basis in the statement of financial activities. The available profits from the subsidiary are Gift Aided to the Charity.

Audited financial statements are filed with Companies House. Below is a summary of the trading results for the year ended 31 March 2019:

	2019	2018
	£'000	£'000
Profit and loss account		
Turnover	247	196
Cost of sales	(71)	(49)
Gross profit	176	147
Administrative expenses	(10)	(13)
Operating profit	166	134
Interest payable	–	(1)
Profit before taxation	166	133
Taxation	–	–
Profit for financial year	166	133
Retained earnings		
Retained earnings at 1 April	–	–
Profit for the year	166	133
Gift Aid payable to parent undertaking	(166)	(133)
Retained earnings at 31 March	–	–
The Company's assets and liabilities were as follows:		
Assets	364	174
Liabilities	(364)	(174)
Net assets	–	–

The entire issued share capital of Royal Marsden Cancer Campaign Trading Company Limited, totalling £2, is held by the Charity (see note 17 on page 49).

16. Tangible and intangible fixed assets

	The Group			The Charity		
	Other assets	Land and buildings	Other assets	Land and buildings	Other assets	Land and buildings
	2019 Total	2019 Total	2019 Total	2019 Total	2019 Total	2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
Cost as at 1 April	237	11,645	11,882	237	11,645	11,882
Additions	7	527	534	7	527	534
At 31 March	244	12,172	12,416	244	12,172	12,416
Accumulated depreciation						
Depreciation as at 1 April	(50)	(253)	(303)	(50)	(253)	(303)
Depreciation for the current year	(82)	(75)	(157)	(82)	(75)	(157)
At 31 March	(132)	(328)	(460)	(132)	(328)	(460)
Net book value						
At 31 March 2018	187	11,392	11,579	187	11,392	11,579
At 31 March 2019	112	11,844	11,956	112	11,844	11,956

Tangible fixed assets include properties owned by the Charity that have been and will, for the foreseeable future, be required for use by the hospital at the Chelsea site for essential purposes and/or by the Charity for its own purposes. Other assets with the net book value of £112,000 comprise website costs and reflect the total value of intangible assets held by the Group and Charity.

17. Investments

	The Group		The Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Freehold investment properties	2,900	6,154	2,900	6,154
Listed investments and cash held for investments	89,446	86,646	89,446	86,646
	92,346	92,800	92,346	92,800

Movements in investments during the year were as follows, on a Group basis:

	Listed Investments £'000	Investment properties £'000	2019 Total £'000	Listed Investments £'000	Investment properties £'000	2018 Total £'000
Market value at the beginning of the year	86,271	6,154	92,425	84,704	5,871	90,575
Add: purchases at cost during the year	-	-	-	16,339	-	16,339
Less: disposal proceeds	-	(2,299)	(2,299)	(19,655)	-	(19,655)
Less: transfers	-	(224)	(224)	-	-	-
Realised (losses)*	-	(731)	(731)	(370)	-	(370)
Unrealised gains*	3,175	-	3,175	5,253	283	5,536
Market value at the end of the year	89,446	2,900	92,346	86,271	6,154	92,425
Cash held with investment managers	-	-	-	375	-	375
Total	89,446	2,900	92,346	86,646	6,154	92,800
Historic cost (excluding cash held with investment managers)	69,659	849	70,508	69,659	851	70,510

*£78,390 (2017/18: £78,390) of listed investments relate to the endowment funds of The Royal Marsden Hospital Charity. This balance due to The Royal Marsden Hospital Charity is included within creditors: amounts falling due within one year. Included within total realised gains and unrealised gains are gains of £7,719 (2017/18: £1,171) and losses of £nil (2017/18: £3,493) relating to investments held on behalf of the endowment funds of The Royal Marsden Hospital Charity.

These gains and losses are restricted funds held for distribution in accordance with the original endowment's terms. The freehold investment properties are subject to a programme of periodic revaluation and were last professionally revalued by Gerald Eve chartered surveyors in September 2017 on the basis of open-market value as at that date (see page 22). The Trustees are satisfied that the market value as at 31 March 2019 has not moved materially since the September 2017 valuation.

	2019 Total £'000	2018 Total £'000
Unrealised gains included above:		
On listed investments	19,787	16,612
On investment properties	2,173	5,303
Total unrealised gains at 31 March	21,960	21,915
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 April	21,915	17,236
Less: in respect to (disposals) in the year	(2,399)	(487)
	19,516	16,749
Add: net investment gains in the year	2,444	5,166
Total unrealised gains at 31 March	21,960	21,915

Fixed asset investments are valued at market rate at the balance sheet date. The significance of such investments to the ongoing financial sustainability of the Charity is considered in the 'Principal risks and uncertainties' section on page 24 of the Trustees' report.

The main risk lies in the volatility of investment markets. Liquidity risk is low. Listed investments are traded on recognised stock exchanges. The Charity's investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by retaining expert investment managers whose performance is closely monitored by an experienced Investment Committee, in accordance with an investment policy that provides for a wide diversification of holdings within investment asset classes. The Charity does not make direct use of derivatives and similar complex financial instruments.

Listed investments held at 31 March 2019 comprised the following:

	2019 £'000	2018 £'000
Funds	89,446	86,270
	89,446	86,270
Investments assets in the UK	89,446	86,270
Investments assets outside the UK	-	-
	89,446	86,270

While holdings are in UK funds, the investments made by these funds are diversified geographically. Investment holdings with a market value in excess of 5% of the market value of the entire listed portfolios are:

	2019 £'000	2018 £'000
Egerton Capital Equity Fund plc Class A Stg	43,485	38,470
Lansdowne Developed Markets Long Only Fund Limited Class A GBP	19,020	20,506
Kiltearn Partners LLP	16,871	17,288
Blackrock Investment Management (UK) Ltd	10,070	10,007

In addition to the above listed investments, the Charity holds the entire issued share capital of its subsidiary company, Royal Marsden Cancer Campaign Trading Company Limited, totalling £2 (see note 15 on page 48).

18. Stocks

	The Group		The Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Merchandise	40	38	-	-
Christmas cards	1	1	-	-
	41	39	-	-

19. Debtors

	The Group		The Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Prepayments and accrued income	9,311	2,603	9,267	2,603
Amounts owed by subsidiary company:				
Secured loan	-	-	50	50
Gift Aid	-	-	166	133
Other	-	-	129	9
Loan to The Royal Marsden NHS Foundation Trust	226	226	226	226
Other debtors	155	62	155	37
	9,692	2,891	9,993	3,058

All amounts included as debtors fall due within one year.

The loan to the subsidiary company, Royal Marsden Cancer Campaign Trading Company Limited, is secured by way of a floating charge over the assets of the company. A commercial rate of interest is charged on the loan (1% above Base Rate).

The loan to The Royal Marsden NHS Foundation Trust is interest-free to provide finance loans to hospital staff in relation to season tickets, bicycle purchase and staff awards ceremony tickets. The Royal Marsden NHS Foundation Trust is responsible for the administration, any defaults, tax liabilities and other costs relating to them. The terms and amount of this loan is reviewed annually prior to renewal.

20. Creditors: amounts falling due within one year

	Note	The Group		The Charity	
		2019	2018	2019	2018
		£'000	£'000	£'000	£'000
The Royal Marsden NHS Foundation Trust	12	972	1,310	972	1,310
The Royal Marsden Hospital Charity	12	78	78	78	78
Capital commitments – grants payable	25	13,719	8,676	13,719	8,676
Revenue commitments – grants payable	25	19,090	5,710	19,090	5,710
Amounts owed to subsidiary company		-	-	-	32
Accruals and deferred income		959	478	940	463
		34,818	16,252	34,799	16,269

21. Creditors: amounts falling due after one year

	Note	2019	2018
		£'000	£'000
The Group and the Charity			
Capital commitments – grants payable	25	3,067	5,569
Revenue commitments – grants payable	25	6,430	10,500
		9,497	16,069

22. Movement in funds

The Group and the Charity	2018		2019			
	At 1 April	Income	Expenditure	Realised/ unrealised gains & losses	Fund transfers	At 31 March
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted Funds						
The Royal Marsden Hospital General Research Charity	23,737	4,718	(2,561)	-	(1,247)	24,647
The Royal Marsden Hospital Patient Amenity Charity	2,801	1,007	(543)	-	4	3,269
The Royal Marsden Hospital Staff Amenity Charity	524	103	(248)	-	35	414
Gottesmann Will & Ronald Raven funds	257	1	-	8	-	266
Children's Drug Development Unit	-	114	-	-	(114)	-
Ellis Ward	(100)	16	-	-	-	(84)
Robotic surgical fellowships	393	191	(142)	-	(41)	401
OAK Cancer Centre	11,728	15,647	-	-	163	27,538
LIBOR Fund	-	329	(329)	-	-	-
Equipment Fund	-	1,172	-	-	(1,161)	11
Location specific – Sutton	-	209	-	-	-	209
Total restricted funds	39,340	23,507	(3,823)	8	(2,361)	56,671
Unrestricted funds						
Designated funds						
Tangible fixed assets fund	11,579	-	-	-	224	11,803
Investment properties fund	6,154	-	-	(731)	(2,523)	2,900
Grants fund	3,000	-	(2,640)	-	(360)	-
Sutton Hospital	-	-	-	-	821	821
OAK Cancer Centre	21,500	-	(7,982)	-	-	13,518
Total designated funds	42,233	-	(10,622)	(731)	(1,838)	29,042
General funds/free reserves	15,468	13,754	(16,968)	3,167	4,199	19,620
Total unrestricted funds	57,701	13,754	(27,590)	2,436	2,361	48,662
Total funds	97,041	37,261	(31,413)	2,444	-	105,333

22. Movement in funds (continued)

The Group and the Charity	2017		2018			
	At 1 April	Income	Expenditure	Realised/ unrealised gains & losses	Fund transfers	At 31 March
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted Funds						
The Royal Marsden Hospital General Research Charity	25,426	6,762	(2,937)	(458)	(5,056)	23,737
The Royal Marsden Hospital Patient Amenity Charity	2,628	1,028	(280)	(47)	(528)	2,801
The Royal Marsden Hospital Staff Amenity Charity	758	127	(186)	(14)	(161)	524
Gottesmann Will & Ronald Raven funds	260	2	-	(5)	-	257
Children's Drug Development Unit	-	35	-	-	(35)	-
Ellis Ward	(100)	-	-	-	-	(100)
Robotic surgical fellowships	407	55	(99)	-	30	393
OAK Cancer Centre	5,614	6,114	-	-	-	11,728
LIBOR Fund	-	929	(335)	-	(594)	-
Equipment Fund	-	248	-	-	(248)	-
Location specific – Sutton	-	-	-	-	-	-
Total restricted funds	34,993	15,300	(3,837)	(524)	(6,592)	39,340
Unrestricted funds						
Designated funds						
Tangible fixed assets fund	11,464	-	(72)	-	187	11,579
Investment properties fund	5,871	-	-	283	-	6,154
Grants fund	9,255	451	(8,755)	(951)	3,000	3,000
Sutton Hospital	-	-	-	-	-	-
OAK Cancer Centre	11,500	-	-	-	10,000	21,500
Total designated funds	38,090	451	(8,827)	(668)	13,187	42,233
General funds/free reserves	14,729	11,066	(10,090)	6,358	(6,595)	15,468
Total unrestricted funds	52,819	11,517	(18,917)	5,690	6,592	57,701
Total funds	87,812	26,817	(22,754)	5,166	-	97,041

Purposes of restricted funds

The income funds of the Charity include restricted funds comprising balances of donations and grants held on trusts to be applied for specific purposes. The specific purposes for which the funds are to be applied are as follows:

The Royal Marsden Hospital General Research Charity, The Royal Marsden Hospital Patient Amenity Charity and The Royal Marsden Hospital Staff Amenity Charity

These funds were transferred to The Royal Marsden Cancer Charity from The Royal Marsden Hospital Charity on 1 September 2011 and continue to be applied in accordance with the charitable objectives of each of the special purpose funds.

Gottesmann Will and Ronald Raven funds

These funds represent the net investment returns relating to two permanent endowments held by The Royal Marsden Hospital Charity. This income is now held by the Charity to be applied in accordance with the terms of the original endowments.

Children's Drug Development Unit

The Royal Marsden's Oak Paediatric and Adolescent Drug Development Unit is one of the largest and most successful translational research programmes in the world, delivering more new treatment options for a greater number of young patients – all within a high-quality, caring and holistic service. This fund provides the vital infrastructure needed to run such a programme.

Ellis Ward

This fund represents donations made specifically for the Ellis Ward refurbishment. The deficit arose as a result of the Trustees agreeing the full grant commitment during 2011/12 of £2.65 million. A major donor has pledged, under a memorandum of understanding, to donate the balance of the commitment, shown as a deficit of £84,000 (2017/18 £100,000) under the restricted fund.

da Vinci Xi Robotic Surgery Fellowships

This fund represents donations made specifically for the Robotic Surgery Fellowships. The fund balance represents the fundraising appeal, and other donations for this project will be used to fund the costs of the fellowships as they fall due.

Oak Cancer Centre

This fund represents donations made specifically for the Oak Cancer Centre in Sutton (previously known as the Clinical Care and Research Centre). A fundraising appeal to raise £50 million to enable The Royal Marsden to open the building in 2022 was launched in November 2015; the fundraising target has subsequently been increased to £70 million. The fund balance of £27.5 million represents donations received for this project so far.

LIBOR fund

This fund represents a grant received from HM Treasury to fund a team of play specialists and psychologists, pilot a new pain management service, and purchase vital equipment in order to develop and improve the care of children with cancer. The transfer of £329,000 relates to funds utilised by the Charity while awaiting receipt of the money which was subsequently received in the financial year.

Equipment fund

This fund represents donations made to the Charity specifically to enable the Trust to purchase state-of-the-art equipment to support research, innovation and improved patient outcomes. With the exception of £11,000 the fund balance £1.2 million was transferred to general funds and represents funds already committed/spent that were previously allocated out of general funds.

Transfers from the General Research Charity, Patient Amenity Charity and Staff Amenity Charity Funds

During the year, there was a net transfer of £1.2 million from these restricted funds to unrestricted reserves for related expenditure incurred in the year via unrestricted funds.

Other transfers

Other transfers, excluding the transfer from equipment funds detailed above, relates to funds utilised in the current year and in previous years for related expenditure incurred via unrestricted funds.

Purposes of designated funds

The income funds of the Charity include designated funds that have been set aside out of unrestricted funds by the Trustees for specific purposes.

Tangible fixed assets fund

This fund represents the net book value of properties that are owned by the Charity and used by The Royal Marsden NHS Foundation Trust at the Chelsea hospital for essential purposes and/or by the Charity for its own administrative purposes (see note 16 on page 49).

These funds have been set aside because these properties are of strategic importance to both organisations, and Trustees expect this to remain the case for the foreseeable future.

Investment properties fund

This fund represents the net book value of the Charity's investment properties (see note 17 on page 49). These funds have been set aside because the investment properties are not immediately available for use in the Charity's activities.

Grants fund

This fund represents monies set aside by the Trustees in the expectation of receiving specific bids for grant funding in the next financial year.

Oak Cancer Centre fund

This fund represents monies set aside by the Trustees for future funding of the £70 million project to build the new Oak Cancer Centre, due to open in 2022.

23. Analysis of Group net assets between funds

	2019				2018
	General funds	Designated funds	Restricted funds	Total funds	Total funds
	£'000	£'000	£'000	£'000	£'000
The Group					
Tangible fixed assets	–	11,956	–	11,956	11,579
Fixed asset investments	46,512	17,239	28,595	92,346	92,800
Current assets	3,220	–	42,126	45,346	24,983
Creditors: amounts falling due within 1 year	(23,290)	–	(11,528)	(34,818)	(16,252)
Creditors: amounts falling due after 1 year	(6,974)	–	(2,523)	(9,497)	(16,069)
Net assets at the end of the year	19,468	29,195	56,670	105,333	97,041
The Charity					
Tangible fixed assets	–	11,956	–	11,956	11,579
Fixed asset investments	46,512	17,239	28,595	92,346	92,800
Current assets	3,201	–	42,126	45,327	25,000
Creditors: Amounts falling due within 1 year	(23,271)	–	(11,528)	(34,799)	(16,269)
Creditors: Amounts falling due after 1 year	(6,974)	–	(2,523)	(9,497)	(16,069)
Net assets at the end of the year	19,468	29,195	56,670	105,333	97,041
	2018				2017
	General funds	Designated funds	Restricted funds	Total funds	Total funds
	£'000	£'000	£'000	£'000	£'000
The Group					
Tangible fixed assets	–	11,579	–	11,579	11,464
Fixed asset investments	34,827	30,654	27,319	92,800	94,244
Current assets	3,714	–	21,269	24,983	8,590
Creditors: amounts falling due within 1 year	(7,005)	–	(9,247)	(16,252)	(7,933)
Creditors: amounts falling due after 1 year	(16,069)	–	–	(16,069)	(18,553)
Net assets at the end of the year	15,468	42,233	39,340	97,041	87,812
The Charity					
Tangible fixed assets	–	11,579	–	11,579	11,464
Fixed asset investments	34,827	30,654	27,319	92,800	94,244
Current assets	3,731	–	21,269	25,000	8,578
Creditors: Amounts falling due within 1 year	(7,021)	–	(9,248)	(16,269)	(7,921)
Creditors: Amounts falling due after 1 year	(16,069)	–	–	(16,069)	(18,553)
Net assets at the end of the year	15,468	42,233	39,340	97,041	87,812

24. Liability of members

The Charity is constituted as a company limited by guarantee. In the event of the Charity being wound up, the members are required to contribute an amount not exceeding £10 each.

25. Reconciliation of grants payable

	Note	2019		2018	
		£'000	£'000	£'000	£'000
Commitments at 1 April					
Capital grants		14,245		4,340	
Revenue grants		16,210		21,363	
			30,455		25,703
Commitments made in the year					
Capital grants	6	7,090		14,323	
Revenue grants	6	15,360		335	
			22,450		14,658
Grants paid in the year					
Capital grants		(4,549)		(4,419)	
Revenue grants		(6,050)		(5,487)	
			(10,599)		(9,906)
Commitments at 31 March					
Capital grants		16,786		14,245	
Revenue grants		25,520		16,210	
			42,306		30,455
Commitments at 31 March are payable as follows					
Within one year					
Capital grants	20	13,719		8,676	
Revenue grants	20	19,090		5,710	
			32,809		14,386
More than one year					
Capital grants	21	3,067		5,569	
Revenue grants	21	6,430		10,500	
			9,497		16,069
			42,306		30,455

Thank you

We would like to take the opportunity to thank all of our wonderful supporters, fundraisers and volunteers who spent so much time and effort helping to make the year such a great success. Thank you.



Get in touch

The Royal Marsden Cancer Charity raises money solely to support The Royal Marsden, a world-leading cancer centre. We ensure our nurses, doctors and research teams can provide the very best care and develop life-saving treatments, which are used across the UK and around the world.

From funding state-of-the-art equipment and groundbreaking research to creating the very best patient environments, we will never stop looking for ways to improve the lives of people affected by cancer.

The Royal Marsden Cancer Charity
For a future beyond cancer.

Find out more

royalmarsden.org
020 7808 2233

Fundraise

royalmarsden.org/support
020 8770 0279

Volunteer

royalmarsden.org/volunteering
020 8661 3391

Donate

royalmarsden.org/donate
020 7808 2233

Gifts in Wills

royalmarsden.org/giftsinwills
020 7811 8032

Our offices

Chelsea

The Royal Marsden Cancer Charity
Fulham Road
London
SW3 6JJ

Sutton

The Royal Marsden Cancer Charity
Downs Road
Sutton
Surrey
SM2 5PT

The Royal Marsden Cancer Charity, Registered Charity No. 1095197

