

# ANNUAL REPORT & ACCOUNTS 2017/18



TOGETHER WE WILL BEAT CANCER



CANCER  
RESEARCH  
UK

Cancer Research UK's vision is to bring forward the day when all cancers are cured. Our ambition is to see 3 in 4 people surviving cancer by 2034.

We're working to prevent cancer, diagnose it earlier, develop new treatments and optimise existing treatments to make them more effective

Our Institutes and Centres enable our scientists to deliver world-class research. Engaging and empowering patients, policy-makers and the public ensures advances in research have a positive impact.

It's only thanks to our supporters, volunteers, patients and staff that we're able to continue our life-saving work to beat cancer sooner.

## OUR YEAR IN NUMBERS

**£634m**

Total underlying income

**£423m**

Spent on cancer research

**£104m**

Spent on understanding cancer's underlying biology

**12,000**

Patients enrolled on clinical trials

### PREVENT



### DETECT & DIAGNOSE



### TREAT



### OPTIMISE



## PREVENTING MORE CANCERS

With the range and breadth of our research and policy activities, we take a holistic approach to cancer prevention.

16



Creating an environment to help smokers quit.

## DIAGNOSE MORE CANCERS EARLIER

Detecting and diagnosing cancers earlier offers the greatest potential to improve survival.

18



Creating a community of early detection researchers.

## DEVELOP NEW CANCER TREATMENTS

Discovering new cancer treatments requires an ever-more detailed understanding of cancer biology.

20



Focusing on hard-to-treat cancers like brain cancers.

## MAKE CANCER TREATMENTS MORE EFFECTIVE

Our extensive trials portfolio means we are making precision medicine a reality in the UK.

22



Improving survival through complex clinical trials.

# CONTENTS

## INTRODUCTION

- 02 Who we are
- 04 What we do
- 06 Where we do it
- 08 How we fund it

## OVERVIEW

- 10 Chairman's statement
- 12 Chief Executive's statement

## TRUSTEES' REPORT

### STRATEGIC REPORT

#### What we've achieved

- 16 Prevent
- 18 Detect & diagnose
- 20 Treat
- 22 Optimise

#### How we achieved it

- 24 World-class research environment
- 26 Patients & the public
- 28 Fundraising & trading
- 30 Our people

- 32 Financial review
- 38 Our fundraising practices
- 40 Principal risks & uncertainties
- 43 Structure, governance & management
- 46 Employment practices & pay
- 48 Statement of Trustees' responsibilities

- 49 Independent auditors' report to the Members and Trustees of Cancer Research UK

## FINANCIAL STATEMENTS

- 52 Consolidated statement of financial activities
- 53 Balance sheets
- 54 Consolidated information on cash flows
- 55 Notes to the accounts

## ADDITIONAL INFORMATION

- 76 Reference and administrative details
- 77 Find out more and get involved

# WHO WE ARE

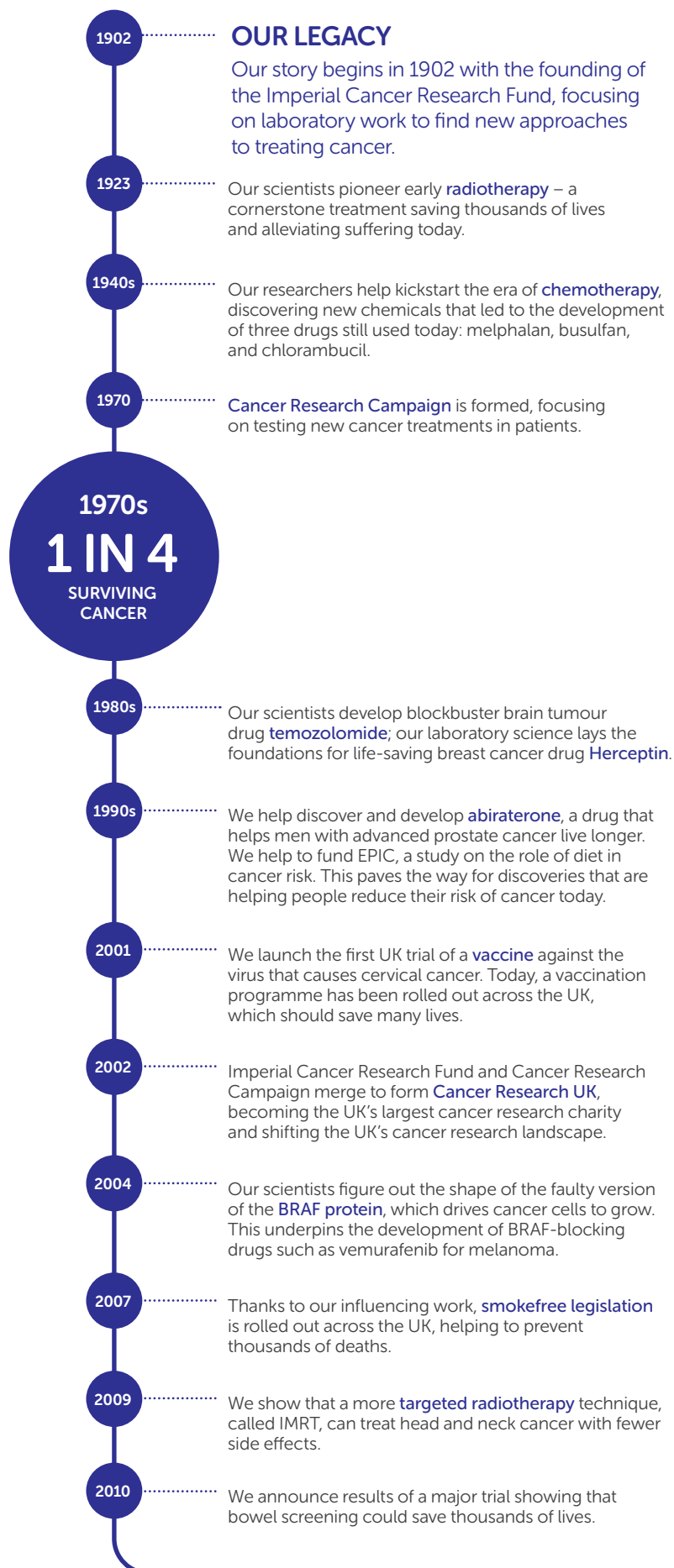
Cancer Research UK is the world's largest cancer charity dedicated to saving lives through research. Our vision is to bring forward the day when all cancers are cured, from the most common types to those that affect just a few people.

Cancer poses a huge and growing challenge, with the number of people around the world who receive a diagnosis each year expected to rise dramatically, from 15 million in 2015 to 24 million in 2035.

In the 1970s, less than a quarter of people with cancer survived. But over the last 40 years, survival has doubled – today **half will survive**. Our ambition is to accelerate progress and, by 2034, see three-quarters of people surviving the disease.

We're pioneering new ways to prevent, diagnose and treat cancer, as well as finding ways to optimise treatment. The infrastructure we have created for scientists enables world-class research, and we engage and empower patients, policymakers and the public to make sure advances in research have a positive impact.

None of our life-saving work would be possible without the strength of our fundraising and our outstanding people – our supporters, volunteers, patients and staff.



2013

We launch the revolutionary **TRACERx study**, tracking how cancers evolve within the body.

2015

We launch Add-Aspirin, the world's largest clinical trial, aiming to find out if **aspirin** can prevent some of the most common cancers from coming back.

NICE approves the use of **olaparib** as a treatment for certain women with advanced ovarian cancer.

2016

The **Francis Crick Institute** opens; we announce our **Grand Challenge awards**, which bring together international teams of multidisciplinary researchers to tackle cancer's biggest unanswered questions.

2017

Plain, **standardised tobacco packaging** begins to be rolled out across the UK; we fund the **first four Grand Challenge teams**.

2017/18

2010  
**2 IN 4**  
SURVIVING  
CANCER

## OUR YEAR 2017/18

### STAMPEDE prostate cancer trial

shows abiraterone significantly improves survival when given earlier.



### Our new Early Detection Research Committee

funds 10 new projects worth £3.9 million into a wide range of new early detection technologies.

**£3.9m**

worth of new projects

**TRACERx study** reveals new insights into how lung and kidney cancers evolve.

**Immune system:** our researchers at the Francis Crick Institute reveal new insights into how cancers hide from the immune system.

**NHS workforce campaign:** 6,000 people wrote to Secretary of State Jeremy Hunt, leading to plans announced for an extra 5,000 diagnostic staff.

**Brain tumour research:** we invest £25 million in a range of new projects to accelerate progress.

**£25m**

investment in a range of new projects

**Obesity campaign** successfully boosts awareness of the link between obesity and cancer.



**E-cigarettes:** we're now the leading UK funder of research into their safety and effectiveness in helping people quit.



**Grand Challenge:** shortlisted 10 more international teams for Round Two.

**Stratified medicine:** more than 200 people have been recruited to our Lung Matrix trial.

2020

2030

AMBITION

**3 IN 4**

PATIENTS SURVIVING  
CANCER BY 2034

INTRODUCTION

OVERVIEW

TRUSTEES' REPORT

FINANCIAL STATEMENTS

# WHAT WE DO

Cancer Research UK's research strategy aims to bring us closer to our ambition of 3 in 4 people surviving their cancer by 2034.

The strategy focuses on four key objectives: preventing cancers; diagnosing cancer earlier; developing new treatments; and making cancer treatments more effective for each patient.

Pages 16 to 23 highlight the progress we have made against these objectives in 2017/18 and set out our priorities for 2018/19. We then highlight how our 'strategic enablers' – engagement of the public and patients, our infrastructure, our people and our fundraising – have helped us to make this progress.

## VISION

To bring forward the day when all cancers are cured

## AMBITION

To accelerate progress and by 2034 see 3 in 4 people surviving cancer

2017/18 objectives

### PREVENT

#### Reducing people's risk of developing cancer

1. Call for support for tobacco control programmes and Stop Smoking Services.
2. Ensure e-cigarettes are appropriately regulated.
3. Continue to focus on the link between obesity and cancer.

16

### TREAT

#### Developing new cancer treatments

1. Continue to increase investment in hard-to-treat cancers where progress has been slower.
2. Ramp up the number of major clinical research platforms, adapting to the evolving landscape and increasing complexity of clinical trials.
3. Work with partners earlier in the drug development process to translate our world-class research.
4. Fund more research into the interplay between cancer treatment and the patient's immune system.

20

# HOW WE DO IT

How we're achieving these objectives

## DETECT & DIAGNOSE

### Spotting cancers earlier

1. Develop new centres of excellence in early detection research.
2. Campaign to increase the number of NHS diagnostic staff.
3. Work with primary care services to ensure patients get the best recognition, management and referral.
4. Diagnose bowel cancer earlier through screening.

18

## OPTIMISE

### Making cancer treatments more effective for each patient

1. Develop and deliver our stratified medicine strategy.
2. Improve patient access to modern radiotherapy techniques and refine how the techniques are used.
3. Continue to fund and support high-quality clinical trials through our UK and international networks.

22

## RESEARCH ENVIRONMENT

Creating an environment that enables and supports world-class research.

24



## PATIENTS & PUBLIC

Engaging with and empowering patients, policy-makers and the public.

26



## FUNDRAISING & TRADING

Providing the finance for our work on beating cancer.

28



## OUR PEOPLE

Outstanding supporters, volunteers, patients and staff.

30



# WHERE WE DO IT

Cancer Research UK's world-class research network provides the foundations for scientists to carry out research, ranging from fundamental laboratory studies to large-scale clinical trials. Through collaboration across the different research sites, we are bringing benefits to patients faster.

## INSTITUTES

Laboratory research carried out at our five core-funded Institutes underpins our efforts to understand and tackle cancer. Our funding provides scientists with the long-term support, technology and equipment needed to carry out high-impact research. The Institutes play an important role in recruiting and retaining world-class researchers, promoting collaboration and developing future leaders.

## CENTRES

Our 13 Centres bring together research teams from local universities, NHS Trusts and other research organisations. These teams focus on translational research – getting cutting-edge discoveries from the laboratory to patients, while learning as much as we can from them to drive further research. They also initiate new research ideas and programmes, and drive the training of the next generation of scientists and cancer doctors. Two of our Centres,

Cambridge and Manchester, are Major Centres, carrying out a comprehensive, outstanding research programme, with sufficient scientific breadth, depth and impact to also serve as hubs for the national network.

## DRUG DISCOVERY UNITS

Scientists at our four core-funded Drug Discovery Units have extensive experience and expertise in different areas of drug discovery. They work together to turn discoveries made in our laboratories into new cancer treatments.

## CENTRE FOR DRUG DEVELOPMENT

Our Centre for Drug Development specialises in making promising new treatments available to people with cancer. Teams of experts collaborate with pharmaceutical and biotechnology companies to translate scientific discoveries into cutting-edge therapies.

## EXPERIMENTAL CANCER MEDICINE CENTRES

We co-fund a network of 18 Experimental Cancer Medicine Centres (ECMCs) for adult patients, and a paediatric network of 11 locations. World-leading doctors, research nurses and technical staff at these Centres drive the development and testing of new cancer treatments. They give patients access to these treatments and new diagnostic technologies, while delivering key initiatives in clinical and translational research.

## CLINICAL TRIALS UNITS

We also fund eight Clinical Trials Units. With specific expertise in designing and delivering large-scale cancer clinical trials, they enable the delivery of innovative, practice-changing clinical research that impacts the care and outcomes for cancer patients around the world.



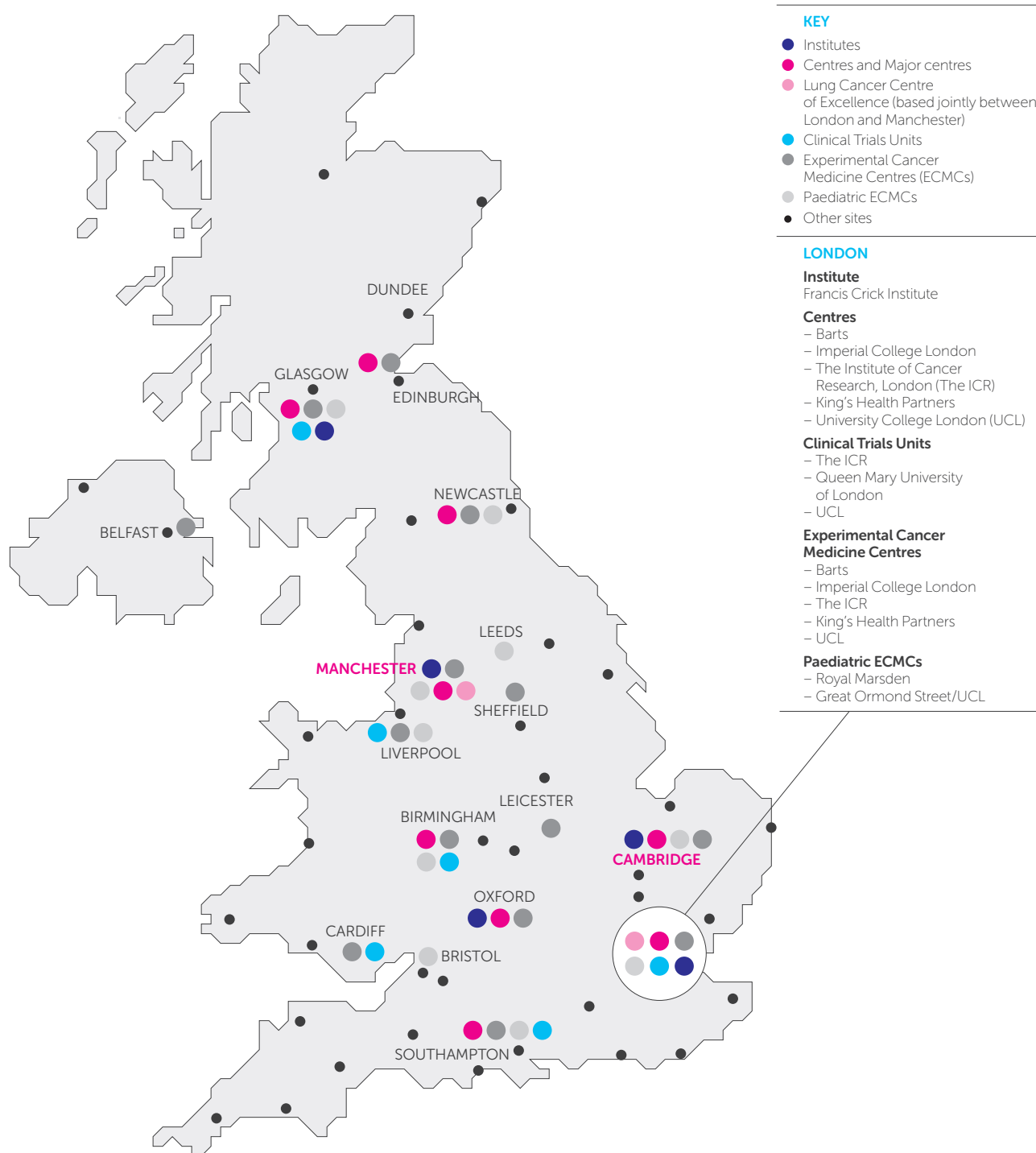
For further information, see [cruk.org/our-research-locations](https://www.cruk.org/our-research-locations)

## PIONEERING NEW TREATMENTS FOR CHILDREN'S CANCERS

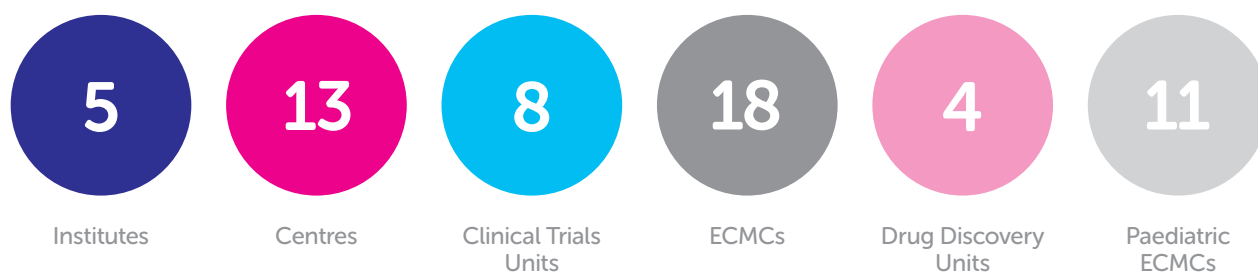
In April 2017, Cancer Research UK began co-funding the ECMC Paediatric Network, comprised of 11 Centres that form a network that functions as a single virtual centre. The Network works alongside a national paediatric biobank in Newcastle. The vast majority of trials are run by a single specialised Clinical Trial Unit in Birmingham.



"The ECMC Paediatric Network means better access for all children to experimental treatments, and allows us to run increasingly targeted trials to study the next generation of anti-cancer drugs," says Dr Guy Makin, from University of Manchester, who leads the network.



## OUR WORLD-CLASS RESEARCH NETWORK



# HOW WE FUND IT

## WHERE OUR INCOME CAME FROM

Our income in 2017/18 was £634 million, made up of:

### DONATED INCOME

**£423 million**

This is made up of:

- **Legacies** (£182 million) – Over 6,000 legacies were left to Cancer Research UK with some individual gifts in excess of £4 million.
- **Donations** (£192 million) – Donations include regular gifts, major donations and money raised by local fundraising and corporate partnerships. We have over

1.1 million individual committed givers and around 900 fundraising committees.

- **Events** (£49 million) – Over 400,000 people took part in events, including Race for Life, Pretty Muddy, Shine Night Walk and the Virgin Money London Marathon.

### TRADING INCOME

**£104 million**

We generated income of £84 million through goods sold in nearly 600 shops across the UK, and £20 million from the trading aspect of events (primarily merchandise sales and registration fees).

### INCOME FROM CHARITABLE ACTIVITIES

**£101 million**

This includes royalty income generated from treatments developed from earlier innovations, as well as grants received to fund direct research.

### OTHER INCOME

**£6 million**

This consists primarily of income from investments, and a small amount of rental income.

## WHERE THE MONEY IS SPENT

Our total expenditure in 2017/18 was £652 million:

### CHARITABLE ACTIVITIES

**£466 million**

This includes cancer research and our work influencing policy and providing information to patients and the public.

- **Cancer research** (£423 million)  
This includes:
  - **Grants to Institutes** (£140 million) – Research carried out within specialist institutes, including the cost of scientific staff, the buildings they work in and their equipment.
  - **Grants to Centres and ECMCs** (£48 million) – Research hubs that draw together expertise to bring treatments to patients faster.
  - **Other research grants** (£123 million) – Grants to scientists working at other research sites such as universities and hospitals.

### – Direct costs of research

(£112 million) – Research carried out directly including the cost of scientific staff, the buildings they work in and their equipment, plus support costs incurred to support our research activities.

- **Information and policy work** (£43 million) – Activities that increase knowledge and awareness of cancer, contribute to its prevention and treatment and influence government policy.

### VOLUNTARY FUNDRAISING

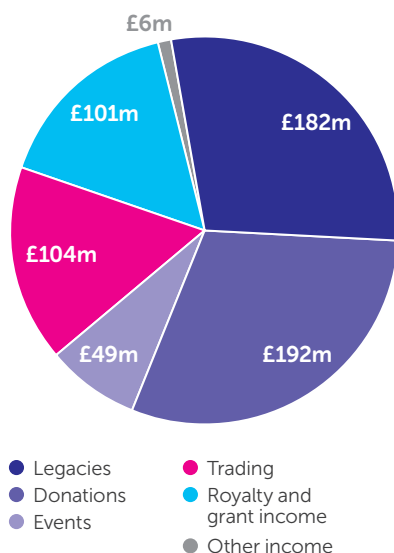
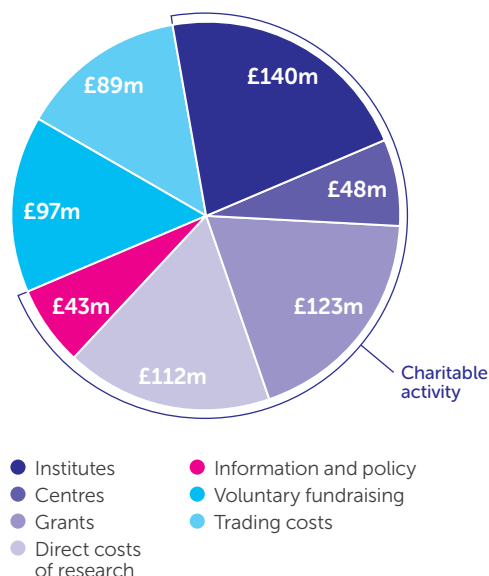
**£97 million**

We wouldn't be able to conduct our charitable activities without fundraising. We invest in a number of areas to generate income. We think carefully about how we spend money to maximise the returns to the Charity, which in turn helps us to generate more funds for cancer research.

### TRADING COSTS

**£89 million**

We spent £78 million running our shop network and £11 million delivering events where participants pay a registration fee. While the costs of running our shops is significant, they are part of a network for supporters. It not only raises vital funds but also delivers health messages and increases awareness of our research. As well as the direct costs of running our shops, this expenditure includes support for our shop network, such as IT, corporate resources and human resources.

**TOTAL UNDERLYING INCOME: £634m****TOTAL EXPENDITURE: £652m**

## HOW DONATIONS FUND RESEARCH

Supporters donate to Cancer Research UK by giving a donation, leaving a gift in their will or participating in one of our events. Income is also received through trading, royalties, grants and investments.

### FUNDS RAISED

We calculate what funds we have available to award research grants. Funds are invested while we select and prioritise research projects of the highest quality and are released in subsequent stages.

### REVIEW AND SELECTION

Researchers submit proposals to us and we rigorously evaluate them to select high-quality projects in line with our strategic objectives.

### GRANTS AWARDED

Grants are awarded to successful applicants. Cash is paid to them in instalments.

### SCIENTIFIC MILESTONE REVIEW

The progress of each project is thoroughly and regularly assessed before the next instalment of funds is paid.

### PROGRESS MADE

Project ends and results are peer reviewed and published or presented at an international conference.

### PATIENT IMPACT OVER TIME

Our research findings benefit patients, and ultimately boost survival.

AMBITION

**3 IN 4**

PATIENTS SURVIVING  
CANCER BY 2034





Professor Sir Leszek Borysiewicz  
Chairman

## CHAIRMAN'S STATEMENT

Along with some phenomenal successes, we must remain humble in the face of this terrible disease.

It's only by working in partnership that we'll achieve our vision of beating cancer. One of the things I've found most gratifying over the last 12 months is how that spirit of 'togetherness' and collaboration is so clearly apparent in so much of what Cancer Research UK has achieved, both by working holistically across the Charity, and in partnership with academia, industry, and other funders.

For example, building on the recent focus on the immune system in cancer, we've launched a joint funding programme with Arthritis Research UK to deepen our understanding of this critical area of biology. We've also partnered with cancer research organisations in Italy and Spain to open new funding opportunities for teams of researchers across the continent. And, in our partnership with Tesco, we're working alongside the British Heart Foundation and Diabetes UK to help the public make healthier choices.

Collaboration is certainly at the heart of some of the Charity's headline scientific discoveries too, as exemplified by the continued success of our landmark cancer evolution study, TRACERx. Bringing together specialists from around the country, this flagship research programme led by researchers at the Francis Crick Institute – itself a model of collaborative science – continues to break down barriers between disciplines. In doing so, it's provided fascinating insights into the cancer genome that hold out the prospect of rapid translation into new ways to care for patients. The Charity's ongoing Grand Challenge programme, now into its third year, is also underpinned by the theme of collaboration – across both disciplines and continents. Indeed, our work is increasingly taking on an international flavour, and it's wonderful to see the Charity involved in projects as far afield as India and China. Cancer, after all, is a global issue.

Collaboration is also at the heart of the Government's Life Sciences Strategy, into which we had significant input. This bold, cross-sector deal is set to cement the UK's reputation as one of the leading places in the world to carry out medical research, and aims to lead the way in developing tomorrow's technologies, from artificial intelligence to groundbreaking new ways to detect cancer.

These partnerships between and across organisations and sectors are all driven by one unifying idea: improving outcomes for the individual. Because, above all, Cancer Research UK is committed not just to improving 'survival', but to improving *your* survival.

Of course, the year has not been without its challenges. It has been a difficult time for charities – the whole sector has needed to look at itself and make sure it's doing everything it can to build and maintain trust between donors and organisations. Brexit is undoubtedly going to pose challenges for the medical research sector and the wider economy, and we need to make sure we find ways to deal with them. The challenges of equality and diversity remain, as exemplified by our gender pay statistics – we're not where we want to be, and we're committed to closing the gap. And for all the charity's undoubted successes, we still have a long way to go to alleviate the pain and suffering cancer causes to so many. We must remain humble in the face of this terrible disease, and thankful to the millions around the UK who believe in our shared mission, give their time and money to support it, and commit to working even harder to achieve our goal.

During this year we have had significant departures. Professor Peter Johnson stands down as our Chief Clinician after nine years of committed service, laying important groundwork to ensure the benefits of our research translate to real benefit to patients. Peter will continue to work closely with the charity, developing clinical networks for the Francis Crick Institute – his role as Chief Clinician will be filled by Professor Charlie Swanton.

But finally, I want to pay tribute to Harpal, as he ends his tenure as Cancer Research UK's Chief Executive. I have been immensely privileged to work with Harpal, either directly or in collaboration, during the 12 years of world-class leadership he has given

Cancer Research UK. From the outset he has fully embraced the charity's mission, with an unwavering commitment to excellence that's built an organisation able to deliver on its goal of seeing three-quarters of people affected by cancer surviving 10 years or more. Harpal, we will all miss you and you leave very big shoes to fill. But I'm delighted to welcome Michelle Mitchell as our new Chief Executive, who will oversee the next chapter in the story of this extraordinary organisation. We set ourselves ambitious goals, as our supporters and those affected by cancer rightly demand. There are, and in some ways always will be, many challenges ahead – but in Michelle we will have a leader with the skills and passion to ensure that we continue our relentless progress against cancer. ■



Professor Sir Leszek Borysiewicz

Chairman  
22 May 2018

“These partnerships between and across organisations and sectors are all driven by one uniting idea: improving outcomes for the individual.”



Sir Harpal Kumar  
Chief Executive

## CHIEF EXECUTIVE'S STATEMENT

I feel honoured to have led an organisation that has done so much to help so many, and to be leaving it in prime shape to continue to make rapid progress towards its vision of beating cancer.

It has been another year of progress against cancer on all fronts, with many of our established research programmes continuing to make significant inroads, and – thanks to another solid year of fundraising – a number of new initiatives getting off the ground.

### SCIENTIFIC PROGRESS

In labs across the UK, our researchers continue to uncover weak spots in cancer's defences. Scientists at the Francis Crick Institute are among many who are beginning to unravel one of the biggest mysteries in cancer: how the disease hides from our immune system. I was particularly taken by one such study, which joined unexpected dots between a protein called Ras – long-known to be involved in cancer development – and cancer's immunological invisibility. But this is far from the only study of note – it is just one of thousands of discoveries by our researchers this year, all of which bring us closer to our goal of beating cancer.

These discoveries need to be converted into ways to help the people who matter most to us: those diagnosed with cancer. Thankfully we're seeing great progress on this front too. Our STAMPEDE prostate cancer trial showed that abiraterone – a drug discovered in our labs and in whose development we played a major role – can substantially improve survival in men with advanced prostate cancer, when given early. Meanwhile another Cancer Research UK drug, rucaparib, is making its way towards the NHS, having gained an EU-wide licence in March 2018 for treating women with ovarian cancer. This sort of progress will continue in the years to come, and we will accelerate new treatments reaching patients thanks to our £45 million investment in our network of eight Clinical Trials Units around the UK.

But it has been in bridging the gap between the laboratory and the clinic where we've seen some of the most exciting developments this year. Our large UK-wide studies like TRACERx and PRECISION-Panc are now hitting their stride, already providing a platform for discovering fundamental new insights into cancer's biology, with the potential to revolutionise treatment. We are now investing in further such studies, with a significant focus on children's cancers and brain tumours – the latter to the tune of an additional £25 million, matched by £20 million from the Government. In December, we entered into our biggest ever drug discovery alliance with Celgene. And our international scientific panel was blown away by the progress of our first wave of Grand Challenge teams in just their first year of work. We've just shortlisted 10 more high-quality international teams, and it will be fascinating to see how this programme pans out.

Our research isn't just about better cancer treatments. As we set out in our 2014 strategy, we want to develop better ways to prevent and detect the disease too. This year we awarded £5 million to an international team who will answer the final questions needed to see if aspirin can be used

to prevent cancer – something that could have a profound effect on cancer rates. And we significantly boosted our research in the field of early cancer detection, in collaboration with the Knight Institute in the US.

### CAMPAIGNING TO BEAT CANCER

Preventing and diagnosing cancer goes further than funding scientific research – it's also about putting findings into practice. This year our research confirmed that around four in 10 cases of cancer are potentially preventable through lifestyle changes. We need Government to continue to act, particularly against the two most important preventable causes of cancer: tobacco and obesity.

Last year saw both the full UK roll-out of plain, standardised tobacco packaging and the 10th anniversary of the UK going smokefree – two issues we campaigned strongly for. But, despite one of the largest drops in smoking rates in recent years, there's much more to do: nearly 16% of the UK adult population still smoke. We've been pushing Government to protect local authority funding for Stop Smoking Services and working with them to ensure that smokers who want to quit get the best possible support from the NHS.

We need action on obesity too. We have worked hard this year to raise awareness of the link between obesity and cancer, and notched up a notable victory with our campaign for a tax on high-sugar soft drinks. But further inroads would be made by restricting junk food TV ads before the 9pm watershed, something we've also been campaigning hard for.

### A CHALLENGING ENVIRONMENT

There's another notable anniversary on the horizon: this year our NHS turns 70, and I want to thank all those around the country who continue to strive to care for people affected by cancer, despite the pressures they've faced in recent times.

But the continued acute staff shortages – particularly in the diagnostic workforce – are unacceptable. Patients are suffering as a result, and this is not a new problem: we've been highlighting this chronic shortage for many years. The plans drawn up by Health Education England – prompted in part by the actions of thousands of our supporters – are a welcome first step, but don't go nearly far enough. There's a huge task ahead to get the NHS back on its feet, fully funded and fully staffed. Having said that, there's been welcome progress on several fronts, with new money for radiotherapy machines, and good progress in delivering on the cancer strategies around the UK.

These are challenging times in other respects too. Uncertainty around Brexit means we're continuing to press the Government and the EU for reassurance in several areas, notably clinical trials regulation, immigration and drug licensing – all issues that have the potential to disrupt progress for patients. Meanwhile the still-difficult economic conditions are never far from our minds, particularly the combination of a competitive employment sector and a high cost of living, especially in the south, making attracting and retaining talented staff increasingly difficult. And the charity sector as a whole continues to come under scrutiny from several angles.

### FUNDRAISING SUCCESSES

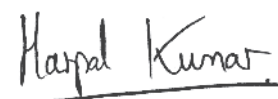
But the exemplary way our staff, supporters and volunteers have responded continues to amaze and inspire me. Our fundraisers had another strong year, with our legacies and shops doing particularly well, and we celebrated another anniversary: Race for Life is now in its 25th year, and has raised a staggering £820 million since its launch. Our partnerships with companies such as Nivea, Scottish Power, Tesco and TK Maxx continued to grow, with the latter raising £15 million towards our work since 2012. Stand Up To Cancer is now in its sixth year and still

performing well, with another Channel 4 live show planned for October 2018. We couldn't do anything without our supporters and volunteers – they are the lifeblood of what we do.

As an organisation that strives to stay fit for the future, we're continually changing the way we do things to make sure we're the best employer we can be. Having moved to 'opt in' fundraising last year, this year we announced that we're ending unpaid internships, and committing to a new Equality, Diversity and Inclusion strategy to make sure that, within three years, we're regarded as the sector leader.

### AND FINALLY...

After 11 years as Chief Executive, and 15 years in total, this is my final year at Cancer Research UK. It's been an incredible experience, and I would like to thank everyone I've had the pleasure of working with over the years. The Charity's work is far from done – cancer is still a disease that places a terrible burden on our society – but I feel proud to have led an organisation that has saved millions of lives, and will save millions more, and to be leaving the Charity in prime shape to continue its progress towards our vision of beating cancer. ■



Sir Harpal Kumar

Chief Executive  
22 May 2018



Read Jasper's story on page 21



## CONTENTS

### TRUSTEES' REPORT

#### STRATEGIC REPORT

##### What we've achieved

- 16 Prevent
- 18 Detect & diagnose
- 20 Treat
- 22 Optimise

##### How we achieved it

- 24 World-class research environment
- 26 Patients & the public
- 28 Fundraising & trading
- 30 Our people
- 32 Financial review
- 38 Our fundraising practices
- 40 Principle risks & uncertainties
- 43 Structure, governance & management
- 46 Employment practices & pay
- 48 Statement of Trustees' responsibilities
- 49 Independent auditors' report to the Members and Trustees of Cancer Research UK

## WHAT WE'VE ACHIEVED IN 2017/18

 **135,000**

Preventable cases of cancer a year  
in the UK

 **£35m**

Spent on research into cancer causes  
and prevention

## PREVENTING CANCER

Around four in 10 cases of cancer are linked to preventable causes. In 2017/18, we continued to fund high-quality research into cancer prevention, while focusing our campaigning on the two biggest preventable risk factors for cancer: tobacco and obesity.

### CALL FOR SUPPORT FOR TOBACCO CONTROL PROGRAMMES AND STOP SMOKING SERVICES

2017 was the 10th anniversary of the UK going smokefree, and also saw the publication of new statistics showing a large drop in smoking prevalence, which is now just under 16%. But the fight against tobacco isn't yet over – we want to see a smokefree generation.

- In May 2017, we celebrated the full introduction of **plain, standardised tobacco packaging** across the UK.
- In July, after sustained pressure, we were pleased that the Government published a new **Tobacco Control Plan** for England, shifting emphasis

from new regulation to supporting quitters, particularly via the NHS.

- We continued to pressure the Government to **protect Stop Smoking Services**, which, despite being the most effective way to quit, are threatened by local authority budget cuts. Thanks to our campaign, close to 5,500 emails were sent to councillors asking them to write to the Treasury to appeal against cuts.
- Our **international tobacco control programme** supports researchers and advocates in low- and middle-income countries to influence policy, driving down tobacco consumption. We funded the **World Health Organization Framework Convention on Tobacco Control's Knowledge Hub on taxation** to provide technical advice on taxation that reduces demand and protects people's health.

### ENSURE E-CIGARETTES ARE APPROPRIATELY REGULATED

There are around 2.9 million vapers in Great Britain, and e-cigarettes are now the most popular method of quitting smoking. The devices appear to be substantially less harmful than smoking tobacco – but evidence of their effectiveness in helping people quit, and relative long-term safety, is still emerging.

- We're now the major UK funder of research into e-cigarettes, funding **50 studies** to date, including two landmark studies on their safety.
- We've established the **UK E-Cigarette Research Forum** to bring together experts to discuss the latest evidence and set the direction of future studies.
- We've also produced targeted materials for health professionals and the public, including a **social media marketing campaign** to dispel myths around their risks. Two-thirds of people who recognised the campaign agreed that e-cigarettes are less harmful than cigarettes.

### CONTINUE TO FOCUS ON THE LINK BETWEEN OBESITY AND CANCER

Excess weight and obesity causes nearly 23,000 cases of cancer every year in the UK, making it the second biggest preventable cause of cancer after smoking. But our research has shown that only 15% of the public are aware of the link. To address this, and to try to reduce the impact of obesity:

- We ran a **high-profile national campaign** which successfully boosted awareness of the link between obesity and cancer.

- We successfully campaigned for the introduction of the **Soft Drinks Industry Levy** in April 2018. Drinks manufacturers are already reducing sugar levels in their products.
- Our 'Scale Down Cancer' campaign in Scotland helped shape the Scottish Government's **Diet and Obesity Strategy**.
- We continued to campaign for a ban on **TV junk food advertising** before 9pm.

### OTHER KEY ACHIEVEMENTS

We continued to fund **high-quality research** on the preventable causes of cancer.

- We funded 53 new research projects, including a £5 million international project to answer the remaining questions about how best to use **aspirin** to prevent cancer, and a £1.1 million project to develop **breast cancer risk** prediction tools for use in GP surgeries.
- Our latest landmark analysis confirmed that **four in 10 future cases** could be prevented through things like not smoking, keeping a healthy weight, enjoying the sun safely, cutting back on alcohol, eating more fibre and less processed meat, and being active.
- Round One of our £100 million Grand Challenge includes a team working internationally to uncover **new, lifestyle or environmental causes of cancer**, while the shortlist for Round Two includes a proposal to study how **obesity** causes 13 different forms of the disease.
- Our researchers in Cambridge published high-profile research findings showing, in detail, how **alcohol** can damage DNA.
- Our researchers in London showed that, thanks to the widespread use of the HPV vaccine, the number of **cervical screening tests** that vaccinated women would need in their lifetime could be safely reduced to just three. ■

### MAT'S STORY

Mat Callaghan | 44 | London



### CREATING AN ENVIRONMENT TO HELP SMOKERS QUIT

"Plain packages I think had a subtle psychological effect on me – losing the 'brand identity' you've been attached to for 20 years made it all seem suddenly very drab and boring."

TV director Mat Callaghan, 44, quit smoking after 27 years by using an e-cigarette, but also attributes his desire to quit to standardised tobacco packs

and, before that, smokefree pubs. "There is simply no reason to have a burning tube of toxic chemicals in your hand any more, and it's great that Cancer Research UK is continuing to lead the way in funding UK research into e-cigarettes and other ways to help smokers quit."



### 2018/19 PRIORITIES

Continue to fund **high-quality studies** into the prevention and causes of cancer.

Support **NHS smoking cessation programmes** as per the Government's new Tobacco Control Plan.

Promote **evidence-based cessation interventions** including providing balanced information about e-cigarettes.

Secure the introduction of **restrictions on TV junk food advertising** before the 9pm watershed.

Influence the delivery of **obesity strategies** across the UK.

## WHAT WE'VE ACHIEVED IN 2017/18

 **46%**

Of cancers in the UK diagnosed at a late stage\*

 **£57m**

Spent on research to spot cancers earlier

# DETECTING AND DIAGNOSING CANCERS EARLIER

Too many people are diagnosed when their cancer has already spread and is much harder to treat. So we're working hard on every front to make earlier detection and diagnosis a reality – from studying how cancers begin and developing cutting-edge technology to spot their earliest signs, to improving awareness of symptoms, working with GPs, and campaigning for more NHS staff. Here's what we achieved over the last year:

## DEVELOPING NEW CENTRES OF EXCELLENCE IN EARLY DETECTION RESEARCH

We want to build an international cross-disciplinary research community who can discover the earliest hallmarks of cancer and invent new ways to spot them. To do this, over the last year we've:

- Funded **10 new projects** – worth £3.9 million – through our new **Early Detection Research Committee**, including projects studying early bowel cancer detection in people with inflammatory bowel disease, and whether oral cancers can be detected using infra-red light.
- Deepened our partnership with **Oregon Health and Science University** to bring researchers together across continents, and brought **California's Stanford University** into the partnership (See box opposite).
- Partnered with Owlstone Medical Ltd to evaluate its experimental **cancer breath test** across eight different cancer types.

## CAMPAIGNING TO INCREASE THE NUMBER OF NHS DIAGNOSTIC STAFF

Offering the right tests to people with suspected cancer means they can get reassurance or a diagnosis, and quickly start treatment should they need it,

improving their chances of survival. But to do this, the NHS needs to have the right numbers of **pathologists, radiographers, endoscopists and radiologists**, the right referral options and the best equipment.

- Our campaign, highlighting the **shortage of diagnostic staff** in the NHS in England, led to 6,000 people writing to health secretary Jeremy Hunt. As a result, Health Education England has set out **plans for an extra 5,000 staff** over the next two to three years.

## WORK WITH PRIMARY CARE SERVICES TO IMPROVE RECOGNITION, MANAGEMENT AND REFERRAL

Primary care services – including GPs, dentists and pharmacists – play a vital role in detecting and diagnosing cancers early. To help facilitate this, over the last 12 months:

- We've continued our strategic partnership with the **Royal College of GPs**, and continued to invest in our **Cancer Research UK GPs**, who work with England's NHS Cancer Alliances to provide primary care leadership at strategic level.
- We began piloting and evaluating a new **one-stop multi-diagnostic pathway** at 10 centres in the NHS.

\* 'Late stage' defined as stage 3 or 4. Based on 2016 cancer incidence in England (excluding non-melanoma skin cancer), as a proportion of cancers with known stage.

- An evaluation found that our network of more than 80 **Facilitators**, who work with GP practices around the country, has “played a significant role in introducing and embedding improvement in cancer screening and referral”.

### DIAGNOSE BOWEL CANCER EARLIER THROUGH SCREENING

Bowel cancer screening programmes are running across the UK, but not everyone takes the opportunity to participate, and many places still rely on an older, less sensitive test. To improve the UK’s bowel screening programmes:

- Our GP Facilitators worked around the UK to **boost uptake** of bowel screening, by up to 17% in some individual practices.
- We continued to press the Government to **introduce the new Faecal Immunohistochemistry Test (FIT)** in a timely manner in England.
- We worked with GPs and national bowel screening stakeholders in Scotland to make sure the nation’s switch to FIT was **effectively communicated**.
- We ran an advertising campaign in Wales to **encourage more people** to take part in bowel screening.

### OTHER KEY ACHIEVEMENTS

- The results of a landmark 10-year study, involving more than 400,000 men from almost 600 GP practices in the UK, showed that a one-off PSA blood test **did not reduce deaths** from prostate cancer. This has already begun to influence prostate screening guidelines worldwide.
- We launched a collaboration between DeepMind and breast cancer researchers in Surrey to see whether **artificial intelligence** could improve breast screening.
- Our GP Facilitator Programme ran a pilot with **British Islamic Medical Association** to reduce barriers to participation in bowel screening, with more than 40 community talks being delivered by local GPs in mosques and community venues. ■



### BRINGING RESEARCHERS TOGETHER ACROSS CONTINENTS

After meeting at the 2nd annual **Early Detection Research Conference**, Professor Phil Jones (inset), from the Wellcome Sanger Institute in Cambridge, and Dr Sancey Leachman (main image), from the US Oregon Health and Science University (OHSU) are exploring a potential collaboration to study early genetic damage that leads to cancer.

The conference, held in September in Cambridge and run jointly by Cancer Research UK and OHSU, brought together 180 international experts from disciplines as diverse as engineering and epidemiology to focus on the early detection of cancer.

### 2018/19 PRIORITIES

Continue to fund **high-quality research projects** that deliver against our research strategy.

Develop and build an **international alliance** for early detection research.

Continue to work with Health Education England to make sure its **workforce plan** is fully implemented, and accounts for the NHS’s long-term diagnostic needs.

Continue to support and advise the Government and NHS in the roll-out of both **FIT bowel screening**, and the 28-day **Faster Diagnosis Standard**.

## WHAT WE'VE ACHIEVED IN 2017/18

 **£104m**

On research into understanding cancer biology

 **70**

Early stage clinical trials supported

## DEVELOPING NEW CANCER TREATMENTS

To achieve our goal of at least 3 in 4 patients surviving cancer, we need to help develop new, more effective treatments. So we're working on a range of fronts to better understand cancer and use these insights to develop the next generation of cancer therapies. In 2017/18, we set out to:

### CONTINUE TO INCREASE INVESTMENT IN HARD-TO-TREAT CANCERS WHERE PROGRESS HAS BEEN SLOWER

In our most recent research strategy, we set out to focus on four types of cancer where progress over the last few decades has been limited. Since then, we've significantly boosted our investment in research into these cancer types (see graph). Building on this progress, this year:

- We continued to increase our funding for brain, lung, pancreatic and oesophageal cancers, committing **an extra £25 million investment in brain tumour research**

over the next five years, matched by £20 million from the Government.

- This has allowed us to launch two **Brain Tumour Centres of Excellence** – a paediatric Centre to be located jointly at Cambridge and The Institute of Cancer Research (ICR) in London, and an adult Centre between the University of Edinburgh and University College London.
- Our researchers at The ICR revealed that childhood brain tumours called **gliomas** exist in at least 10 different subtypes.
- In December we held the second **Lung Cancer Centre of Excellence conference** in Manchester, attended by 233 researchers from around the world.

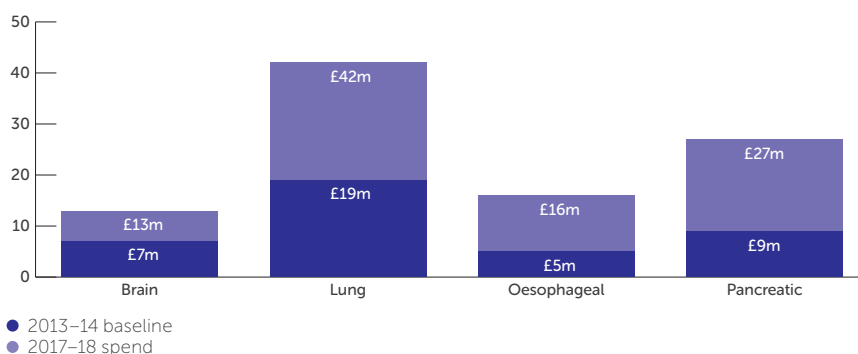
- Our nationwide cancer evolution study, **TRACERx**, continued to produce important discoveries, including new insights into how lung tumours hide from the immune system, and how kidney cancers evolve.

### RAMP UP THE NUMBER OF MAJOR CLINICAL RESEARCH PLATFORMS

As well as continuing to fund our existing platform studies, such as STAMPEDE (prostate) and ATLANTIS (bladder), this year we launched several new large-scale programmes, including several focusing on children's cancers.

- Our **Stratified Medicine Paediatrics** platform will analyse the genetic make-up of children's tumours, allowing them to be matched to the most appropriate trials.

### FUNDING BOOST FOR HARD-TO-TREAT CANCERS



- We launched FaR-RMS – a complex international study of **rhabdomyosarcoma**, a rare cancer that affects children and adults.
- The first patients began treatment on trials embedded within our £10 million **PRECISION-Panc** pancreatic cancer study.

### WORK WITH PARTNERS EARLIER IN THE DRUG DEVELOPMENT PROCESS

Working with industry to translate promising laboratory insights into experimental therapies means we can accelerate the development of new drugs and bring them to patients sooner.

- We launched our largest ever drug development partnership with **Celgene**, to develop and commercialise new anti-cancer treatments.
- We partnered with biotech company **Bicycle Therapeutics** to develop a new class of therapeutics called bicyclic peptides.
- Rucaparib, a drug developed in Cancer Research UK's labs, **was licensed by the European Medicines Agency** for the treatment of women with advanced ovarian cancer when chemotherapy stops working.

### FUND MORE RESEARCH INTO THE IMMUNE SYSTEM

Drugs that target the immune system, known as immunotherapies, are transforming the way certain forms of cancer are treated. But not all patients benefit, so there's an urgent need to understand the interplay between cancer and the immune system in greater detail.

- We've continued to invest in six **new immunology research projects** via our Immunology Project Awards.
- We've partnered with Merck to test a drug called **olaparib** in combination with 'checkpoint' immunotherapy drugs.
- Our researchers at the Francis Crick Institute continued to make **vital discoveries**, revealing a deeper understanding both of the role that immune cells known as 'natural killer' cells play in cancer, and how mutations in the Ras oncogene can help cancers hide from the immune system. ■

#### JAPSER'S STORY

Jasper Lilley | 6 | Wallington



### DEVELOPING THE NEXT GENERATION OF TREATMENTS FOR CHILDREN'S BRAIN TUMOURS

In October 2017, six-year-old **Jasper Lilley** finished treatment for a type of brain tumour called medulloblastoma, and is now doing well. But his treatment involved intensive radiotherapy, and chemotherapy that caused him serious side effects. We want to develop kinder treatments for children's brain tumours, that help more

children survive. So this year we opened the **Cancer Research UK Children's Brain Tumour Centre of Excellence**, based at the University of Cambridge and The ICR in London, to bring together world-leading experts to discover and develop new treatments to tackle brain tumours in children, including medulloblastoma.

#### 2018/19 PRIORITIES

Continue to develop **Alliances and Clinical Development Partnerships** to bring experimental drugs to market.

Continue to focus on **studying hard-to-treat cancers**, including holding research conferences on brain tumours and oesophageal cancers.

Grow our **Grand Challenge research network**, with a particular focus on technological development.

Work with regulatory authorities to improve the **clinical regulatory environment** in the UK and promote innovation.

## WHAT WE'VE ACHIEVED IN 2017/18

 **12,000**

Patients enrolled on clinical trials around the UK

 **200**

Patients stratified to receive experimental treatments on our National Lung Matrix trial

## IMPROVING AND OPTIMISING EXISTING TREATMENTS

Surgery and radiotherapy are still cornerstones of cancer treatment while cancer drugs, including chemotherapy, can be vital in improving survival and preventing recurrence. But working out who might benefit – and who might not – can be a challenge. Improving how existing cancer treatments are used is just as important to us as developing new therapies, particularly as researchers discover how to better personalise and stratify care based on the precise characteristics of each patient's disease.

### DEVELOP AND DELIVER OUR STRATIFIED MEDICINE STRATEGY

Cancer treatment is increasingly tailored to the individual and, as our understanding of cancer improves, so does our ability to personalise treatment.

- Our **Stratified Medicine Programme** is profiling tumours from patients with lung cancer, and matching them to treatments that could help them. The programme has now tested 2,500 patients' tumours, enabling 200 to be recruited to our ground-breaking **National Lung Matrix** trial.
- We have partnered with UK biotech company Inivata to monitor patients on the programme using '**liquid**' **biopsies** that measure fragments of tumour DNA in a patient's blood.
- In collaboration with the Medical Research Council, we've funded several new stratified medicine consortia, including **Re-IMAGINE**, a study that aims to use imaging to better personalise prostate cancer treatment.

### IMPROVE ACCESS TO MODERN RADIOTHERAPY TECHNIQUES AND REFINE HOW THEY'RE USED

The UK is a world leader in research into new radiotherapy techniques, and Cancer Research UK has been at the heart of that progress.

- Our **advocacy for better NHS radiotherapy** continues to pay dividends, with new money for the NHS to upgrade equipment in 2017, and our response to a Government consultation ensuring NHS England is actively considering how to make sure patients don't miss out on new techniques.
- We awarded £4.3 million to a network of institutes in Manchester, London, Oxford and Leeds to establish the **Advanced Radiotherapy Technologies Network**, which aims to bring new radiotherapy technologies into the NHS in a coordinated, evidence-based way.
- We renewed our funding for the **Radiotherapy-Drug Combinations Consortium**, which studies new combination treatments.

- Practice-changing results from **two clinical trials**, were presented at the American Society of Clinical Oncology's annual conference: SCORAD III showed that a single dose of radiotherapy to relieve spinal cord compression was as effective as multiple doses; and IMPORT-LOW showed that radiotherapy for early breast cancer could safely be given in more focused, lower doses.

### CONTINUE TO FUND AND SUPPORT HIGH-QUALITY CLINICAL TRIALS

We currently fund more than 250 clinical trials, around the UK and internationally, into a wide range of cancer treatments, in patients with virtually every type of cancer. Notable findings include:

- Our flagship **prostate cancer** trial, STAMPEDE, showed that abiraterone – a drug in whose discovery and development we played a major role – can substantially improve survival in men with advanced prostate cancer, when given at an early stage.
- Results of the BILCAP **bile duct cancer** trial, launched in 2005, showed that offering chemotherapy after surgery could improve survival. ■

### JOHN'S STORY

John Hudson | 76 | Middlesbrough



### IMPROVING PROSTATE CANCER TREATMENT

Our flagship STAMPEDE prostate cancer trial has produced a string of results that have changed the way the disease is treated. It's a complex, multi-armed study that's able to test out multiple treatment combinations simultaneously. This year it made perhaps its most important finding yet: a drug called abiraterone, given earlier, alongside hormone therapy, can make a big difference in survival for men

with prostate cancer that's spread. **John Hudson** (above) benefited from an earlier finding: that hormone therapy given with a chemo drug called docetaxel chemo also improves survival. "The results of the STAMPEDE trial enabled me to get first-class treatment. I'm eternally grateful to everyone who's taken part in clinical trials in the past, as they're helping patients like me right now."

### 2018/19 PRIORITIES

Lead the field in **radiation oncology research**, establishing and delivering a new UK strategy.

Continue to invest in **high-impact clinical research**, including through our network of Clinical Trials Units (CTUs).

Work with our CTUs to ensure trials are set up **quickly and efficiently**.

Expand our work on **stratified medicine**.



## HOW WE ACHIEVED IT IN 2017/18



# £45m

Investment in our Clinical Trials Units



# 10

Teams shortlisted for Grand Challenge Round Two

## BUILDING A WORLD-CLASS RESEARCH ENVIRONMENT

Progress towards our vision of beating cancer can only be realised by creating an environment in which new ideas can flourish, and in which laboratory discoveries can be rapidly translated into new ways to care for patients. Last year, we focused on:

### WORKING WITH THE RESEARCH COMMUNITY TO ENSURE THEY BRING US THE BEST PROJECTS

Last year we funded 159 new research awards, through 31 different funding schemes. Highlights include:

- Launching Round Two of **Grand Challenge**. Eight new questions were posed to the research community and we received 134 applications spanning 41 countries. Ten teams were shortlisted for seed funding in December 2017.
- In partnership with Associazione Italiana per la Ricerca sul Cancro (AIRC) and Fundación Científica – Asociación Española Contra el Cáncer (FC ACC), we invited research centres in Italy, Spain and the UK to submit outline proposals for **Accelerator Awards** of up to £1 million per year for up to five years, to develop new research tools for the wider community.
- Our **Multidisciplinary Project Awards**, co-funded by the Engineering and Physical Sciences Research Council, support collaborations between cancer researchers and scientists from engineering/physical science disciplines. This year we funded eight new projects, bringing the total to 29.

- We are working in partnership with **Arthritis Research UK** to encourage new collaborations and innovative research projects that could lead to significant progress in both disease areas (see box).

### RECRUITING WORLD-CLASS RESEARCHERS TO KEY LEADERSHIP ROLES

This year we announced several high-profile appointments:

- **Professor Charles Swanton** is now the Charity's Chief Clinician. Professor Swanton leads a team at the Francis Crick Institute, is a Professor of Personalised Cancer Medicine at UCL, and practices as a medical oncologist at UCLH, specialising in lung cancer. He leads our nationwide cancer evolution study, TRACERx.
- **Professor Owen Sansom** became Director of the Cancer Research UK Beatson Institute in Glasgow. His focus is on investigating how cancer cells grow, integrating work on protein synthesis and metabolism with cell survival, and targeting metastasis and recurrence.
- We appointed **Professor Greg Hannon** as the new Director of the Cancer Research UK Cambridge Institute. Professor Hannon is

internationally recognised for his contributions to cancer biology and mammalian genomics, and has a long history in the discovery of cancer genes.

- **Professor Xin Lu** was appointed Co-Director of the Cancer Research UK Oxford Centre. Professor Lu is also Director of the Oxford branch of the Ludwig Institute for Cancer Research – this connection will help to foster further collaboration and accelerate the translation of laboratory research into patient benefit.
- We helped recruit **Professor Rob Bristow** to the University of Manchester from Toronto, as Director of the Manchester Cancer Research Centre.

#### **SPEEDING UP CLINICAL TRIAL SET-UP TIMES TO ENSURE TREATMENTS REACH PATIENTS FASTER**

- We invested £45 million into our network of **Clinical Trials Units** (CTUs) across the UK. This will be divided over five years across eight CTUs, in Cardiff, Birmingham, Glasgow, Southampton, Leeds and London (at The ICT, UCL and Queen Mary University London).
- We became co-funders of the **Experimental Cancer Medicine Centre (ECMC) Paediatric Network**, expanding it to 11 sites across the UK (see box on page 6).

#### **INVESTING IN OUR RESEARCHERS' DEVELOPMENT TO PRODUCE THE LEADERS OF TOMORROW**

We aim to support researchers at all career stages, and across the spectrum of biological and clinical research.

- We have increased our training portfolio to **541 PhD students** and **134 Fellows** in 2017, from 463 PhDs and 88 active Fellows in 2014.
- We have continued to grow our community of Clinical Scientists and now fund approximately **40 clinical fellows** around the UK. ■



#### **WORKING WITH ARTHRITIS RESEARCH UK**

An altered immune system is a hallmark of both cancer and arthritis. As part of our partnership with Arthritis Research UK, we hosted a three-day 'sandpit' workshop focused on understanding the body's ability to maintain a well-regulated immune system (so-called 'immune homeostasis'). The meeting brought together patients, researchers, clinicians,

physicists, computational scientists, and others to apply their expertise to the key questions in this field. At the end of the workshop, the participants had to form into teams and pitch their idea to a committee. We've now provided seed funding to three of these ideas, to allow them to gather some preliminary data proving their feasibility.

#### **2018/19 PRIORITIES**

Find new ways to foster and reward **innovation** across our research network.

Develop and implement a new **scientific and clinical strategy** for the ECMC network.

Continue to drive improvements to Cancer Research UK's **data sharing** activities.

Examine our approach to **translational research** with a view to increasing the pace of translation.

## HOW WE ACHIEVED IT IN 2017/18

 **40,000**

Members of our Cancer Chat forum

 **113**

New Cancer Campaigns Ambassadors recruited

# ENGAGING AND EMPOWERING PATIENTS AND THE PUBLIC

Our vision is to become a truly patient-centred organisation that routinely consults with people affected by cancer to improve what we do. This includes optimising the information we provide to patients and the public. Since 2014 we've seen a significant increase in the amount of patient involvement, and this continues to grow. Last year, we said we'd:

### CONTINUE TO FIND NEW WAYS TO INVOLVE PEOPLE AFFECTED BY CANCER

We're committed to working with people affected by cancer – providing opportunities for them to share their stories, insight and influence to help us beat cancer sooner.

- Nearly 1,000 people have joined **'Your Involvement Network'**, sharing their insight and experience of cancer to improve the Charity's decision-making.
- We've delivered **110 involvement opportunities** across the Charity, seeking insight across policy, research and fundraising initiatives.
- Over 700 more people joined the thousands of **media volunteers** who help us deliver a wide range of opportunities to raise awareness about cancer and our work.
- More than 500 children and young people were recognised in our **Kids & Teens Star Awards** scheme – with certificates sent to their brothers and sisters too.
- 307 **Cancer Campaigns Ambassadors** (including 113 new volunteers this year) have made a significant impact around the UK, highlighting the shortage of diagnostic staff in England;

influencing a new obesity strategy in Scotland; and campaigning for a sugar tax on soft drinks in the UK.

### SHOWCASE THE IMPACT THAT PEOPLE WITH CANCER HAVE ON OUR WORK THROUGH MULTIMEDIA AND EVENTS

- We invited one of our Media Volunteers – a retired biomedical scientist and pancreatic cancer survivor – to be **guest editor of our 2017 research highlights blog**. The blog post reached more than 120,000 people on Facebook and was visited more than 6,000 times.
- Films of volunteer cancer survivors sharing their insights into their lives post-diagnosis formed part of the 'Because of You' Individual Giving campaign. One of these films **was shortlisted for the Charity Film Awards**.
- We added more than 55 **media volunteer stories** to the research pages of the website to help illustrate the human impact of a cancer diagnosis.

### REMAIN A TRUSTED AND RELIABLE SOURCE OF INFORMATION ABOUT CANCER

- We completed the **rewrite, restructure and migration** of all 5,000 pages of our online 'About

Cancer' **cancer information**, making our content easier to find, easier to use and mobile-friendly.

- We worked with focus groups to redesign our **cancer awareness leaflets**, which now feature new photography to feel friendlier and more engaging, and a warmer and more empowering tone.
- We grew the membership of our **online forum for cancer patients**, Cancer Chat, by more than 13,000, increasing its membership to over 40,000.

### INTEGRATE OUR PUBLIC-FACING CANCER AWARENESS AND HEALTH PROMOTION ACTIVITY

Since 2015 the Charity's nurse-led 'Your Cancer Awareness' Hubs have been running alongside our established Cancer Awareness Roadshows, initially as a small pilot in north east England. Both were set up in partnership with Ronan Keating and the Marie Keating Foundation to tackle health inequalities.

- In 2017, we **extended the Hubs** to cover Scotland and north west England.
- We **reached thousands of people** every week and helped to raise awareness of cancer prevention, screening and the importance of early diagnosis.
- 95% of people say that they are **likely to make a positive change** for their health following their visit.

### OTHER KEY ACHIEVEMENTS

- We launched our first patient involvement **Impact Report** at an event for our involved patients at the Francis Crick Institute. The report showcased the value of people affected by cancer and Cancer Research UK working in partnership.
- One of our Ambassadors **received an MBE** for Services to Apprenticeships and Charity.
- Our Cancer Intelligence team was **recognised by NHS Digital**, demonstrating our ability to manage and analyse patient data safely and responsibly, in line with expectations of both patients and the public. ■



### IMPROVING EARLY-PHASE TRIAL DESIGN

Our Centre for Drug Development (CDD) runs early-phase clinical trials across the UK but, for a range of reasons, these trials can prove a challenge to recruit to. The CDD has been working with Cancer Research UK's Patient Sounding Board to make sure trials are designed and run with patients front of mind. For example, in 2017, their feedback led to one early phase trial team revamping the information used to help patients decide whether to participate, resulting in a boost in the number giving informed consent to go onto the trial.

Sounding Board member **Jim Elliott** has been part of our patient network since 2014: "It's vital that clinical trials are set up to take account of the needs of the people on them. While I've been impressed with how Cancer Research UK now embraces patient involvement across so much of its work, I've been especially proud to help shape cancer trials themselves – it can only help speed up research and bring improvements to patients in the long-term."

### 2018/19 PRIORITIES

Continue to grow **our patient network**, recruiting a large and diverse cohort to shape and influence our work.

Embed **patient involvement** across the whole of the Charity, wherever it adds value.

Update our information to make sure that it is **the most accurate, up-to-date cancer information** available.

Make our cancer information **even easier to find**, and easier to understand by audiences from all backgrounds.

## HOW WE ACHIEVED IT IN 2017/18

**£6.19**

Average regular monthly donation

**£107m**

Raised through regular giving

## FUNDRAISING & TRADING

Fundraising underpins everything we achieve. As always, it's vital that we continue to invest in new initiatives to protect future short- and long-term income, and explore ways to improve our supporters' experience of giving to the Charity. This year we raised £527 million through our fundraising and trading activities, which was 3% lower than last year.

We consider fundraising in four categories: Give, Buy, Do, and Pledge.

### GIVE – DONATIONS

- Over one million people give us a **regular gift**, raising more than £100 million. Philanthropic donations continued to prosper and included a gift of £0.8 million for the PRECISION-Panc research project, and a £1 million gift towards a Brain Tumour Centre of Excellence.

- Our **corporate partners** have grown this year, with an outstanding contribution of £13.4 million from our continued partnerships with BT, HSBC, M&Co, Scottish Power, Tesco, TK Maxx and Ultra White-Collar Boxing. With a focus on growing our existing and new corporate relationships, this year we were selected as the beneficiary charity for Cascaid, an Asset Management led fundraising campaign. Through Ambassador fundraising, the campaign has raised over £1.2 million to support our work.
- The **Stand Up To Cancer** campaign was an 'off-air' year, with no live show. Instead, we worked closely with Channel 4 to secure strong programming, including Celebrity Hunted, the Crystal Maze and the Great Stand Up To Cancer Bake Off generating high levels of donations. The next live Stand Up To Cancer show will air on Channel 4 in October 2018.
- We received a **one-off donation** of £3 million from Children with Cancer UK to help fund a programme of paediatric stratified medicine research.

### BUY – OUR SHOPS

Performance of our shops has been strong, with sales of £84 million, 4% higher than last year.

- The Cancer Research UK **"superstores"** concept continues to be a successful model and we have opened four new superstores in out-of-town sites.
- We partnered with **Slimming World** to increase donations of stock, generating £3.3 million.
- Sales online through our **eBay store** have grown steadily throughout the year, achieving £0.4 million this year, as we seek to tap into this higher margin model for selected items donated in our shops.

### DO – VOLUNTEER FUNDRAISING AND EVENTS

Our events and local fundraising groups engage supporters across the UK, providing exciting experiences as well as raising sponsorship.

- Nearly half a million people took part in events including **Race for Life**, **Shine Night Walk** and **Winter Run**, raising a total of £47.2 million.
- We introduced **Pretty Muddy Kids** in 2017 and will be expanding the number of events in 2018. The obstacle course – an extension of the Race for Life brand – is now open to children aged up to 12 years old with a minimum height of 1.2m.

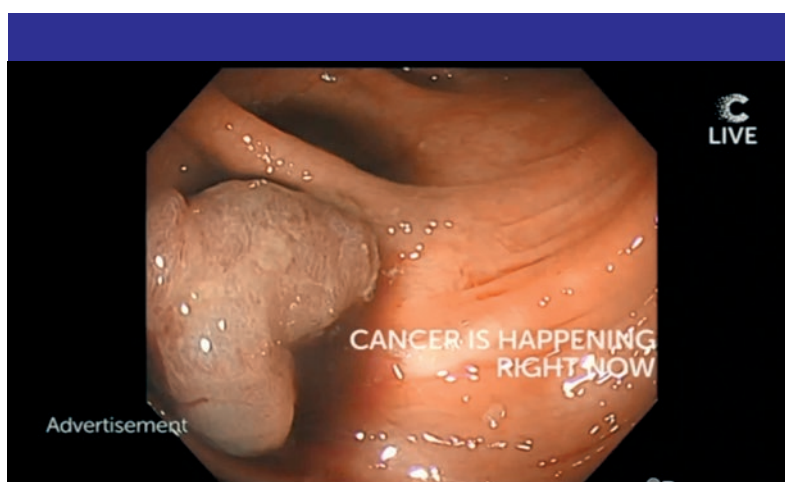
- After the success of 2016's **Race for Life Hike** trial, which took place in the Peak District, we launched four more events this year.
- A **10k Shine Night Walk** took place in Glasgow for the first time this year, and following its success we are planning to launch five more regional Shine Night Walks in 2018.
- Volunteers in our **local fundraising groups** raised over £40 million, including through the 24-hour Relay for Life, which unites communities.
- More than 72,000 people took part in our **fundraising products** such as Walk All Over Cancer (10,000 steps a day challenge), the 300-Mile Cycle Challenge (over the course of September) and Dryathlon (giving up alcohol in January) delivering over £6.4 million.

Race for Life is an important fundraising event for the Charity, and continues to raise a substantial amount of funds for our vital work. This year, due to some technology issues, we decided to delay the launch of the website until they were fixed, delaying online sign-ups for several weeks. This was disappointing, and resulted in a lower fundraising total (£32 million) than anticipated. However, we have worked hard to address these issues. We are very positive for the 2018 Race for Life season, and will continue to look for new opportunities for Race for Life in future years.

### PLEDGE – YOUR LEGACIES

Legacy giving remains our single biggest source of fundraising income, with over £181.5 million raised in the year.

- We benefitted from several **multi-million pound legacies** during the year.
- We continue to invest in our **marketing and stewardship work** in this area to inspire others to include Cancer Research UK in their wills.
- We implemented a **new team structure** to set us up to innovate and deliver a step change in our supporter stewardship activity. ■



## INNOVATING TO BEAT CANCER SOONER

### Brand

It's important that we develop new and different ways to reach and engage with the public, demonstrating the impact that our research has in saving lives. We want to get people talking about us and drive additional reach across traditional and social media to maximise the return on our marketing investment.

In January 2017 we televised a global first – a live colonoscopy on Channel 4 removing a potentially pre-cancerous polyp, which was simultaneously live-streamed on Facebook. This generated a huge level of buzz, reaching more than 30 million people in the UK through the press, and 2 million people across TV & social media.

We are also continuing with our award-winning Right Now campaign, featuring real patients and demonstrating the positive impact of research.

### Supporter Hub

After listening to supporters' feedback, we have started to develop the 'Supporter Hub' – a new online log-in area. Supporters can log in to control their donations, communication preferences and see the impact of their giving with ease. It is currently in testing to make sure we offer the best experience possible before launching it to all supporters. We hope it will improve supporters' experiences with us and allow some of our key audiences to interact with us in the way they want to – online.

### 2018/19 PRIORITIES

Improve the **fundraising experience** to build long-term, rewarding relationships with our volunteers and donors.

Maximise the return on our **marketing activities**.

Develop **new, innovative fundraising options** recognising the different ways that people choose to support us.

Build long-term **strategic partnerships** with leading corporate organisations.

## HOW WE ACHIEVED IT IN 2017/18

 **47,000**

Roles fulfilled by dedicated volunteers

 **£13.2m**

Raised by volunteer groups and committees

## OUR PEOPLE

Our ability to attract, develop and retain talented people remains vital to everything we do across all areas of the Charity.

### EMPLOYEES

Through the extraordinary commitment and hard work of our employees we are making progress against cancer every day.

- Creating inspiring leaders and exceptional talent across the Charity is key to what we do. We are focused on nurturing and developing our employees and have launched a core **development programme** for all covering skills critical to our success. We provide our leaders with regular feedback through our Manager Insight Survey, and we have refreshed our manager development programme as well as providing specific tailored development to our most senior leaders.
- We recognise that a more diverse workforce is a higher performing workforce, which will better reflect the communities that we serve. Providing an inclusive place to work for everyone is also the right thing to do. We have launched an **Equality, Diversity and Inclusion strategy** and set ourselves ambitious targets.

You can read more about these on page 47.

- The competition for tomorrow's talented employees is growing. Our **graduate scheme** continues to be highly rated. We have also introduced **paid internships**, and are expanding the number of **apprenticeships** we offer. All three will help us to attract people from more diverse backgrounds.
- Next year we **move our head office** to the International Quarter at the Olympic Park in Stratford. This is a big undertaking and we are fully engaged with our people to maximise retention.

To read more about our employment practices and pay, see page 46.

## SUPPORTERS AND VOLUNTEERS

Cancer Research UK could not exist without the generosity of our supporters, who contribute to our progress in a wide variety of different ways. While many people support the Charity through donations (more about this on page 8), others contribute through volunteering, giving their time, energy, passion and skills within communities across the UK. Currently, the Charity has 47,000 roles fulfilled by dedicated and motivated volunteers.

- Around 7,700 of these volunteers supported 613 **sporting events**, including Race for Life, Pretty Muddy, Tough 10 and the Shine Night Walk. Over 16,000 volunteers in our shops sorted through £120 million worth of donated goods. Over 690 groups and Relay for Life committees also united their communities to raise £13.2 million.
- More than 130 volunteers **donated and developed their skills** while supporting projects in our offices, including through our 12-week voluntary internships programme. ■



## RECOGNITION FOR OUR VOLUNTEERS

2018 will be our 15th year of celebrating our most outstanding and inspiring volunteers through our annual Flame of Hope Awards. This year we have received over 500 nominations.

A new engagement event called The Late Lab was introduced. This interactive event gave supporters the

opportunity to get hands-on with our research, network with like-minded volunteers and get a real sense of the huge impact that their support has on our life-saving research.

As an organisation, in the last year, we have nominated eight exceptional volunteers for the New Year's and Queen's Birthday Honours.

### 2018/19 PRIORITIES

Attract **new volunteers** and offer our existing volunteers the best experience so that they continue supporting Cancer Research UK for longer.

Partner with **volunteer organisations**.

Ensure we have the **key skills and structures** in place to achieve our objectives and drive high performance across our team.

Increase **diversity** to enable us to better reflect the communities that we serve and to improve our performance, enhancing our reputation as an inclusive employer.

# FINANCIAL REVIEW

## OVERVIEW

In 2017/18, our total underlying income totalled £634 million (2017: £647 million<sup>1</sup>) falling 2% from the previous year. This primarily reflected a decline in the number of participants in our flagship event, Race for Life, marginally offset by increased royalty income.

Our charitable expenditure decreased by 1% to £466 million (2017: £472 million) comprised of £423 million for research and £43 million for policy and information work.

## UNDERLYING INCOME

### Donated income

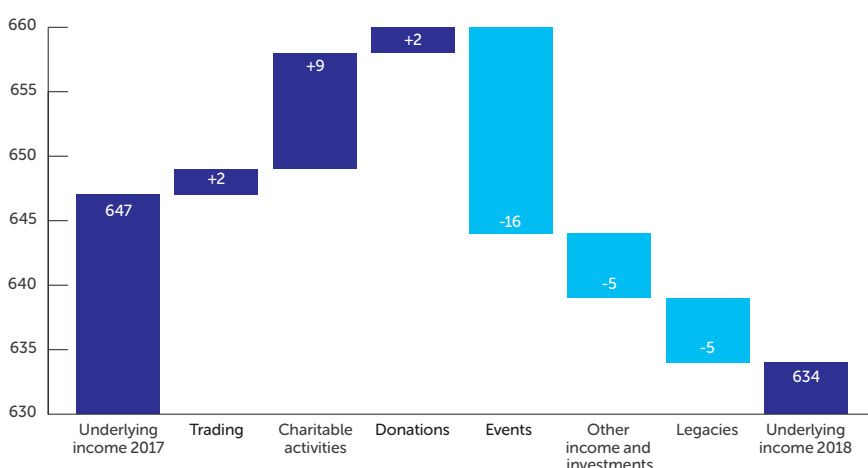
Donated income decreased by 4% to £423 million (2017: £442 million). The largest income stream continues to be legacies, which again exceeded £180 million. Income from events was down from £65 million to £49 million due to a reduction in Race for Life participant numbers, partially offset by a strong performance in The Great Stand Up to Cancer Bake Off. We saw a fall in direct giving as our decision to allow supporters the choice to opt in to marketing communications, resulted in lower numbers of new subscribers.

### Trading income

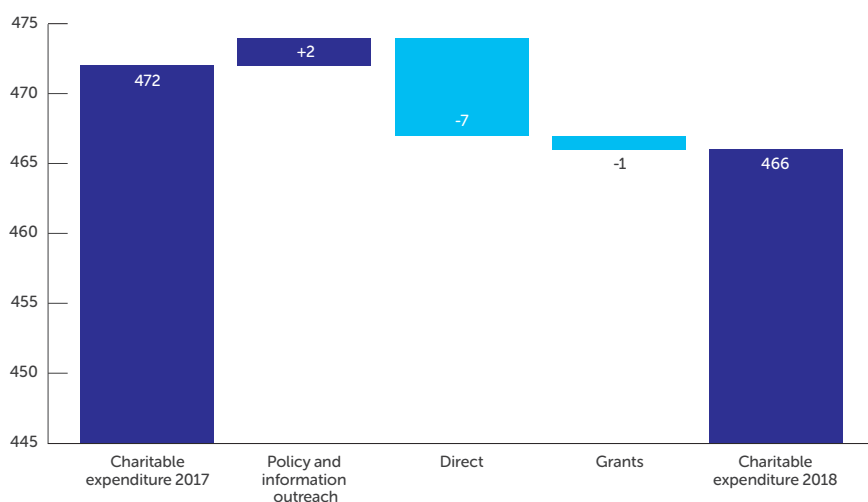
Trading income grew by 2% to £104 million (2017: £102 million), driven by new shop openings including some larger out-of-town stores that generate significantly higher revenues than high street shops.

Overview	2018 £m	2017 £m	Change £m
Underlying income	634	647	(13)
Charitable expenditure	(466)	(472)	6
Expenditure on voluntary fundraising	(97)	(108)	11
Expenditure on trading	(89)	(85)	(4)
Exceptional property gains	–	32	(32)
Investment gains	11	19	(8)
Net (expenditure)/income before pension gains	(7)	33	(40)

## UNDERLYING INCOME GROWTH (£M)



## CHARITABLE EXPENDITURE GROWTH (£M)



<sup>1</sup> Total underlying income for 2017 excludes the exceptional gains generated by our property transactions.

### Income from charitable activities

Income from charitable activities, which includes royalties and grants grew by 10% to £101 million (2017: £92 million) with the prostate cancer drug, abiraterone, being the key driver.

### Exceptional gains

The exceptional gain in 2017 (£32 million) arose from the disposal of interests in property. Following the transfer of the research work carried out at the London Research Institute Clare Hall laboratories to the Francis Crick Institute, we sold the majority of the site to University College London. We also received a payment for surrendering the lease of our head office in Angel and will relocate to a new building next to the Queen Elizabeth Olympic Park in Stratford in 2019.

### Investment gains

Net gains on our investment portfolio totalled £11 million (2017: £19 million). This was primarily due to the performance of our investment in Syncona Ltd.

## CHARITABLE EXPENDITURE

### Research expenditure

Our research expenditure fell to £423 million (2017: £432 million). Grants to Institutes, Centres and universities were maintained at over £310 million. Direct research costs have reduced as we closed down on our research institute at Lincoln Inn Fields which has now been relocated to the Francis Crick Institute.

### Cancer information and policy outreach

Our expenditure on cancer information and policy work increased to £43 million (2017: £41 million). This was largely due to the growth on health campaigns and expansion of our work on international tobacco control.

## ANNUAL CHARITABLE EXPENDITURE

For accounting purposes, research grants awarded during the year are measured as the total of expected payments up to the next scientific review, as this is the expenditure to which we are committed but which will be incurred over a period of up to three years. We also measure

charitable expenditure incurred during the year. This represents the activity completed during the year regardless of awarding patterns and accounting expenditure. It increased by 6% over the prior year to £455 million (2017: £428 million), mainly due to the Grand Challenge awards of £15 million. This is shown below.

The difference reflects research grant commitments running ahead of cash spend.

Around three-quarters of our research expenditure is directed towards specific cancer types. The remaining quarter is directed towards the biology of cancer, which underpins our understanding of all types of cancer. Annual charitable expenditure breaks down as below.

### EXPENDITURE ON RAISING FUNDS

Expenditure on raising funds, including trading costs, reduced to £186 million (2017: £193 million). This reflects a lower expenditure on our Race for Life events as the number of participants were lower, and reduced spend on acquiring new committed givers.

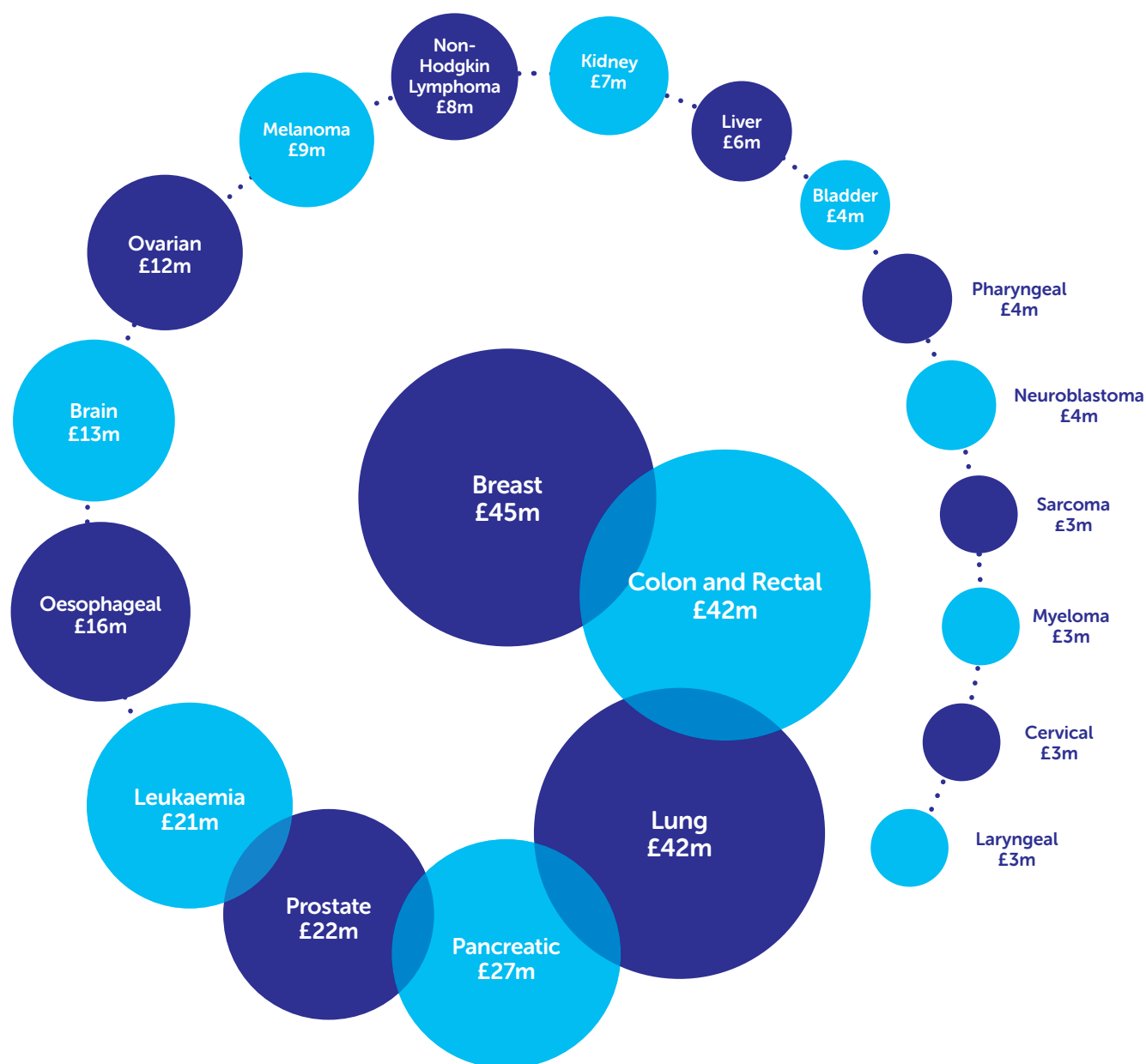
Annual charitable expenditure	2018 £m	2017 £m
Spend on charitable activities committed in the year (page 52)	466	473
Capital contributions to the Crick	–	1
<b>Total committed spend on charitable activities</b>	<b>466</b>	<b>474</b>
Difference between accounting costs of research and annual charitable expenditure	(11)	(46)
<b>Total annual charitable expenditure</b>	<b>455</b>	<b>428</b>

Annual charitable expenditure breakdown	2018 £m	2017 £m
Site-specific research <sup>1</sup>	308	274
Research into the biology of cancer	104	112
Capital contributions to the Crick	–	1
Cancer information and policy outreach	43	41
<b>Total annual charitable expenditure</b>	<b>455</b>	<b>428</b>

<sup>1</sup> 'Site-specific research' includes an apportionment of research that is relevant to all sites. Wherever possible, research is assigned to a specific cancer type; however, some research is neither biology of cancer nor can it be tied to an individual cancer, e.g. a project on pain control relevant to all cancer patients.

## OUR FUNDING IN 2017/18 BY DISEASE TYPE



## WE ALSO SPENT:

# £14m

On over 100 other cancers, including stomach and testicular

# £104m

On research relevant to all cancer types



For more information on the research we fund, visit our website at [cruk.org/what-we-fund](http://cruk.org/what-we-fund)

## PROPORTION AVAILABLE TO BEAT CANCER

Every effort is made to minimise overheads and to raise and spend money efficiently and effectively. There is no charity standard against which to benchmark fundraising efficiency. To determine our efficiency we have for many years applied a consistent approach in calculating the proportion of supporter's donations, income from charitable activities and investment income that is spent on fundraising. For this purpose, expenditure on raising funds includes direct fundraising costs, such as the organisation of events, and an appropriate allocation of support costs – information technology, corporate resources and human resources – that support not only fundraising but the Charity's cancer research, information and policy work.

The table above right shows that for every £1 of supporters' donations and income from charitable activities in 2018, more than 80p was available to beat cancer. The proportion inevitably varies somewhat from year to year but we aim to maintain it at around this level in the future.

It has been calculated as in the table above right.

We do not include in this calculation the net income from trading activities, as our shops operate in a manner similar to other retail businesses, raising funds through selling merchandise rather than through voluntary cash donations. Our trading costs include stock collection, shop staff and shop rents and maintenance costs. Income from our shops is therefore better compared with similar commercial retail activities. The calculation also excludes gains and losses on investments and any exceptional gains or losses as these items do not relate to the Charity's fundraising efficiency.

% available to beat cancer	2018 Donated income £m	2018 Charitable income £m	2018 Other £m	2018 Total £m
Income	423	101	6	530
Costs	97	–	–	97
<b>Net income</b>	<b>326</b>	<b>101</b>	<b>6</b>	<b>433</b>
<b>% available to beat cancer</b>				<b>81%</b>

Cash flow and investments	2018 £m	2017 £m
Fundraising and trading income	527	544
Income from charitable activities	101	92
Investment and other income	6	11
Charitable activities	(466)	(473)
Capital contributions to the Crick	–	(1)
Expenditure on raising funds	(186)	(193)
Purchase of fixed assets	(9)	(7)
Movement in working capital	53	32
Pension deficit payments	(5)	(5)
<b>Net inflow/result before investment gains</b>	<b>21</b>	<b>–</b>
Investment gains	11	19
<b>Net increase in cash and investments</b>	<b>32</b>	<b>19</b>
Cash and investments 1 April	317	298
Cash and investments 31 March	349	317

Managed cash and investments	31 March 2018 £m	31 March 2017 £m
Cash and investments	349	317
Less: funds under separate management <sup>1</sup>	(8)	(8)
<b>Managed cash and investments</b>	<b>341</b>	<b>309</b>
	Months	Months
<b>Months of annualised future cash outflows</b>	<b>5.7</b>	<b>5.6</b>

<sup>1</sup> The Beatson Institute for Cancer Research.

When a supporter makes a donation to Cancer Research UK, we spend their money wisely. We're constantly focused on reducing our overheads and becoming more efficient at raising funds. But we also need to invest in raising funds for the future. This requires innovation and adhering to strict fundraising regulations which requires robust systems and procedures.

One of the ways we are reducing our overheads is the relocation of our Head Office from central London to the Olympic Park in Stratford. We raised additional income in 2017 of £17.5 million through the surrender premium on our existing lease. This will more than cover our estimated move and disruption costs. Relocation to the new building will enable us to reduce our fixed costs, allowing more money to be channelled into research. The move is planned to happen in 2019.

## RESERVES POLICY AND MANAGEMENT

Reserves are maintained at a level that enables the Charity to manage financial risk and short-term income volatility. They allow the Charity to sustain optimal levels of research over the long term, ensuring that financial commitments can be met as they fall due.

Our reserves policy states that managed cash and investments should exceed three months but are not expected to exceed five months' forecast cash outflows. Although since 2016 levels have been greater than five months' cover, the Charity's medium-term plan includes projections for reserves to reduce as we increase charitable expenditure, bringing the anticipated cover to four months, as shown diagrammatically opposite.

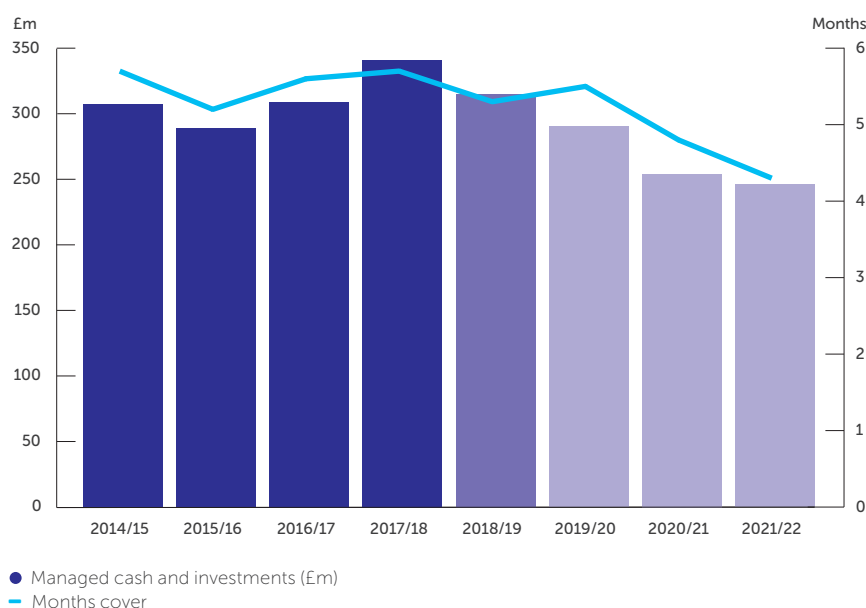
Reserves measured at 31 March are shown on the previous page.

## INVESTMENT POLICY AND PERFORMANCE

The investment policy supports the reserves policy. The Charity seeks to adopt a cautious, prudent and well-diversified investment stance to balance potential returns with appropriate levels of risk. Smoking causes around a quarter of all cancer deaths in the UK and it is the Charity's policy not to invest, directly or indirectly, in tobacco companies.

The Charity's aim is to ensure that investments maintain their capital value, in real terms, across an investment cycle. Goldman Sachs Asset Management manages the majority of our investments. The portfolio is invested in a range of securities in line with levels agreed between the Charity and Goldman Sachs. The net investment gain for the year was £11 million (2017: £19 million gain).

## HISTORIC AND INDICATIVE FUTURE RESERVES



## FIVE-YEAR FINANCIAL HISTORY

The five-year record shows strong increases in charitable expenditure supported by fundraising growth.

Spend on charitable activities has increased steadily supported by fundraising growth. Reserves are forecast to be drawn down across the course of our five-year plan.

	2014	2015	2016	2017	2018
Underlying income (£m) <sup>1</sup>	590	609	635	647	634
Fundraising and trading income (£m)	490	516	529	544	527
Income from charitable activities (£m)	95	87	95	92	101
% of each £1 donated available to beat cancer <sup>2</sup>	82%	80%	80%	80%	81%
Total spend on charitable activities (£m) <sup>3</sup>	414	461	470	474	466
Managed cash and investments (£m)	282	307	289	309	341

<sup>1</sup> Underlying income does not include gains generated by property transactions. A pension curtailment gain in 2015 is also excluded.

<sup>2</sup> See page 35 for how the percentage available to beat cancer is calculated.

<sup>3</sup> Total spend on charitable activities includes capital contributions to the Francis Crick Institute.

Of the £11 million gain, £9 million related to our investment in Syncona Ltd. Whilst generating a financial return, our investment in Syncona also furthers our charitable objectives as 20% of the net asset value in Syncona must be invested specifically into oncology projects.

A review of both the reserves and investment policies is conducted every year.

## PENSIONS

The Charity provides employees with the opportunity to participate in a defined contribution pension scheme. Historically, we also provided a defined benefit scheme which closed to new entrants in 2009 and closed to future accrual in 2015.

The accounting surplus of the defined benefit pension scheme increased in the year from £35 million to £74 million. This was mainly due to a change in market conditions, where it is now anticipated that life expectancies will increase at a slower rate than previously assumed.

The calculation to determine the accounting surplus or deficit differs from the calculation of the funding surplus or deficit of the scheme, the purpose of which is to determine whether further payments into the scheme are required. The calculation of the funding surplus or deficit of the scheme uses a more conservative

discount rate, which results in a higher value for the scheme's pension liabilities. The latest triennial actuarial valuation took place as at 31 March 2015 and determined a funding deficit of £55 million (2012: £61 million). We have agreed a pension deficit recovery plan with the scheme's trustees. Our deficit funding payments were £5 million for this year and will continue at this level for the next year. Further payments, if any, will be determined following the 2018 triennial evaluation.

Unless members choose otherwise, their contributions to the defined contribution pension scheme are being invested in tobacco-free investments.

## GOING CONCERN

Council has reviewed the Charity's financial position. As a result of its review, Council believes that the Charity is well placed to manage operational and financial risks successfully.

Accordingly, Council has a reasonable expectation that the Charity and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus Council continues to adopt the going concern basis of accounting in preparing the annual accounts.

# OUR FUNDRAISING PRACTICES

The last few years have been challenging for the entire charity sector, with an uncertain financial environment, increased media and government scrutiny, and several high-profile allegations of misconduct making the national news headlines. Trust and transparency have never been more important.

At Cancer Research UK we want to be a sector leader in best fundraising practice, ensuring that our supporters and the wider public are treated fairly and with respect. In 2016, we published Our Fundraising Promise (see graphic), laying out the principles underpinning our efforts to raise money to beat cancer. But we're continually looking for ways to improve and ensure we address new challenges and adopt new regulations effectively. For example, we took a lead in the sector by moving to 'opt in' fundraising in 2017, meaning we contact our supporters only in the way they ask us to (see 'Supporter data', opposite). The events of the last 12 months have given us an opportunity – if an unfortunate one – to revisit several areas of public concern, in order to make sure we're hitting the high targets we set ourselves, and to continue to be transparent.

## PROTECTING VULNERABLE PEOPLE

As a charity that operates at scale, our fundraisers will inevitably come into contact with people who may be in vulnerable circumstances. As we set out in Our Fundraising Promise, we are especially careful and sensitive when engaging with vulnerable people, including those affected by cancer. Our practices reflect this, for example through our guidance and training, and we strive to ensure our staff and third-party fundraisers follow these too.

A particularly crucial issue that has arisen in the media this year is safeguarding. We're confident in the safeguarding measures we have in place, which include a network of safeguarding champions, and a

confidential whistleblowing hotline. Nevertheless, it's an issue we take very seriously, and we're currently undertaking a thorough review of our processes.

## FUNDRAISING STANDARDS

Cancer Research UK voluntarily subscribes to the Fundraising Regulator and its Code of Fundraising Practice. The Regulator assumed responsibility for regulating fundraising from July 2016 and investigates and takes appropriate action on cases of public concern. We are working closely with the Regulator and with the Institute of Fundraising to help improve standards and ways of working across the charity sector.

## WORKING WITH THIRD-PARTY FUNDRAISERS

Talking to members of the public, in person or on the telephone, are vital ways to engage people with our work and raise funds. Our staff carry out these activities and we also work with external organisations who have specific expertise in face-to-face and telephone fundraising. This is so we can talk to as many people as possible in the most cost-effective way, but we are constantly reviewing the way we engage with our supporters and the public, and recently decided to stop using third parties to fundraise door-to-door.

We have robust contracts in place with external organisations, which specify that individuals who carry out these activities should be trained to adhere to applicable laws and codes, such as the Fundraising Regulator's Code of Fundraising Practice and data protection laws. We also expect these organisations to voluntarily subscribe to the Fundraising Regulator and to reflect our values when talking to supporters.

Supporters drive everything we do at Cancer Research UK. Giving to us should be a great experience and we promise:

**To be transparent about where your money goes**

**To respect any personal data you share with us**

**To operate our fundraising to the highest standards**

**To be respectful**

**To listen and learn**



Read more at  
[cruk.org/our-promise](http://cruk.org/our-promise)

Monitoring and control of fundraising activities, including the work done by these external organisations, is vital to ensure that our supporters have a great experience and are treated fairly. Our monitoring includes practices such as listening to recorded telephone calls and using 'mystery shoppers' to approach fundraisers to check their performance. If we find cause for concern we investigate as a matter of urgency and take appropriate action.

Another way we raise vital funds is via organisations who donate proceeds from the sale of their goods or services to us. Where we do this, we expect them to follow the Code of Fundraising Practice.

### SUPPORTER DATA

Responsible use of personal data is at the heart of our fundraising practice. In July 2017, we were one of the first UK charities to become 'opt in', meaning that we will contact only supporters who have given unambiguous and explicit permission for the Charity to contact them for marketing activity, including fundraising support. In the short term, this has meant we have been able to communicate with fewer people, impacting the amount of money we have been able to raise via several channels. But by putting supporters' wishes at the heart of fundraising communications, we hope this will achieve a greater level of engagement, loyalty and value in the long term.

We have also undertaken a substantial programme of work, across the whole Charity, in readiness for the new EU General Data Protection Regulation (GDPR), which comes into effect in May 2018.

### COMPLAINTS

We try to make sure that supporting Cancer Research UK is a great experience. However, not everyone will agree with the way we promote and manage our campaigns, so we provide a fair complaints procedure which is clear, easy to use and published on our website. Although some complaints are complex and take time to resolve, this year we surpassed our target of resolving 95% of complaints within five working days.

As a charity with wide-reaching fundraising activities, we had more than 16 million interactions with our supporters last year through a wide range of channels, including shops, events, face-to-face, on the telephone, by email, in the press, through social media and on our website.

In the year to 31 March 2018, we received 4,952 complaints, of which 1,821 directly related to our fundraising (2017: 2,672 fundraising complaints).

In addition, we worked with the Fundraising Regulator to investigate two complaints relating to the Code of Fundraising Practice that were referred to them last year. As a result, where shortcomings were identified we expanded our guidance and training for staff and fundraisers and put new processes in place, both to prevent recurrence of the issues and to improve our supporters' experience.

Complaints and supporter feedback are an important source of information about how our work impacts on our supporters and members of the public, providing us with insight and lessons for future fundraising activities.



# PRINCIPAL RISKS & UNCERTAINTIES

Cancer Research UK's Council (see next section) is responsible for ensuring that effective and adequate risk management and internal control systems are in place to manage the major risks to which the Charity is exposed. It carries this out by monitoring the effectiveness of our risk management framework.

This framework is designed to support informed decision-making regarding the risks that affect our ability to achieve our objectives. It also provides a consistent approach to identifying, assessing and dealing with the risks facing us to ensure that they do not exceed the level of risk we are willing to accept. The framework is designed to manage, rather than to eliminate, the risks to our objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.

Processes in place regarding risk management and internal control include the following:

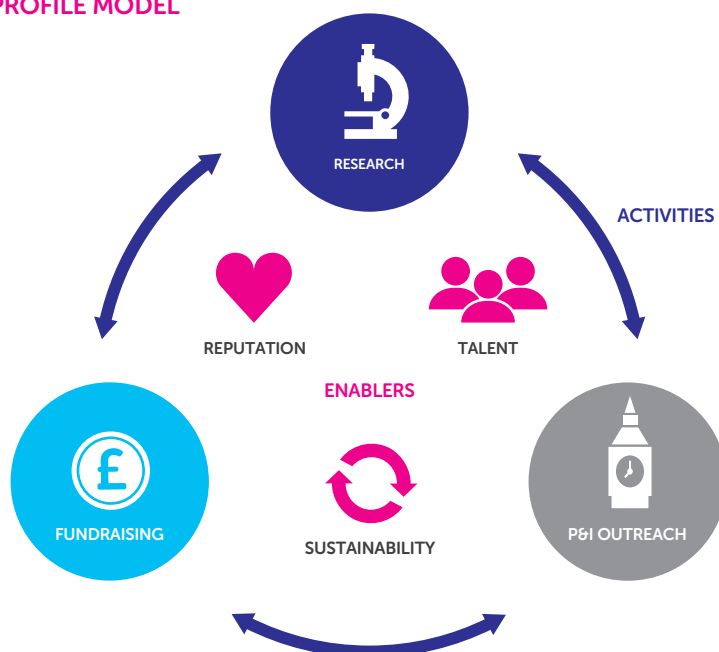
- A comprehensive **risk management framework** which meets the Charity Commission's requirements and is compliant with ISO 31000. This consists of five stages, from understanding the risk environment through risk identification, analysis and evaluation to risk treatment. A top-down risk review, by the

Executive Board, and a bottom-up review, by Directorates, is undertaken twice a year and the risks identified through this process are documented in a risk register. We provide relevant training to employees and draw upon the expertise of functional specialists to support the process of identifying, evaluating and addressing risks.

- The **Audit Committee** reviews the results of the semi-annual risk reviews undertaken by management and approves an annual internal audit plan which covers the major risks identified. It also receives regular reports from the internal audit function on the effectiveness of controls and on progress against both its audit plan and the recommendations made in its reports. The Audit Committee reviews a number of major risk areas in detail each year.

- **Council** sets policy in relation to risk and risk management by determining how much risk the Charity is willing to take in pursuing its objectives and requiring the Charity to operate an appropriate risk management framework. The Audit Committee reviews the operational effectiveness of the risk management and internal control systems and reports its findings to Council. Council also reviews a comprehensive risk management report annually to assist it in ensuring that the risk management system is operating effectively. The Audit Committee is required to report its findings to the Council, identifying any matters on which it considers that action or improvement is needed, and to make recommendations on the steps to be taken.

## RISK PROFILE MODEL



- **Formal project groups** are established for major projects and programmes, such as data governance, to ensure that these are properly planned, managed and implemented. In addition, a cross-organisational governance group monitors and prioritises major IT programmes.
- Clear and easily accessible **whistleblowing procedures** are in place and the Audit Committee receives an annual whistleblowing report. In addition, there are

processes in place to investigate and report on any serious incidents including the implementation of required corrective actions.

### RISK PROFILE

Developments in the charity sector as a whole have seen increased media, public and regulator interest in the operation of charities. The Trustees and management remain focused on those risks which could adversely affect our reputation. (See, for example, 'Our fundraising practices', page 38).

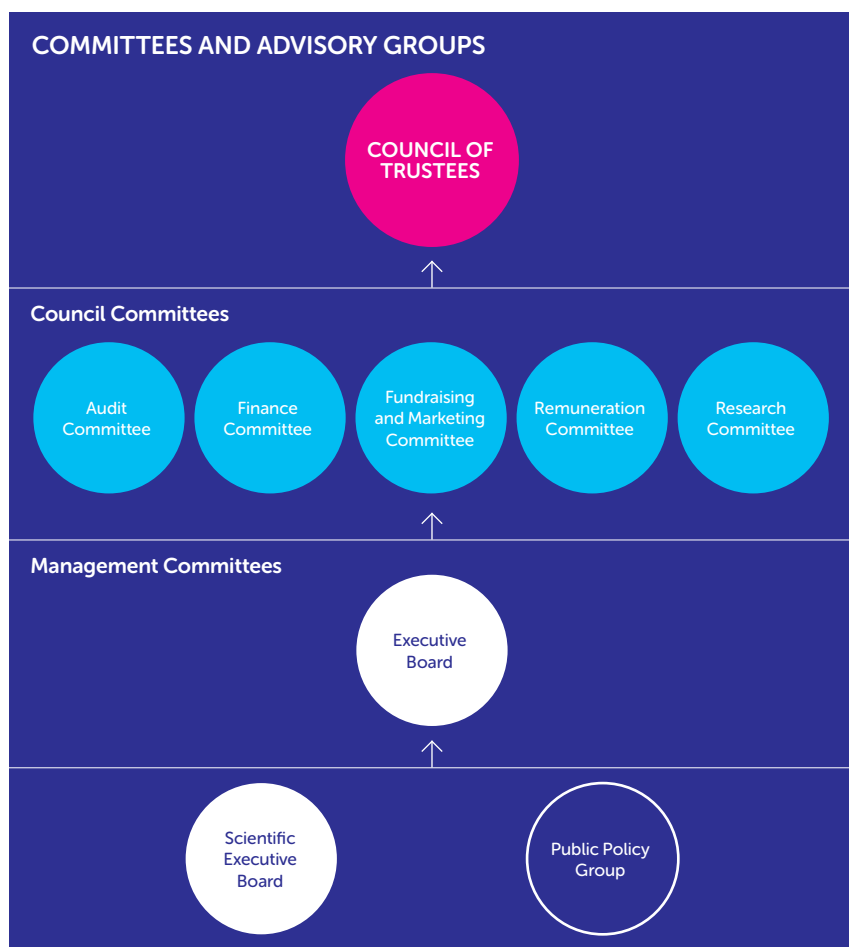
To support the identification and evaluation of our key risks, we use a model which incorporates our key activities (fundraising and marketing, research and innovation, and policy and information) and the related key enablers for these (reputation, talent and sustainability) as shown in the diagram opposite.

Information about our major risks and the actions mitigating them are summarised below and on the following page.

RISKS	MITIGATION
<b>Research</b> The research environment becomes less favourable, reducing the impact of our work (e.g. due to the state of the NHS or less investment by government or industry).	<ul style="list-style-type: none"> <li>• Monitoring environmental shifts, actively engaging in dialogue with key opinion formers and building strong relationships and alliances with partner organisations.</li> </ul>
Research strategy and spending is not properly or sufficiently focused to enable us to meet our objectives.	<ul style="list-style-type: none"> <li>• Extensive strategy reviews are conducted with senior internal and external experts.</li> <li>• Research funding requests are reviewed in detail by funding committees comprising experienced senior scientific experts.</li> <li>• Independent international panels of experts conduct structured reviews of our Centres to ensure we continue to support the best scientists and research.</li> </ul>
Cancer Research UK fails to achieve sufficient influence over the Crick's cancer research activities.	<ul style="list-style-type: none"> <li>• Cancer Research UK representation on the Crick's Board and Scientific Research Working Group.</li> <li>• Ongoing review of the Crick's work to ensure our funding is applied in ways that align with our research strategy.</li> </ul>
<b>Fundraising</b> Growth in income fails to match planned research expenditure due to: <ul style="list-style-type: none"> <li>• increased competition for voluntary income; lower levels of supporter engagement with our brand; changes in market or general economic conditions; or changes in supporter behaviours or technological preferences that we fail to anticipate or respond to;</li> <li>• loss of fundraising income as a result of ongoing public scrutiny of charity sector fundraising practices, further erosion of trust in the charity sector and the impact of related regulatory changes.</li> </ul>	<ul style="list-style-type: none"> <li>• Brand campaigns to maintain awareness and engage with existing and new supporters.</li> <li>• Investment in marketing core income activities and innovative new fundraising activities.</li> <li>• Adherence to regulations and best practices including 'opt-in' for supporter communications.</li> <li>• Review of market trends and investment in digital platforms.</li> <li>• Robust financial planning covering income, expenditure and reserves projections, budgeting and monitoring actual expenditure.</li> </ul>
<b>Policy and information outreach</b> Impact of government policy, Brexit, the NHS and charity sector regulatory reform on our research and policy work.	<ul style="list-style-type: none"> <li>• Engaging with key decision-makers and influencers in government, local authorities and in the NHS.</li> <li>• Senior level representation on many influential fora and key decision-making bodies, for example in the NHS National Cancer Programme.</li> <li>• Developing clear policy positions in key areas.</li> </ul>
The Charity's processes for informing and influencing public, patients or healthcare professionals are not appropriate or executed ineffectively.	<ul style="list-style-type: none"> <li>• Development and execution of a clear strategy that informs our approach to public and professional engagement.</li> <li>• Communications strategy developed to optimise the impact of our media activity.</li> <li>• Provision of accurate and consistent health information that is underpinned by current and quality-assured scientific evidence.</li> </ul>

RISKS	MITIGATION
<b>Reputation</b> Events which may adversely affect our reputation and operations. This could include a serious data security breach (from a cyber-attack or non-compliance with GDPR), a serious fraud or an issue related to our fundraising practices. It could also include a significant health and safety or safeguarding incident or an incident relating to the integrity of our research programmes or patient trials.	<ul style="list-style-type: none"> <li>• Senior level engagement in policy setting and monitoring.</li> <li>• Comprehensive training and awareness programmes or all staff.</li> <li>• Risk assessment processes.</li> <li>• Organisation-wide GDPR compliance programme undertaken by a Big Four professional services firm, which independently assured the Charity's GDPR readiness.</li> <li>• Employment of dedicated specialist resource in data security, patient trials, health and safety and safeguarding.</li> <li>• Fundraising compliance monitoring processes and structures to ensure compliance with fundraising regulations.</li> <li>• Information security policies and procedures, including security patching, vulnerability scanning, penetration testing and anti-virus software.</li> <li>• Anti-fraud processes and controls.</li> </ul>
<b>Talent</b> Talented staff are not attracted, developed and retained.	<ul style="list-style-type: none"> <li>• Equality, Diversity and Inclusivity strategy implemented.</li> <li>• Talent management and succession planning programmes.</li> <li>• Regular reviews of resourcing processes.</li> <li>• Regular benchmarking of compensation and benefits across key disciplines.</li> <li>• Employee engagement surveys and follow-up action plans.</li> </ul>
<b>Sustainability (financial and operational)</b> The management of technology, digital products and related change across the organisation does not support our objectives.	<ul style="list-style-type: none"> <li>• Reviewing the technology landscape and its management.</li> <li>• Implementing new systems, digital products and applications as appropriate.</li> <li>• Effective project delivery using experienced project managers and defined project management methodologies.</li> </ul>
Our investments are not properly managed or perform poorly.	<ul style="list-style-type: none"> <li>• Approved investment counterparty list with appropriate financial limits.</li> <li>• Clear investment policy focused on maintaining the real value of reserves.</li> <li>• Regular management reviews of the investment portfolio with the investment manager.</li> </ul>
The construction and fit out of our new head office building in Stratford may take longer than planned and our relocation may not complete as scheduled in 2019. The relocation may have an adverse impact on staff retention and recruitment.	<ul style="list-style-type: none"> <li>• The new head office building is being delivered by a long-established property and infrastructure company with a strong track record of delivery.</li> <li>• Engagement of a construction project consultant to help us oversee the new development and monitor progress.</li> <li>• Potential extension of the lease on the current head office building in Angel if there are construction or fit-out delays in Stratford.</li> <li>• Staff engagement and communications programme to aid recruitment and retention.</li> </ul>
Major operational disruption event at a Cancer Research UK location, data centre or funded research Institute.	<ul style="list-style-type: none"> <li>• Business continuity and IT disaster recovery planning.</li> <li>• Third party-operated data centres in separate locations (with an ability to switch key operations from one data centre to the other in the event one data centre is unavailable) and an increase in 'cloud' computing.</li> <li>• Our funded Institutes are required to mitigate operational continuity risks and we have established a related assurance process.</li> </ul>

# STRUCTURE, GOVERNANCE & MANAGEMENT



## STRUCTURE AND MANAGEMENT

Cancer Research UK is a company limited by guarantee and is a registered charity. It is governed by a Council of Trustees, chaired by Professor Sir Leszek Borysiewicz. Council sets the Charity's strategic direction and oversees progress against objectives. It is responsible for governance and for upholding the Charity's values. It is supported by



Trustee biographies are available at [cruk.org/our-trustees](http://cruk.org/our-trustees)

a number of committees. The day-to-day running of the Charity is the responsibility of the Executive Board.

## COUNCIL

CRUK's Council is comprised of 12 Trustees, from a range of sectors and industries, all of whom are Members of the Charity and Directors of the charitable company. They are appointed, following a formal selection process, for a maximum of two three-year terms, which may on occasion be extended if this is in the interest of the Charity.

Trustees review and resubmit their declaration of interest forms to the Company Secretary annually and declare any potential conflicts of interest at each Council or committee meeting. They are not remunerated for their role at Cancer Research UK.

Council supports the principles of good governance set out in the new Charity Governance Code for larger charities and also the continuous improvement model which the Code promotes. In 2017 Council undertook a comprehensive self-evaluation and agreed an action plan to improve Council and committee agenda setting, Council delegations to committees and the Executive and to strengthen reporting mechanisms to Council. In addition, it completed a review of the schedule of matters reserved to Council and approved revised committee terms of reference.

During the year two new Trustees joined Council and one retired. New Trustees undertook a structured induction process including one-to-one meetings with the CEO and senior management and they were offered the opportunity to visit Cancer Research UK Institutes. Council as a whole receives periodic legal updates and training. Council met seven times during the year.

## MEMBERS

The Charity's constitution allows the appointment of up to 100 Members. They are entitled to attend the Annual General Meeting, where they receive the Annual Report and Accounts and elect or re-elect Trustees. Regular contact is maintained with Members, mainly through a quarterly letter from the Chairman.

## COUNCIL COMMITTEES

All Trustees serve on one or more Council committee and may attend any committee meeting. The Treasurer is an ex officio member of all Council committees except the Audit Committee, which he attends at the invitation of the Committee Chair. During the year Council committees reviewed their terms of reference and remit, and agreed that in future they

would review relevant risk areas as part of the annual cycle of committee business. They also agreed to strengthen the reporting mechanism to Council by providing a written report on major items discussed and decisions required, in addition to providing committee minutes for information. All committees except the Audit Committee and Remuneration Committee agreed a facility to appoint non-trustee members where supplemental expertise is deemed useful. Details of membership of committees are shown in the table on the opposite page.

During the year each Council committee undertook a performance evaluation. The Charity's Chairman, Deputy Chair and committee Chairs discussed the outcome of the evaluations and used the feedback to revise aspects of committee governance.

A summary of the committees' activities during the year is set out below.

#### **Audit Committee**

The Audit Committee provides Council with an informed and independent assessment of the management and control of the Charity's resources. It oversees preparation of the Annual Report and Accounts including accounting policies and judgements and reviews the performance, independence and objectivity of the external auditors. It monitors the effectiveness of the Charity's risk management and internal control systems and provides an assessment of risk processes and policies to Council. As a means of gaining additional assurance the Committee considers risk reviews of specific areas of the Charity's activities. In this financial year the Committee received risk reviews of CRUK's grant award processes; individual giving income generation; press/media interactions and the activities undertaken through its subsidiary company, Cancer Research Technology Ltd, to develop and commercialise new discoveries in cancer research. The Committee

oversaw the Charity's preparations for the coming into force of the GDPR from 25 May 2018 and received a report on the Charity's technology and information security programme.

#### **Finance Committee**

The Finance Committee exercises, on behalf of Council, supervisory oversight of all aspects of the Charity's corporate financial policies and operations. On an annual basis it reviews the operating plan and budget, the rolling five-year plan and the reserves and the investment policies, for recommendation to Council. On an ongoing basis it monitors financial performance and oversees management of the investment portfolio. It reviews and approves the Charity's insurance arrangements. The Committee monitors the progress of the Charity's planned move from Angel to new headquarters in Stratford. In this financial year the Committee oversaw preparations for the triennial valuation of the defined benefit pension scheme. It also considered an initial proposal to create an investment fund focused primarily on Cancer Research UK-funded science, and recommended to the Council that this proceed to the next stage of development.

#### **Fundraising and Marketing Committee**

The Fundraising and Marketing Committee oversees the governance of the Charity's fundraising and marketing practices and implementation of the Charity's fundraising and marketing strategies. In this financial year the Committee discussed ways of better understanding the motivation and meeting the needs of supporters and potential supporters and of local communities volunteering and fundraising on behalf of the Charity. The Committee oversaw compliance with regulatory and legal requirements regarding the use of supporter data. The Committee also reviewed the Charity's brand strategy and campaign performance, and complaints analysis.

#### **Remuneration Committee**

As a result of the feedback received from the Council self-evaluation, Council agreed to disband the Nomination, Governance and Remuneration Committee, which met for the final time in May 2017. The nomination and governance remit is now overseen by the Audit Committee and Council. Council oversaw the remuneration remit, prior to the creation of a new Remuneration Committee, which has responsibility for Executive Board remuneration and consideration of remuneration policy and governance. The Remuneration Committee met for the first time on 22 May 2018.

#### **Research Committee**

The Research Committee exercises supervisory oversight of the development, implementation and the effective delivery of the Charity's research. It provides advice to Council on areas relevant to research including emerging fields and new types of partnership working. It also considers new initiatives and funding schemes and the outcome of quinquennial reviews of Institutes and Major Centres. In this financial year the Committee considered a review of progress against the 2014 Research Strategy and ongoing strategy development. The Committee also considered the implementation of the Early Detection Strategy, the future vision for the Precision Medicine Strategy, and a proposed approach to impact assessment. It also agreed the approach and scientific focus of the India-UK Research Funding initiative.

The Committee agreed a role description for non-Trustee members of the Research Committee and recommended to Council that Professor Alexander Eggermont be appointed to such a role following his resignation as a Trustee in January 2018.

### **MANAGEMENT COMMITTEES**

#### **Executive Board**

The Executive Board is responsible for the day-to-day running of the Charity under authority delegated by Council to the Chief Executive. It proposes to Council where the Charity should

invest its time, money and expertise. It reviews strategic changes to the Charity's activities prior to consideration by Council or committees. In addition to a rolling five-year financial plan, it proposes an annual operating budget to the Finance Committee and the Council for approval and monitors financial performance accordingly. It recommends any changes to budget in light of performance. Among other things, in this financial year it considered the outcome of the Employee Engagement Survey, the Equality Diversity and Inclusion programme, new ways of working in anticipation of the Charity's move from Angel to Stratford, and information technology prioritisation.

As at 22 May 2018 the Executive Board was comprised of the Chief Executive and 10 Executive Directors:

- **Sir Harpal Kumar**, Chief Executive.
- **Mark Allen**, Executive Director, Human Resources.
- **Nigel Armitt**, Interim Chief Financial Officer and Executive Director, Corporate Resources.
- **Ed Aspel**, Executive Director, Fundraising and Marketing.
- **Dr Iain Foulkes**, Executive Director, Research and Innovation, and Chief Executive, Cancer Research Technology.
- **Nick Grant**, Executive Director, International Partnerships.
- **Tiffany Hall**, Chief Information Officer.
- **Frances Milner**, Executive Director, Philanthropy and Partnerships.
- **Professor Charlie Swanton**, Chief Clinician.
- **Professor Karen Vousden**, Chief Scientist.
- **Sarah Woolnough**, Executive Director, Policy and Information.



Executive Board biographies are available at [cruk.org/chief-executive-and-executive-board](http://cruk.org/chief-executive-and-executive-board)

### Scientific Executive Board

The Scientific Executive Board is responsible for the implementation of science policy and strategy after its approval by the Research Committee and Council. It reports to the Executive Board. During this financial year, the Board endorsed the outcome of the Cancer Research UK Clinical Trials Units review, supported the establishment of two Brain Tumour Centres of Excellence, and a UK Early Detection Centre of Excellence as part of a future international early detection alliance, and reviewed progress made against our research strategy.

### Public Policy Group

The Public Policy Group provides advice on Cancer Research UK's public policy agenda and outreach

strategies. It reports to the Executive Board. In this financial year it considered the Charity's approach to EU engagement, in particular with regard to clinical trials regulation and researcher mobility. The Group also considered common engagement threads across the devolved nations, cancer prevention, early diagnosis and improving access to radiotherapy. The global movement towards more accountable care systems was also discussed and the Charity's expertise in data was noted as a strength in facilitating better prioritisation and ways of working in national and local healthcare within the UK.

## COMMITTEES AND TRUSTEE MEMBERSHIP

Council		Council committees					
Trustees	Year of Trustee appointment	Audit	Finance	Fundraising and Marketing	Nomination, Governance and Remuneration <sup>1</sup>	Remuneration <sup>2</sup>	Research
Professor Sir Leszek Borysiewicz (Chairman)	2016				●	○	○
Wendy Becker	2011			○	○		
Carolyn Bradley	2015		○	●		○	
Catherine Brown	2015	○			○		
Peter Chambré	2016						○
Dr Adrian Crellin	2012	○					○
Professor Alexander Eggermont* to 24 January 2018	2016						○
Professor Dame Amanda Fisher from 1 October 2017	2017						○
Professor Stephen Holgate	2014	○					●
David Lindsell	2014	●	○			○	
Andrew Palmer	2014	○	●	●	●	●	●
Professor Sir Bruce Ponder	2015		○			○	○
Professor Sir Michael Richards from 1 November 2017	2017						○
Number of meetings		3	4	4	1		3

● Chair ○ Member ● Ex officio ○ Invited to attend

\* 1 February 2018 non-Trustee member RC † Disbanded 31 January 2018

+ Formed 28 March 2018 (first meeting 22 May 2018)

### CHANGES TO COUNCIL IN THIS FINANCIAL YEAR

- **Professor Dame Amanda Fisher** was appointed Trustee on 1 October 2017.
- **Professor Sir Michael Richards** was appointed Trustee on 1 November 2017.
- **Professor Alexander Eggermont** retired from Council on 24 January 2018 and was appointed to the Research Committee as a non-Trustee member.

# EMPLOYMENT PRACTICES & PAY

To achieve our vision, we need to attract and retain a diverse pool of skilled and experienced people, and to create a working environment that's inclusive for everyone who wants to work for us.

## DIGNITY AT WORK

Everyone has the right to be treated with consideration, fairness, dignity and respect, and we do not tolerate bullying or harassment. We have new policies in place this year to ensure that our strict expectations are upheld – covering our employees, temporary workers and volunteers across all our sites and shops, and that everyone is accountable for the impact of their own actions.

We do not tolerate any form of unfair treatment or discrimination in our recruitment or employment processes. All employees are provided with fair access to training, development, reward and career progression opportunities.

It's only through treating everyone fairly, and with dignity and respect, that we will enable our people to perform at their best.

## EQUALITY, DIVERSITY AND INCLUSION

Cancer Research UK values, celebrates and embraces equality, diversity and inclusion (EDI) and we have set ourselves ambitious objectives. We place EDI as a key strategic priority and seek to be a sector leader in EDI

excellence and best practice, across both our business operations and our public engagement and outreach work.

We believe excellence in terms of stakeholder engagement, service delivery, world-leading research and employment practice will be achieved through recognising the inherent benefits of a diverse workforce and stakeholder networks. We believe our differences make us stronger and more effective in working towards our vision.

We recognise that there is much to do to realise our ambition to be regarded as an EDI sector-leading organisation; however, we are fully committed to achieving this ambitious objective within the next three years.

## GENDER PAY REPORTING

Cancer Research UK has a workforce made up of a substantial proportion (77%) of women, and we pride ourselves on being a flexible, female-friendly organisation with a track record of nurturing female talent, and an above-average representation (68%) of women at senior level.

However, this year, in line with new government regulations, we completed our gender pay gap reporting and the results were disappointing: as at April 2017, we had a mean difference of 18.7% between the average hourly pay of women and men across the organisation, compared to the national average of 17.4%.

The causes of the discrepancy are complex. Despite a notable increase in women in senior roles in recent years, we still have a disproportionate (i.e. above 23%) number of men in senior roles, and in technical roles which typically attract higher levels of pay. We also have more women than men in typically lower paid roles such as in our shop network.

Tackling such structural issues will take time, and minimising this gap will be a long-term project, but one that Cancer Research UK's Trustees are committed to, and are taking action on a range of fronts. These are detailed in our Gender Pay report, which can be found on our website at: [cruk.org/gender-pay-report](http://cruk.org/gender-pay-report).

## PAY

### Approach to remuneration

We are committed to fairness in our remuneration practices and our remuneration policy includes these guiding principles:

- **Transparency** – openness and clear communication about how remuneration is set.
- **Proportionality** – fairness and consistency in line with appropriate internal and external references.
- **Rewarding performance** – ensuring remuneration is commensurate with an individual's performance and contribution to us.
- **Effective recruitment and retention** – enabling the effective attraction and retention of valued staff.

Salaries are positioned between the median of the charitable and corporate sectors. Remuneration may vary depending on the job type and talent pool and is validated objectively using market comparators. This includes salary survey data from the charitable, private and public sectors. We seek guidance from external professional advisers as appropriate. Our remuneration framework sets out pay bands clearly, and is openly available to employees. This supports our intention to engender fairness and teamwork.

We conduct an annual salary review, with increases awarded for individual performance. We don't operate a bonus scheme, with the exception of a sales incentive plan across our network of retail shops.

We review our remuneration policy and positioning regularly, to ensure we are paying appropriately to attract and retain skilled and experienced people, whilst making best use of supporters' donations.

Attracting and retaining exceptional talent is increasingly challenging. We are a large charity with a significant London workforce. More than ever before we are competing with commercial sectors and we are experiencing a scarcity of talent in some key areas of our business. Coupled with this, we have a young and dynamic workforce with a changing expectation of the world of work. To this end we will carry out a full review of our pay policy and practices through 2018 to ensure they remain fit for purpose.

Further information regarding the remuneration spend and the number of employees with pay over £60,000 is included on page 61.

### Senior executive pay

To achieve our objectives, we need to attract and retain high-performing senior leadership. Each position on the Executive Board is individually benchmarked using external advisers, and salaries are positioned well below roles with similar responsibilities in the corporate sector.



Cancer Research UK is committed to transparency and openness on senior pay. We have adopted the requirements of the Charities SORP and disclosed the aggregate salary of our Executive Board on page 61. In addition, we have elected to disclose the salary of the Chief Executive Officer and Chief Financial Officer, also on page 61.

We provide descriptions of the roles and responsibilities for the Executive Board on our website to demonstrate the scale and breadth of their responsibilities.



See [cruk.org/executive-board](https://cruk.org/executive-board) for more information

## EDI OBJECTIVES

Increase inclusion and representation of Black, Asian and Minority Ethnic (BAME) groups across all levels of the Charity.

Further support the development and career progression of high-potential women.

Remove barriers to entry for those of low socio-economic backgrounds and develop resourcing practices that encourage entrants from a diverse range of socio-economic backgrounds.

# STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Cancer Research UK for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In the case of each Trustee in office at the date the Trustees' Report is approved:

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

The Trustees confirm that they have had regard to the Charity Commission's guidance on public benefit in reporting on the Charity's objectives and achievements on pages 16 to 31.

The reference and administrative details on page 76 form part of the Trustees' Report.

## AUDITORS

A resolution for the reappointment of PricewaterhouseCoopers LLP as auditors of the Charity will be proposed at the forthcoming Annual General Meeting.

The Trustees' Report and Strategic Report were signed on behalf of the Trustees.



Professor Sir Leszek Borysiewicz

Chairman  
22 May 2018

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF CANCER RESEARCH UK

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

In our opinion, Cancer Research UK's group financial statements and parent charitable company financial statements (the 'financial statements'):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Accounts (the 'Annual Report'), which comprise: the balance sheets as at 31 March 2018; the consolidated statement of financial activities (incorporating an income and expenditure account) and the consolidated information on cash flows for the year then ended; and the notes to the financial statements, which include a summary of significant accounting policies.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## CONCLUSIONS RELATING TO GOING CONCERN

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

- 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 and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern.

## REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and the Trustees' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### **Strategic Report and Trustees' Report**

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Report. We have nothing to report in this respect.

### **RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT**

#### **Responsibilities of the Trustees for the financial statements**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 43, the Trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also responsible for such internal control as they 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 parent charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to

liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of this report**

This report, including the opinions, has been prepared for and only for the charity's Members and Trustees as a body in accordance with section 44(1 (c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose

or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **OTHER REQUIRED REPORTING** **Matters on which we are required to report by exception**

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



**Philip Stokes**

**Senior Statutory Auditor**

**for and on behalf of  
PricewaterhouseCoopers LLP  
Chartered Accountants and  
Statutory Auditors  
London**

**22 May 2018**

## CONTENTS

- 52 Consolidated statement of financial activities
- 53 Balance sheets
- 54 Consolidated information on cash flows
- 55 Notes to the accounts
- 76 Reference and administrative details
- 77 Find out more and get involved

“ I’m eternally grateful to everyone who’s taken part in clinical trials in the past, as they’re helping patients like me right now. ”

JOHN HUDSON

Read John’s story on page 23

INTRODUCTION

OVERVIEW

TRUSTEES’  
REPORT

FINANCIAL  
STATEMENTS

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2018

	Note	Unrestricted funds 2018 £m	Restricted funds 2018 £m	Total 2018 £m	Unrestricted funds 2017 £m	Restricted funds 2017 £m	Total 2017 £m
Donated income	3a	354.1	69.0	423.1	363.1	78.5	441.6
Income from charitable activities	3c	96.8	4.7	101.5	88.1	4.3	92.4
Income from investments		5.3	0.2	5.5	4.7	0.2	4.9
Other income		0.2	–	0.2	6.1	–	6.1
<b>Income</b>		<b>456.4</b>	<b>73.9</b>	<b>530.3</b>	<b>462.0</b>	<b>83.0</b>	<b>545.0</b>
Expenditure on raising funds	4a	97.1	–	97.1	107.7	–	107.7
<b>Net income available for charitable application</b>		<b>359.3</b>	<b>73.9</b>	<b>433.2</b>	<b>354.3</b>	<b>83.0</b>	<b>437.3</b>
Income from trading activities	3b	104.0	–	104.0	102.2	–	102.2
Expenditure on raising funds from trading activities	4b	88.7	–	88.7	85.3	–	85.3
<b>Net contribution from trading activities</b>		<b>15.3</b>	<b>–</b>	<b>15.3</b>	<b>16.9</b>	<b>–</b>	<b>16.9</b>
<b>Total income before exceptional items</b>		<b>560.4</b>	<b>73.9</b>	<b>634.3</b>	<b>564.2</b>	<b>83.0</b>	<b>647.2</b>
Exceptional gain from property transactions	3d	–	–	–	32.0	–	32.0
<b>Total income</b>		<b>560.4</b>	<b>73.9</b>	<b>634.3</b>	<b>596.2</b>	<b>83.0</b>	<b>679.2</b>
<b>Total expenditure on raising funds</b>		<b>185.8</b>	<b>–</b>	<b>185.8</b>	<b>193.0</b>	<b>–</b>	<b>193.0</b>
<b>Costs of charitable activities</b>	5	<b>391.0</b>	<b>75.4</b>	<b>466.4</b>	<b>361.6</b>	<b>111.0</b>	<b>472.6</b>
<b>Total expenditure</b>		<b>576.8</b>	<b>75.4</b>	<b>652.2</b>	<b>554.6</b>	<b>111.0</b>	<b>665.6</b>
Net realised investment gain	11	26.7	–	26.7	4.2	–	4.2
Net unrealised investment (loss)/gain		(16.1)	–	(16.1)	14.8	0.3	15.1
<b>Total net investment gain</b>		<b>10.6</b>	<b>–</b>	<b>10.6</b>	<b>19.0</b>	<b>0.3</b>	<b>19.3</b>
<b>Net (expenditure)/income before transfers</b>		<b>(5.8)</b>	<b>(1.5)</b>	<b>(7.3)</b>	<b>60.6</b>	<b>(27.7)</b>	<b>32.9</b>
Transfers between funds	24,25	(14.6)	14.6	–	(18.2)	18.2	–
<b>Net (expenditure)/income before other recognised gains and losses</b>		<b>(20.4)</b>	<b>13.1</b>	<b>(7.3)</b>	<b>42.4</b>	<b>(9.5)</b>	<b>32.9</b>
<b>Other recognised gains and losses</b>							
Net actuarial gain/(loss) on pensions	19	33.0	–	33.0	(33.9)	–	(33.9)
<b>Net movement in funds</b>		<b>12.6</b>	<b>13.1</b>	<b>25.7</b>	<b>8.5</b>	<b>(9.5)</b>	<b>(1.0)</b>
<b>Reconciliation of funds:</b>							
Funds brought forward		346.2	37.3	383.5	337.7	46.8	384.5
<b>Funds carried forward</b>	24,25	<b>358.8</b>	<b>50.4</b>	<b>409.2</b>	<b>346.2</b>	<b>37.3</b>	<b>383.5</b>

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the Consolidated Statement of Financial Activities (SoFA).

The Consolidated Statement of Financial Activities is for the Group as a whole. Total underlying income for the year, for the Charity only, was £561.9 million (2017: £595.5 million).

# BALANCE SHEETS

AS AT 31 MARCH 2018

	Note	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
<b>Fixed assets</b>					
Tangible fixed assets	10	37.6	39.1	22.0	24.3
Investments	11	244.5	209.9	244.4	209.7
Programme-related investments	12	164.9	164.9	164.9	164.9
Mixed motive investments	13	39.5	30.3	39.5	30.3
		486.5	444.2	470.8	429.2
<b>Current assets</b>					
Stock		2.5	2.5	0.8	0.8
Debtors	15	271.8	256.7	251.6	242.5
Cash and short-term deposits		64.8	77.6	55.0	66.9
		339.1	336.8	307.4	310.2
Creditors: amounts falling due within one year	16a	(349.7)	(334.4)	(360.7)	(331.0)
<b>Net current (liabilities)/assets</b>		<b>(10.6)</b>	<b>2.4</b>	<b>(53.3)</b>	<b>(20.8)</b>
<b>Total assets less current liabilities</b>		<b>475.9</b>	<b>446.6</b>	<b>417.5</b>	<b>408.4</b>
Creditors: amounts falling due after one year	16b	(139.5)	(97.2)	(119.1)	(94.9)
Provisions for liabilities and charges	17	(0.7)	(0.8)	(0.7)	(0.8)
<b>Net assets (excluding net pension asset)</b>		<b>335.7</b>	<b>348.6</b>	<b>297.7</b>	<b>312.7</b>
Net pension asset	19	73.5	34.9	73.5	34.9
<b>Net assets (including net pension asset)</b>		<b>409.2</b>	<b>383.5</b>	<b>371.2</b>	<b>347.6</b>
<b>Funds</b>					
<b>Restricted and endowment funds</b>					
Restricted funds	24	50.4	37.3	30.8	17.9
<b>Unrestricted funds</b>					
General funds (including undistributed profits of trading subsidiaries)	25	285.3	311.3	266.9	294.8
Pension reserve	19	73.5	34.9	73.5	34.9
		358.8	346.2	340.4	329.7
<b>Total funds</b>	26	<b>409.2</b>	<b>383.5</b>	<b>371.2</b>	<b>347.6</b>

The Charity's net movement on funds for the year was an increase of £23.6 million (2017: loss of £9.1 million).

The financial statements on pages 52 to 78 were approved by the Trustees on 22 May 2018 and signed on their behalf by

Professor Sir Leszek Borysiewicz, Chairman

David Lindsell, Trustee

# CONSOLIDATED INFORMATION ON CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Note	Group 2018 £m	Group 2017 £m
<b>a) Reconciliation of net (expenditure)/income to net cash flow from operating activities</b>			
<b>Net (expenditure)/income for the reporting year (as per the Statement of Financial Activities)</b>		<b>(7.3)</b>	32.9
<b>Adjustments for:</b>			
Investment income		(5.5)	(4.9)
Depreciation charge for the year	10a	9.4	9.6
Net income from property reorganisation		–	(34.1)
Impairment of tangible fixed assets due to property reorganisation		–	2.1
Write-off of book value on disposal of tangible fixed asset	10a	0.8	0.4
Gain on disposal of programme-related investment		–	(2.5)
Write-back of programme-related investments		–	(5.0)
Gains on investments and mixed motive investments	11,13	(10.1)	(19.3)
(Gain)/loss on derivative	15,16a	(1.3)	1.4
Increase in stock		–	(0.5)
Increase in debtors excluding derivative financial instruments	15	(40.7)	(9.6)
Increase in creditors excluding derivative financial instruments	16	58.4	33.3
Decrease in provision for liabilities and charges	17	(0.1)	(1.8)
Total pension gains recognised in SoFA excluding actuarial loss	19	(0.2)	(1.4)
Pension contributions by employer	19	(5.4)	(5.7)
<b>Net cash used in operating activities</b>		<b>(2.0)</b>	(5.1)

	Note	Group 2018 £m	Group 2017 £m
<b>b) Statement of cash flows</b>			
<b>Net cash used in operating activities</b>		<b>(2.0)</b>	(5.1)
<b>Cash flows for investing activities:</b>			
Investment income		5.5	4.9
Purchase of tangible fixed assets	10a	(8.7)	(6.9)
Proceeds from the sale of investments	11	44.5	109.3
Proceeds from the sale of fixed assets		26.1	–
Purchase of investments	11	(97.2)	(70.2)
Capital contributions to programme-related & mixed motive investments	12,13	–	(19.5)
Increase/(decrease) in cash and deposits (investment assets)	11	19.0	(7.2)
<b>Net cash (provided by)/used in investing activities</b>		<b>(10.8)</b>	10.4
Change in cash and cash equivalents in the year		(12.8)	5.3
Cash and cash equivalents at 1 April		77.6	72.3
<b>Cash and cash equivalents at 31 March</b>		<b>64.8</b>	77.6

	Group 2018 £m	Group 2017 £m
<b>c) Analysis of cash and cash equivalents</b>		
Cash in hand	15.0	11.9
Notice deposits (less than 3 months)	49.8	65.7
<b>Cash and short-term deposits at 31 March</b>	<b>64.8</b>	77.6

# NOTES TO THE ACCOUNTS

## 1. ACCOUNTING POLICIES

### Basis of preparation

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice, comprising Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102') and the Statement of Recommended Practice 'Accounting and Reporting by Charities' FRS 102 as revised in 2016 ('the SORP'), together with the reporting requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. The Charity has adapted the Companies Act formats to reflect the SORP and the special nature of the Charity's activities. The Charity is a public benefit entity.

The financial statements have been prepared on the going concern basis and under the historical cost convention as modified by the revaluation of investment properties, listed and unlisted investments.

### Basis of consolidation

The consolidated financial statements incorporate the results of Cancer Research UK ('the Charity') and its subsidiary undertakings. The consolidated entity is referred to as 'the Group'. No separate Statement of Financial Activities (SoFA) or Cash Flow Statement has been prepared for the Charity as permitted by section 408 of the Companies Act 2006 and FRS 102 respectively.

### Fund accounting

Restricted funds can only be used for particular purposes specified by or agreed with the donor. General funds may be used for any purpose within the Charity's objects.

### Income

#### Donated income

Legacies are recognised when probate is granted and there is sufficient information to measure them. Reversionary interests involving a life tenant are not recognised. Donations are accounted for when received, except sponsorship from events which is recognised when the event takes place and major gifts which are recognised on a receivable basis when receipt is probable and there is entitlement to the income. Donations in kind, excluding donated goods, are recognised at their value to the Group when received and an equivalent amount is included in the appropriate cost line: the only amounts included for donated services are those provided in a professional capacity. Gift Aid receivable is included in income when there is a valid Gift Aid declaration and the donation has been received.

#### Income from charitable activities

Grants are recognised when the Group is entitled to receipt. Grants receivable on terms that require the Charity to carry out research or other work are recognised in income as the performance obligations are satisfied. Income from intellectual property rights is recognised gross before the distribution under revenue-sharing agreements to third parties, which is included in costs, on the basis that risks and rewards remain with the Group.

#### Income from trading activities

Retail income, including income from donated goods, is accounted for when the sale takes place. The Charity operates a retail Gift Aid scheme where goods belonging to supporters are sold in its charity shops and the proceeds of sale are donated by those supporters to the Charity. The proceeds donated are treated as sales of donated goods within these financial statements. Events registration fees are recognised when the event takes place. Events merchandise is accounted for when the sale occurs.

## 1. ACCOUNTING POLICIES (CONTINUED)

### Expenditure

Expenditure is accounted for on an accruals basis. Support costs are either directly attributable to generating funds or charitable activities or where they are not directly attributable they are allocated to the expenditure category on a headcount basis. Irrecoverable VAT is included in the expense item to which it relates.

### Expenditure on raising funds from trading activities

Retail costs do not include any valuation of donated goods sold (see accounting policy for stock below).

### Costs of charitable activities

A research grant is recognised when the Group formally notifies the recipient of the award following scientific review. The liability is measured as the total of expected payments for the period to the next scientific review. Grant payments that are contingent on a successful outcome of and payable after a future scientific review are disclosed as commitments. Grants to core funded Institutes are awarded and recognised on an annual basis; any termination liabilities are recognised when a decision to discontinue the grant is made. Liabilities for awards payable more than one year after the balance sheet date are discounted at a rate equivalent to the expected return on the charity's investment for the relevant period. The cost of volunteer time is not accounted for as this cannot be estimated reliably.

### Leases

Rentals payable under operating leases are charged to the SoFA evenly over the period of the lease.

### Research and development

Research and development (R&D) expenditure is written off to the SoFA as incurred. R&D expenditure credit related to qualifying expenditure is treated as revenue grant funding and included within income from charitable activities.

### Taxation

The charitable members of the Group are exempt from income and corporation taxes on income and gains to the extent that they are applied to their charitable objects. The Charity's trading subsidiaries do not generally pay UK corporation tax because their policy is to pay taxable profits to the Charity as Gift Aid. Foreign tax incurred by overseas subsidiaries is charged as incurred. The Charity is party to a Group registration for VAT purposes. As the representative member, the Charity is jointly and severally liable for any VAT liabilities of the subsidiary companies that are part of the same VAT registration.

### Tangible fixed assets and depreciation

Tangible fixed assets are capitalised at cost. The costs of laboratory refurbishments are written off as they are incurred. The Group only capitalises items costing more than £5,000. Batches of items below those thresholds are capitalised where they form part of one project and together cost more than £50,000. Software is capitalised only if cost exceeds £50,000. 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:

Freehold land and buildings	Not depreciated (land) or 25 years (buildings)
Leasehold properties	25 years, or lease period if shorter
Freehold and leasehold improvements	25 years, or lease period if shorter
Plant, equipment, fixtures and fittings (including Retail)	3 – 5 years

Fixed assets and investments are reviewed at the reporting date for any impairment. Any impairment loss is recognised in the corresponding SoFA category.

### Investments

Listed investments are held at fair value. Unlisted investments are held at cost as an approximation to fair value where the fair value is not easily obtainable. The SoFA includes realised gains and losses on investments sold in the year and unrealised gains and losses on revaluation of investments.

### Programme-related investments

Programme-related investments are made to further the charitable purposes of the Charity. They are held at cost less any provision for impairment.

## 1. ACCOUNTING POLICIES (CONTINUED)

### Mixed motive investments

Mixed motive investments are made in order to contribute to the charitable purposes of the Charity and also to generate a financial return for the Charity. Mixed motive investments are measured at fair value which, in the case of a listed entity, is the bid price of the shares.

### Stock

Stock is valued at the lower of cost and net realisable value using an average cost calculation. Stock does not include goods donated for sale in the Group's charity shops as it is impractical to measure reliably the fair value of these donated items.

### Financial instruments other than investments

The Charity has financial assets and financial liabilities of a kind that qualify as basic and complex financial instruments. Basic financial instruments are measured at their settlement value in the case of current assets and liabilities and at discounted settlement value in the case of creditors falling due after more than one year. Foreign currency forward contracts are classified as complex and are measured at their settlement value. The Group has taken advantage of disclosure exemptions permitted by FRS 102.

### Foreign currency

Foreign currency transactions are recorded at the exchange rate at the time of the transaction. Foreign currency balances are translated into sterling at the exchange rate at the balance sheet date. Resulting gains or losses are included in the SoFA.

### Pensions

The Charity's defined benefit scheme was closed to future accrual on 31 March 2015. The net pension finance credit is included in other income. Actuarial gains and losses are recognised in the SoFA as other recognised gains and losses. The scheme surplus is recognised as an asset since the Charity is able to recover the surplus as it has an unconditional right to a refund from the scheme.

The amounts charged to the SoFA for defined contribution pension schemes represent the contributions payable in the period.

Multi-employer schemes are accounted for as defined contribution schemes as the Group is unable to identify its share of the defined benefit obligations, plan assets or costs associated with the schemes concerned.

## 2. CRITICAL ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical evidence and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### a) Critical judgements in applying the entity's accounting policies

#### (i) Multi-employer defined benefit scheme (University Superannuation Scheme)

The Group does not have sufficient information on the plan assets and liabilities to be able to account reliably for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme. See Note 19.

#### (ii) Programme-related investments

The Charity has made cash and in-kind contributions to the construction of the Francis Crick Institute which are held as a programme-related investment on the Charity's Balance Sheet. The investment is held at cost less any provision for impairment. An impairment would be recognised if there was an indication of a decrease in the service potential of the asset. Management completes an annual assessment of the service potential of the Institute. See Note 12a.

Whilst the Charity holds more than 20% of the shareholding, the Crick is not treated as an associate as the Charity does not have the power to significantly influence the financial and operating decisions at the Crick. Therefore the Crick is treated as an investment in the Group accounts.

#### (iii) Deferred income

The Group entered into a collaboration agreement on 1st November 2017 with a global biopharmaceutical company. The agreement will give the company a number of rights should the funded research be successful. The Group received an upfront non-refundable fee which is being recognised in line with the stage of completion of the research term. This reflects the constructive obligation to complete the research programme despite there being no legal obligation to carry out this work.

## 2. CRITICAL ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### b) Critical accounting estimates and assumptions

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### (i) Legacy pipeline valuation

There is inherent uncertainty in the probate valuation of estates as a result of the nature of underlying assets and liabilities, the time that may elapse between probate and closure, and other contingencies that attend the estate. Material cases (greater than £1 million in estimated value) are included at their full valuation. Cases below this threshold are included at 95% (2017: 95%) of their aggregate valuation (to reflect the uncertainty of estate administration) after allowing for any gain or loss on unrealised property and investment assets. Each year the measurement uncertainty factor is reviewed to ensure it continues to be supported by actual realisation rates. A movement of 1% in the uncertainty factor correlates to a movement in the debtor of £1 million. See Note 15.

#### (ii) Defined benefit pension scheme

The Charity has an obligation to pay pension benefits to certain employees. The present value of the obligation depends on a number of factors, including: life expectancy, future increases to pension payments and the discount rate on corporate bonds. The assumptions made by the Charity regarding these factors reflect historical experience and current trends. The valuation is particularly sensitive to the impact of the discount rate and inflation assumptions on Scheme liabilities: a variation of 0.1% in the discount rate would result in a change of £14 million and a variation of 0.1% in the rate of inflation would result in a change of £12 million. See Note 19.

## 3. INCOME

### a) Donated income

	Group 2018 £m	Group 2017 £m
Legacies	181.5	186.6
Donations	192.4	190.0
Events	49.2	65.0
	423.1	441.6

The net amounts for pecuniary and residuary cases not included in legacy income as at 31 March 2018, such as those with a corrupt title and contentious cases are valued at £26 million (2017: £22 million). At 31 March 2018, the Charity has an interest in 1,081 estates that are subject to a life interest or trust which were excluded from legacy accrued income in line with policy (2017: 1,045).

### b) Income from trading activities

	Group 2018 £m	Group 2017 £m
Retail income	83.9	80.4
Events registrations, merchandise and other income	20.1	21.8
	104.0	102.2

### c) Income from charitable activities

	Group 2018 £m	Group 2017 £m
Cancer research	101.4	91.9
Cancer information and policy outreach	0.1	0.5
	101.5	92.4

### 3. INCOME (CONTINUED)

#### d) Gain from exceptional items

In 2017 the Charity completed two major property transactions (total £32 million). One of the former London Research Institute (LRI) laboratory sites, Clare Hall, was sold. The gain realised from the disposal of the freehold property was £14.5 million. The Charity also committed to relocating its head office from Angel to Stratford. The gain realised from the surrender of the lease on the Angel Building was £17.5 million.

### 4. EXPENDITURE

#### a) Expenditure on raising funds

	Group 2018 £m	Group 2017 £m
Legacies	13.1	13.8
Donations	53.6	58.1
Events	29.1	34.6
Managing investments	1.3	1.2
	97.1	107.7

#### b) Expenditure on raising funds from trading activities

	Group 2018 £m	Group 2017 £m
Retail costs (including costs of bought-in goods)	78.1	69.0
Events registration and merchandise	10.4	16.1
Other goods sold	0.2	0.2
	88.7	85.3

### 5. COSTS OF CHARITABLE ACTIVITIES

	Direct costs £m	Grant costs £m	Support costs £m	Group 2018 £m	Group 2017 £m
Cancer research	100.9	310.6	11.5	423.0	431.7
Cancer information and policy outreach	36.5	–	6.9	43.4	40.9
	137.4	310.6	18.4	466.4	472.6

### 6. GRANTS

	Group 2018 £m	Group 2017 £m
Grants provided in the year	324.8	317.7
Write-back of underused grants and other adjustments	(14.2)	(5.7)
	310.6	312.0

An analysis of grant-funded research by host institution with details of the grants awarded during the year, forming part of these audited financial statements, can be found on the Charity's website at [cruk.org/our-accounts](http://cruk.org/our-accounts).

## 7. SUPPORT COSTS

Support cost	Research £m	Cancer information and policy outreach £m	Expenditure on raising funds £m	Expenditure on fundraising and trading £m	Group 2018 £m	Group 2017 £m
Information technology	4.8	3.3	5.5	2.0	15.6	16.2
Corporate resources	4.8	2.0	3.2	1.2	11.2	9.9
Human resources	1.9	1.6	2.6	0.9	7.0	4.8
	11.5	6.9	11.3	4.1	33.8	30.9

Support costs are allocated entirely on a headcount basis.

## 8. NET INCOME FOR THE YEAR

	Group 2018 £m	Group 2017 £m
<b>This is stated after charging/(crediting):</b>		
Rentals payable under operating leases	23.8	20.8
Gift Aid income	(32.8)	(34.1)
Depreciation charge for the year (Note 10)	9.4	9.6
Impairment charge for the year (Note 10)	–	2.1
Rents receivable	(0.6)	(2.6)
Derivative financial instrument (gain)/loss	(1.3)	1.4
Loss/(gain) on disposal of fixed assets	0.8	(14.5)
Auditors' remuneration for external audit services	0.1	0.1
Foreign exchange loss	0.7	0.1

## 9. EMPLOYEES AND TRUSTEES

### a) Employees

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
Wages and salaries	108.4	105.6	88.0	86.8
Social security costs	10.4	9.8	8.5	8.0
Other pension costs	8.5	8.4	6.1	6.1
	127.3	123.8	102.6	100.9

The average headcount of employees, analysed by function, was:

	Group 2018 No.	Group 2017 No.	Charity 2018 No.	Charity 2017 No.
Charitable activities	1,117	989	796	657
Fundraising and trading	2,420	2,465	2,420	2,465
Support services	568	455	459	382
	4,105	3,909	3,675	3,504

In addition to the scientists employed, over 3,700 scientists, technicians and other staff engaged in cancer research throughout the United Kingdom were supported by grants made by the Group (2017: over 3,500).

## 9. EMPLOYEES AND TRUSTEES (CONTINUED)

### a) Employees (continued)

The number of employees whose benefits (excluding employer pension contributions and awards to inventors) fell within the following bands:

Banding	Group 2018 No.	Group 2017 No.
£60,001 – £70,000	88	90
£70,001 – £80,000	33	38
£80,001 – £90,000	28	18
£90,001 – £100,000	11	11
£100,001 – £110,000	6	7
£110,001 – £120,000	4	4
£120,001 – £130,000	5	3
£130,001 – £140,000	5	5
£140,001 – £150,000	2	2
£150,001 – £160,000	1	3
£160,001 – £170,000	1	–
£170,001 – £180,000	1	1
£180,001 – £190,000	2	1
£190,001 – £200,000	–	1
£230,001 – £240,000	–	3
£240,001 – £250,000	1	1
	<b>188</b>	<b>188</b>

Remuneration and benefits for the Chief Executive Officer, Chief Finance Officer and other key management personnel:

	Incl. pension contributions		Excl. pension contributions	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Chief Executive Officer	244	244	244	244
Chief Finance Officer	189	195	188	195
Other Executive Directors	1,347	1,148	1,233	1,032
<b>Key management personnel</b>	<b>1,780</b>	<b>1,587</b>	<b>1,665</b>	<b>1,471</b>

Key management personnel is defined as members of the Executive Board (2018: 11, 2017: 11) – see further details on page 45.

In addition to salary and employer pension contributions, the Charity provides all staff with death in service and income protection. The value of these benefits for the key management personnel is estimated to be £13,177 (2017: £12,500).

### b) Trustees

No Trustee received remuneration from the Group during the year (2017: Peter Chambre was paid £3,750 in respect of his role as Chairman of Cancer Research Technology Limited prior to his appointment as Trustee on 13 July 2016). 5 of the 13 Trustees were reimbursed expenses which amounted to £8,860 (2017: £11,683 to all of the 15 Trustees). This represents travel and subsistence incurred in attending meetings and events in their official capacity. The value of expenses waived was not material. As permitted by the Articles of Association, the Trustees have the benefit of a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006. It was in force throughout the last financial year and is currently in force. The Charity purchased and maintained throughout the year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

Total donations from Trustees amounted to £240 (2017: £5,280).

## 10. TANGIBLE FIXED ASSETS

## a) Group

	Freehold land and buildings £m	Short-term leasehold properties £m	Freehold and short-term leasehold improvements £m	Plant, equipment, fixtures and fittings £m	Retail fixtures and fittings £m	Total £m
<b>Cost</b>						
At 1 April 2017	24.1	6.9	12.9	42.1	18.2	104.2
Additions	–	–	–	5.4	3.3	8.7
Disposals	–	–	(0.1)	–	(1.2)	(1.3)
<b>At 31 March 2018</b>	<b>24.1</b>	<b>6.9</b>	<b>12.8</b>	<b>47.5</b>	<b>20.3</b>	<b>111.6</b>
<b>Accumulated depreciation</b>						
At 1 April 2017	13.7	4.9	5.5	31.4	9.6	65.1
Charge for the year	0.6	0.4	0.4	4.4	3.6	9.4
Disposals	–	–	–	–	(0.5)	(0.5)
<b>At 31 March 2018</b>	<b>14.3</b>	<b>5.3</b>	<b>5.9</b>	<b>35.8</b>	<b>12.7</b>	<b>74.0</b>
<b>Net book values</b>						
<b>At 31 March 2018</b>	<b>9.8</b>	<b>1.6</b>	<b>6.9</b>	<b>11.7</b>	<b>7.6</b>	<b>37.6</b>
At 1 April 2017	10.4	2.0	7.4	10.7	8.6	39.1

## b) Charity

	Freehold land and buildings £m	Short-term leasehold properties £m	Freehold and short-term leasehold improvements £m	Plant, equipment, fixtures and fittings £m	Retail fixtures and fittings £m	Total £m
<b>Cost</b>						
At 1 April 2017	24.1	5.5	4.3	16.8	17.9	68.6
Additions	–	–	–	1.5	3.3	4.8
Disposals	–	–	(0.1)	–	(1.2)	(1.3)
<b>At 31 March 2018</b>	<b>24.1</b>	<b>5.5</b>	<b>4.2</b>	<b>18.3</b>	<b>20.0</b>	<b>72.1</b>
<b>Accumulated depreciation</b>						
At 1 April 2017	13.7	4.4	3.5	13.4	9.3	44.3
Charge for the year	0.6	0.4	–	1.8	3.5	6.3
Disposals	–	–	–	–	(0.5)	(0.5)
<b>At 31 March 2018</b>	<b>14.3</b>	<b>4.8</b>	<b>3.5</b>	<b>15.2</b>	<b>12.3</b>	<b>50.1</b>
<b>Net book values</b>						
<b>At 31 March 2018</b>	<b>9.8</b>	<b>0.7</b>	<b>0.7</b>	<b>3.1</b>	<b>7.7</b>	<b>22.0</b>
At 1 April 2017	10.4	1.1	0.8	3.4	8.6	24.3

## 11. INVESTMENTS

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
<b>At market value</b>				
UK listed equity investments	29.2	20.5	29.2	20.5
UK fixed and variable interest stocks	50.1	45.1	50.2	45.1
UK cash investments	9.1	6.5	9.1	6.5
UK investment properties	1.1	1.4	1.1	1.4
Investments in UK unlisted companies	0.9	0.4	0.5	–
Investment in subsidiaries (Note 14)	–	–	0.2	0.2
<b>Total UK investments</b>	<b>90.4</b>	<b>73.9</b>	<b>90.3</b>	<b>73.7</b>
Overseas listed equity investments	82.6	77.7	82.6	77.7
Overseas fixed and variable interest stocks	71.5	58.3	71.5	58.3
<b>Total overseas investments</b>	<b>154.1</b>	<b>136.0</b>	<b>154.1</b>	<b>136.0</b>
<b>Total investments</b>	<b>244.5</b>	<b>209.9</b>	<b>244.4</b>	<b>209.7</b>

No investment represented 5% or more of the portfolio by market value in the Group and Charity (2017: none). Investment properties consist of land and property bequeathed to the Charity and its predecessor charities. In view of the number of investment properties held, separate details of each valuation are not reported.

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
<b>Movements</b>				
At 1 April	209.9	225.5	209.7	225.3
Additions	97.2	70.2	97.2	70.2
Disposal proceeds	(44.5)	(109.3)	(44.5)	(109.3)
Net movement in cash and short-term deposits	(19.0)	7.2	(19.0)	7.2
Net realised investment gains	26.7	4.2	26.7	4.2
Net unrealised investment (losses)/gains	(25.8)	12.1	(25.7)	12.1
<b>At 31 March</b>	<b>244.5</b>	<b>209.9</b>	<b>244.4</b>	<b>209.7</b>

The historical cost of Group and Charity investments at 31 March 2018 was £255 million (2017: £196 million) and £254 million (2017: £195 million) respectively.

**12. PROGRAMME-RELATED INVESTMENTS**

	Group and Charity 2018 £m	Group and Charity 2017 £m
The Francis Crick Institute	164.9	164.9
<b>Total</b>	<b>164.9</b>	<b>164.9</b>

	Group and Charity 2018 £m	Group and Charity 2017 £m
Land	18.0	18.0
Investment	146.9	146.9
<b>Total</b>	<b>164.9</b>	<b>164.9</b>

The Francis Crick Institute Ltd ('the Crick') is a UK registered charity and limited company. The Charity holds 23% of the company's shares. Our partners in this venture are the Medical Research Council, Wellcome Trust, University College London, King's College London and Imperial College London.

The Charity jointly owns, with the other founder partners, land on which the Institute building has been constructed. The total acquisition cost of the land was £88 million and the Charity's share of this cost was £18 million. A lease of the land was granted to the Crick in May 2012 for a 55-year term at a peppercorn rent. The terms of the lease require the site to be used for the Crick's charitable objects and the Group's intention is to hold the land for this purpose. Upon expiry of the lease, the Charity would expect to agree to renew the lease on the same terms.

	Group and Charity 2018 £m	Group and Charity 2017 £m
<b>Movements</b>		
At 1 April	164.9	164.2
Capital contributions made	–	0.7
<b>At 31 March</b>	<b>164.9</b>	<b>164.9</b>

At 31 March 2018, the Charity held 146,865,000 out of a total of 629,566,244 ordinary shares issued by the Crick (2017: 146,865,000 out of a total of 629,566,244).

**13. MIXED MOTIVE INVESTMENTS**

	Group and Charity 2018 £m	Group and Charity 2017 £m
Shares in Syncona Ltd	39.5	30.3
<b>Total mixed motive investments</b>	<b>39.5</b>	<b>30.3</b>

### 13. MIXED MOTIVE INVESTMENTS (CONTINUED)

Syncona Ltd has a portfolio of life science investments, many of which are focused on oncology, and is listed on the London Stock Exchange. The investment is deemed to be 'mixed motive' as it has been made in order to generate a financial return for the Charity and it also contributes to the Charity's purposes. A requirement of our subscription to the shares in Syncona is that we will not dispose of our shareholding before January 2019.

	Group and Charity 2018 £m	Group and Charity 2017 £m
<b>Movements</b>		
At 1 April	30.3	–
Subscription of shares	–	27.3
Unrealised gain	9.2	3.0
<b>At 31 March</b>	<b>39.5</b>	<b>30.3</b>

### 14. RELATED UNDERTAKINGS

Name	Control	Registered address	Charity interest	Other Group company interest	Activities
Beatson Technology Ltd	D	B		100%	Technology development
Cancer Research Campaign (Jersey Trust Fund)	D		100%		Charitable
Cancer Research Technology Inc	SC	C		100%	Technology development
Cancer Research Technology Ltd	SC	A	100%		Technology development
Cancer Research UK Pension Trustee Ltd	SC	A	100%		Dormant
Cancer Research UK Trading Ltd	SC	A	100%		Income generation
Cancer Research Ventures Ltd	SC	A		100%	Dormant
Gibb Research Fellowship Endowment Fund*	D	A	100%		Charitable
Imperial Cancer Research Fund*	D	A	100%		Dormant
Imperial Cancer Research Technology Ltd	SC	A		100%	Dormant
North of England Cancer Research Campaign	D	A	100%		Dormant
The Beatson Institute for Cancer Research	D	B	100%		Charitable
The Cancer Research Campaign	D	A	100%		Dormant
War on Cancer	D	A	100%		Charitable
Acublate Limited	SC	A		34.5%	Technology development
Senectus Therapeutics Limited	SC	A		33.3%	Technology development

Control: D = deemed, SC = share capital. All shares held are ordinary shares at par.

Registered address: A = Angel Building, 407 St John Street, London EC1V 4AD, B = The Beatson Institute for Cancer Research, Garscube Estate, Switchback Road, Bearsden, Glasgow G61 1BD, C = 1209 Orange Street, Wilmington, New Castle, Delaware 19801.

Where the Charity has 'deemed control' this is by virtue of having more than half the voting rights at the subsidiary's board or the Charity is the Corporate Trustee.

The Beatson Institute for Cancer Research and Beatson Technology Ltd are incorporated in Scotland. Cancer Research Campaign (Jersey Trust Fund) is established in Jersey. Cancer Research Technology Inc is incorporated in the state of Delaware in the United States of America. All other entities are incorporated or registered in England and Wales.

\* Unincorporated entities registered in England and Wales whose principal place of business is Angel Building, 407 St John Street, London EC1V 4AD.

**14. RELATED UNDERTAKINGS (CONTINUED)**

The summarised financial information of the subsidiary undertakings that are material to the Group is provided below:

**a) Trading subsidiaries**

	Cancer Research Technology Ltd		Cancer Research UK Trading Ltd	
	2018 £m	2017 £m	2018 £m	2017 £m
Total income	94.8	87.0	27.8	28.4
Total expenditure	(59.5)	(48.9)	(20.8)	(21.7)
<b>Profit on ordinary activities before Gift Aid and taxation</b>	<b>35.3</b>	<b>38.1</b>	<b>7.0</b>	<b>6.7</b>
Gift Aid payable to Cancer Research UK	(35.2)	(30.2)	(7.0)	(6.6)
<b>Retained profit/(loss) for the year</b>	<b>0.1</b>	<b>(7.9)</b>	<b>–</b>	<b>0.1</b>
Assets	117.1	72.0	10.7	9.3
Liabilities	(102.1)	(57.1)	(10.6)	(9.2)
<b>Net assets</b>	<b>15.0</b>	<b>14.9</b>	<b>0.1</b>	<b>0.1</b>

Cancer Research UK Trading Limited has company number 4355631. Cancer Research Technology Limited has company number 1626049.

**b) Charitable subsidiaries**

	The Beatson Institute for Cancer Research	
	2018 £m	2017 £m
Total income	25.9	23.5
Total expenditure	(25.9)	(24.6)
<b>Net result/(expenditure)</b>	<b>–</b>	<b>(1.1)</b>
Net gains on investments	0.1	–
<b>Net movement in funds</b>	<b>0.1</b>	<b>(1.1)</b>
Assets	25.2	24.8
Liabilities	(5.5)	(5.2)
<b>Net assets</b>	<b>19.7</b>	<b>19.6</b>

The Beatson Institute for Cancer Research is a company limited by guarantee (Company number SC084170) and registered as a charity with the Office of the Scottish Charities Regulator (OSCR) (Charity number SC006106).

The Cancer Research Campaign ('the Campaign') is a charity registered in England and Wales under number 225838 and a company limited by guarantee, registered in England and Wales under number 190141. Imperial Cancer Research Fund, incorporated under Royal Charter in 1939, is a charity registered in England and Wales under number 209631. The Charity is legally entitled to the benefit of all income that is generated by, and must bear all expenditure incurred in, the Campaign and Imperial Cancer Research Fund and therefore these charities are dormant.

## 15. DEBTORS

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
Accrued legacy income	119.4	130.4	119.4	130.4
Other accrued income	70.3	75.2	23.7	41.6
Prepayments	12.4	11.3	10.4	9.8
Taxation recoverable	40.2	17.3	40.8	17.6
Trade debtors	14.8	5.8	2.8	1.7
Other debtors	14.2	16.7	13.0	15.6
Derivative financial instruments	0.5	–	0.5	–
Amounts owed by Group undertakings	–	–	41.0	25.8
	271.8	256.7	251.6	242.5

Some accrued legacy income may be received after more than one year, but this has not been estimated due to uncertainty in the timing of the receipt of such income.

Other debtors include £7.9 million (2017: £7.6 million) which is due in more than one year.

## 16. CREDITORS

### a) Amounts falling due within one year

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
Research grants and fellowships	248.9	251.4	248.9	251.1
Accruals	57.8	55.6	13.8	15.3
Deferred income	12.7	7.3	5.4	4.1
Trade creditors	11.6	0.6	7.7	1.0
Taxation and social security	8.2	10.6	8.0	10.6
Other creditors	10.5	8.1	10.1	8.0
Amounts owed to Group undertakings	–	–	66.8	40.1
Derivative financial instruments	–	0.8	–	0.8
	349.7	334.4	360.7	331.0

### b) Amounts falling due after more than one year

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
Research grants, life chairs and fellowships	118.9	94.7	118.9	94.7
Accruals	2.3	2.5	0.2	0.2
Deferred income	18.3	–	–	–
	139.5	97.2	119.1	94.9

Of the accruals falling due after more than one year, £2.1 million falls due after 5 years (2017: £2.2 million). This consists of deficit funding payments to the USS pension scheme of £2.1 million (see Note 19).

**16. CREDITORS (CONTINUED)****c) Grants creditors and commitments**

	Amounts due for payment in the year to 31 March					
Group and Charity balance at 31 March	Total £m	2019 £m	2020 £m	2021 £m	2022 £m	2023 onwards £m
Creditors	367.8	248.9	63.0	33.1	14.5	8.3
Commitments (not provided for as non-binding)	556.2	65.7	171.8	170.2	102.4	46.1

During the year, no grants committed to in previous years were terminated and a further £83.5 million of non-binding commitments were made. Creditors include a £49.9 million grant to the Crick for 2018/19 operational funding. Expected future annual grants to the Crick for 2019/20 until the quinquennial review in 2020/21 total £110.9 million and are included in commitments.

**d) Analysis of deferred income**

	Group £m	Charity £m
At 1 April 2017	<b>7.3</b>	4.1
Recognised as income in year	<b>(6.9)</b>	(3.8)
Deferred in year	<b>30.6</b>	5.1
<b>At 31 March 2018</b>	<b>31.0</b>	5.4

In the year £22.3 million has been deferred which relates to research income from a global biopharmaceutical company (see Note 2).

**17. PROVISIONS FOR LIABILITIES AND CHARGES**

	Group and Charity £m
At 1 April 2017	0.8
Charged to the SoFA	0.9
Used during the year	(1.0)
<b>At 31 March 2018</b>	<b>0.7</b>

The provision comprises of net rental costs of vacant offices and shops until they are reasonably expected to be sublet or otherwise disposed of and dilapidation costs of offices and shops where the planned exit from the property has been confirmed before the year-end date.

**18. FINANCIAL INSTRUMENTS**

The Group has the following financial instruments:

	Note	Total 2018 £m	Total 2017 £m
Financial assets measured at amortised cost (trade debtors, accrued income, cash and other debtors excluding prepayments and taxation recoverable)	15	<b>283.4</b>	305.8
Financial assets that are equity investments measured at cost less impairment (programme-related investments)	12	<b>146.9</b>	146.9
Financial assets/(liabilities) measured at fair value through income and expenditure (investments, mixed motive investments and derivative financial instruments)	11,13,15,16	<b>283.4</b>	238.0
Financial liabilities measured at amortised cost (grant and trade creditors and other creditors, accruals, excluding deferred income and taxation and social security)	16,17	<b>(450.0)</b>	(412.8)

The Group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency debtors and creditors. At 31 March 2018, the outstanding contracts all mature within 4 months (2017: 16 months) of the year end. The Group is committed to sell US\$100 million, €11.5 million and JPY1,100 million and to receive a fixed sterling amount. The Group is committed to buy JPY\$78.9 million and €1.4 million. The majority of these contracts have been entered into through the managed investment portfolio with Goldman Sachs.

The forward currency contracts are measured at fair value, which is determined using valuation techniques based on observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates for GBP:USD, GBP:EUR and GBP:JPY.

## 19. PENSIONS

During the year, Cancer Research UK operated a defined benefit pension scheme, a defined contribution pension scheme, and participated in three other schemes, namely: the Universities Superannuation Scheme; the NHS Pension Scheme; and the Scottish NHS Pension Scheme, all of which contracted out of the State Second Pension (S2P).

### a) Defined benefit scheme – Cancer Research UK Pension Scheme

#### Principal actuarial assumptions

The tables below state the actuarial assumptions upon which the valuation of the scheme was based.

	Valuation at 31 March	
	2018	2017
Rate of increase to pensions in payment	3.2%	3.2%
Rate used to discount scheme liabilities	2.5%	2.5%
Rate of future price inflation – RPI	3.35%	3.4%
Rate of future price inflation – CPI	2.6%	2.65%

The life expectancies used to determine benefit obligations are as follows:

	31 March 2018		31 March 2017	
	Male	Female	Male	Female
Member aged 65 (current life expectancy)	23.2	25.4	23.9	26.4
Member aged 45 (life expectancy at 65)	24.5	27.0	25.8	28.4

#### Movements in the SoFA

	2018 £m	2017 £m
Past service cost	–	0.1
Interest cost on scheme liabilities	16.9	18.8
Interest income on assets in the scheme	(17.8)	(21.0)
Total net interest cost	(0.9)	(2.2)
Administrative costs	0.7	0.7
<b>Total pension gain recognised in the SoFA</b>	<b>(0.2)</b>	<b>(1.4)</b>
Actuarial (gains)/losses recognised in the SoFA	(33.0)	33.9
<b>Total (gains)/losses recognised in the SoFA</b>	<b>(33.2)</b>	<b>32.5</b>

#### Movement in scheme assets, liabilities and surplus/deficit

	Fair value of assets £m	Present value of (liabilities) £m	Surplus/ (deficit) £m
At 1 April 2017	718.6	(683.7)	34.9
Interest income on assets in the scheme	17.8	–	17.8
Interest cost on scheme liabilities	–	(16.9)	(16.9)
Net interest income/(cost)	17.8	(16.9)	0.9
Administrative costs	(0.7)	–	(0.7)
Actuarial gains in the year	3.0	30.0	33.0
Employer contributions paid	5.4	–	5.4
Benefits paid to participants	(18.8)	18.8	–
Past service cost	–	–	–
<b>At 31 March 2018</b>	<b>725.3</b>	<b>(651.8)</b>	<b>73.5</b>

The actual return on scheme assets for the year was a gain of £20.8 million (2017: £122.5 million gain). Employer contributions include deficit contributions of £5 million (2017: £5 million).

**19. PENSIONS (CONTINUED)****a) Defined benefit scheme – Cancer Research UK Pension Scheme (continued)**

The analysis of scheme assets at the balance sheet date was as follows:

	Fair value of assets	
	2018 £m	2017 £m
Equities	123.3	166.1
Liability-driven investments and cash	313.3	254.6
Property	64.2	60.6
Insurance policy	224.5	237.3
<b>Total assets</b>	<b>725.3</b>	<b>718.6</b>

None of the scheme's assets are invested in any property or other assets currently used by the Group. The £224.5 million insurance policy asset relates to a buy-in of an annuity contract with Canada Life.

The last triennial funding valuation took place as at 31 March 2015 and showed a deficit of £55 million. As a result the Charity agreed a pension deficit recovery plan with the scheme's Trustee. Deficit recovery contributions were £5 million in 2017/18 and will continue for the next year at the same level.

In line with normal practice, there are two bases for assessing the value of the assets and liabilities of the scheme. All of the assumptions, other than the discount rate, are arrived at using the same method. For accounting purposes, the assets and liabilities are reported in accordance with the relevant accounting standard – FRS 102. For the purposes of ensuring that the scheme is appropriately funded a triennial actuarial funding valuation is prepared which uses a more conservative discount rate; this results in a higher value for the liabilities. On an FRS 102 basis, the scheme has a surplus at 31 March 2018 of £73.5 million and this has been recognised as an asset in the balance sheet. The formal triennial valuation of the scheme with a valuation date of 31 March 2018 is currently being prepared by the scheme Trustee. As an estimate, based on the triennial valuation results at 31 March 2015, rolled forward to 31 March 2018, there has been a significant improvement to the actuarial position with the deficit estimated to be £35.1 million at 31 March 2018 (2017: £50 million).

**b) Other pension schemes accounted for as defined contribution schemes**

The following multi-employer schemes are accounted for as defined contribution schemes as the Group is unable to identify its share of the underlying assets and liabilities on a reasonable and consistent basis: NHS Pension Scheme, Scottish NHS Pension Scheme and Universities Superannuation Scheme. Both the NHS schemes are unfunded.

**Universities Superannuation Scheme ('USS')**

At the date of the latest actuarial valuation of the scheme (31 March 2014), the assets were sufficient to cover 86% of the benefits that had accrued to members. As at 31 March 2015 the deficit had increased from £5.3 billion to £8.2 billion on a technical provisions basis, based on the latest letter sent by USS to its members. As a result, a new schedule of contributions was agreed in July 2015 stating that employers will pay total contributions to the scheme of 18% for the year ending 31 March 2018.

Based on expected contributions to be made by the Group until 31 March 2031, set out in the recent schedule of contributions, the net present value of the Group's contribution to the reduction of the deficit is estimated at £2.2 million (2017: £2.2 million).

The number of members and employer contribution rates at the year-end and the employer's total pension contributions made during the financial year in respect of these schemes were as follows:

	2018 No. members	2018 Rate	2018 £m	2017 No. members	2017 Rate	2017 £m
Cancer Research UK Retirement Plans	3,071	1–16%	6.4	2,863	1–16%	6.8
Scottish NHS Pension Scheme	19	14.9%	0.1	21	13.5%	0.1
Universities Superannuation Scheme	265	18.9%	1.5	257	18%	1.3
<b>Defined contribution pension charge in the SoFA</b>			<b>8.0</b>			<b>8.2</b>

The defined contribution pension charge is allocated to expenditure headings in the SoFA on a headcount basis.

Contributions that were outstanding at the year-end in respect of these schemes amounted to £1.1 million (2017: £0.9 million).

## 20. OPERATING LEASES

The Group and Charity had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
<b>Land and buildings</b>				
Within one year	14.6	14.2	14.0	13.7
Between one and five years	28.4	26.6	27.2	26.6
After five years	111.7	2.1	111.6	2.1
<b>Total</b>	<b>154.7</b>	<b>42.9</b>	<b>152.8</b>	<b>42.4</b>
<b>Vehicles and equipment</b>				
Within one year	0.6	0.7	0.6	0.7
Between one and five years	0.5	0.8	0.5	0.8
<b>Total</b>	<b>1.1</b>	<b>1.5</b>	<b>1.1</b>	<b>1.5</b>

Payments for property leases have increased as the lease for our new head office in Stratford has now been signed. The monetary impact of any amounts due from lessors has not been included.

The operating lease commitments disclosed above make no allowance for VAT that the Group may not be able to recover. If VAT rates remain constant and the rate of recovery of VAT stays the same, it is estimated that a further £6.2 million (2017: £0.2 million) would need to be charged to the SoFA over the life of the leases.

## 21. GOVERNMENT GRANTS

Grants from government and government-related bodies support the Group's charitable activities. Funding was provided by the following entities:

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
European Commission	0.5	0.6	–	–
Other	0.1	0.2	0.1	0.2
<b>Total</b>	<b>0.6</b>	<b>0.8</b>	<b>0.1</b>	<b>0.2</b>

Cancer Research Technology Limited and the Beatson Institute for Cancer Research receive government assistance in the form of research and development expenditure credit (RDEC) related to qualifying research and development costs. The following is a summary of income received through government assistance:

	Group 2018 £m	Group 2017 £m	Charity 2018 £m	Charity 2017 £m
RDEC	0.6	0.5	–	–
<b>Total</b>	<b>0.6</b>	<b>0.5</b>	<b>–</b>	<b>–</b>

There are no unfulfilled commitments or other contingencies attached to the grants listed above that have been recognised in income.

The Charity works with other funding bodies as an agent to jointly fund multi-disciplinary award schemes and to co-fund projects with shared objectives. Cash received and subsequently paid out under these arrangements is not recognised in the Group's SoFA. The following is a summary of funding provided by these entities:

	Group and Charity 2018 £m	Group and Charity 2017 £m
Engineering and Physical Sciences Research Council	4.5	3.6
Secretary of State for Health	0.5	0.3
<b>Total</b>	<b>5.0</b>	<b>3.9</b>

As at 31 March 2018, £2.1 million was held by the Charity in respect of funds to be spent in future periods (2017: £1.4 million).

## 22. CAPITAL COMMITMENTS

The Charity is moving to a new office site in Stratford in 2019 and is committed to the capital expenditure for the integrated fit out costs (£10 million) of the site. This expenditure is being funded by a reduction from the initial rent-free period.

## 23. CONTINGENT LIABILITIES

The Charity and the other partners have agreed to provide a standby loan facility to the Crick until October 2018 should the Crick's reserves fall below three months' expenditure. The Charity's share of the facility would be a maximum of £4.7 million (2017: £4.7 million).

## 24. RESTRICTED FUNDS

	Balance at 1 April 2017 £m	Income £m	Expenditure £m	Net investment gains £m	Transfers between funds £m	Balance at 31 March 2018 £m
<b>Restricted funds</b>						
<b>Restricted funds for research</b>						
The Crick Appeal	–	5.5	–	–	(5.5)	–
Cancers affecting children and young adults	2.9	7.2	(6.6)	–	–	3.5
Bobby Moore Fund	–	1.9	(1.9)	–	–	–
Breast cancer research	–	1.9	(1.9)	–	–	–
Research in Scotland	–	5.4	(5.4)	–	–	–
Basic research	–	2.5	(2.5)	–	–	–
Oesophageal cancer research	–	1.4	(1.4)	–	–	–
Stand Up To Cancer	–	11.0	(3.6)	–	–	7.4
Josephine Bunch	–	2.8	(2.3)	–	–	0.5
Children with Cancer UK Fund	–	3.0	(0.4)	–	–	2.6
Werth Fellows	–	5.1	(1.7)	–	–	3.4
Christian Ottensmeier	–	3.7	(0.4)	–	–	3.3
Brain Tumour Centre of Excellence – Adult	–	1.0	–	–	–	1.0
Bupa Legacy Fund	3.5	–	(1.6)	–	–	1.9
Cancer Awareness Units	0.6	0.1	(0.7)	–	–	–
Gibb Research Fellowship Endowment Fund	3.3	0.1	(0.1)	–	–	3.3
Intangible income	–	2.9	(2.9)	–	–	–
Sundry other funds	7.6	12.5	(16.1)	–	(0.1)	3.9
<b>Total restricted funds – Charity</b>	<b>17.9</b>	<b>68.0</b>	<b>(49.5)</b>	<b>–</b>	<b>(5.6)</b>	<b>30.8</b>
The Beatson Institute for Cancer Research	19.4	5.9	(25.9)	–	20.2	19.6
<b>Total restricted funds – Group</b>	<b>37.3</b>	<b>73.9</b>	<b>(75.4)</b>	<b>–</b>	<b>14.6</b>	<b>50.4</b>

Restricted funds as at 31 March 2018 have been, or will be, allocated to research projects. Many of these research projects require access to funds over the course of the coming years, and as such the funds are fully committed to life-saving research.

## 24. RESTRICTED FUNDS (CONTINUED)

Fund	Purpose and restriction in use
The Crick Appeal	Construction, establishment and running of the Francis Crick Institute
Cancers affecting children and young people	Research specific to cancers affecting children and young people
Bobby Moore Fund	Specific bowel cancer research and awareness projects
Breast cancer research	Research specific to breast cancer
Research in Scotland	Cancer research located in Scotland
Basic research	Research to understand the fundamental biology underpinning cancer
Oesophageal cancer research	Research specific to oesophageal cancer
Stand Up To Cancer	Supporting translational research
Josephine Bunch	Grand Challenge project led by Josephine Bunch
Children with Cancer UK Fund	Specific projects researching cancers affecting children and young people
Werth Fellows	Funding for specific fellowships
Christian Ottensmeier	Research projects led by Christian Ottensmeier
Brain Tumour Centre of Excellence – Adult	Hub for innovative adult brain tumour research
BUPA Legacy Fund	Funding for a cancer prevention initiative
Cancer Awareness Units	Supporting the Cancer Awareness Mobile Units
Gibb Research Fellowship Endowment Fund	Fellowships and/or studentships for cancer research
Intangible income	Donations in-kind received for specific purposes
Sundry other funds	Core activities such as research, patient and health information
The Beatson Institute for Cancer Research	Research and investigation into the causes, mechanisms and treatment of cancer

## 25. UNRESTRICTED FUNDS

### a) Group

	General funds £m	Pension reserve £m	Total unrestricted funds £m
Funds at 1 April 2017	311.3	34.9	346.2
Net (expenditure)/income before transfers and gain on investments	(16.6)	0.2	(16.4)
Transfers between funds	(20.0)	5.4	(14.6)
Net gain on investments	10.6	–	10.6
Actuarial gain on pensions	–	33.0	33.0
<b>Funds at 31 March 2018</b>	<b>285.3</b>	<b>73.5</b>	<b>358.8</b>

Included within Group general funds are undistributed profits from trading subsidiaries of £15.1 million (2017: £15.0 million).

### b) Charity

	General funds £m	Pension reserve £m	Total unrestricted funds £m
Funds at 1 April 2017	294.8	34.9	329.7
Net (expenditure)/income before transfers and gain on investments	(38.7)	0.2	(38.5)
Transfers between funds	0.2	5.4	5.6
Net gain on investments	10.6	–	10.6
Actuarial gain on pensions	–	33.0	33.0
<b>Funds at 31 March 2018</b>	<b>266.9</b>	<b>73.5</b>	<b>340.4</b>

## 26. ANALYSIS OF NET ASSETS BETWEEN FUNDS

### a) Group

	General funds £m	Pension reserve £m	Restricted funds £m	Total £m
Tangible fixed assets	24.1	–	13.5	37.6
Investments	445.0	–	3.9	448.9
Current assets	304.8	–	34.3	339.1
Current and long-term liabilities and provisions	(488.6)	–	(1.3)	(489.9)
Pension asset	–	73.5	–	73.5
<b>Total net assets</b>	<b>285.3</b>	<b>73.5</b>	<b>50.4</b>	<b>409.2</b>

### b) Charity

	General funds £m	Pension reserve £m	Restricted funds £m	Total £m
Tangible fixed assets	22.0	–	–	22.0
Investments	444.9	–	3.9	448.8
Current assets	280.5	–	26.9	307.4
Current and long-term liabilities and provisions	(480.5)	–	–	(480.5)
Pension asset	–	73.5	–	73.5
<b>Total net assets</b>	<b>266.9</b>	<b>73.5</b>	<b>30.8</b>	<b>371.2</b>

## 27. FUNDING COMMITTEE MEMBERS AND TRUSTEES RECEIVING GRANTS

Scientists who serve as Trustees or on the Group's grant-making committees may not participate in decisions that relate to the funding of either research projects in which they have a direct interest or institutions with which they are associated. Professor Sir Bruce Ponder is a Trustee of the Charity and is also a Fellow of the Gibb Research Fellowship Endowment Fund; his funding from his Gibb Fellowship Award ended in December 2017.

The following are members of the Charity's Executive and Scientific Executive Boards and received grant funding during the financial year:

- Professor Peter Johnson, Chief Clinician until October 2017
- Professor Charles Swanton, appointed as Chief Clinician in October 2017
- Professor Karen Vousden, Chief Scientist

A list of scientists who both served on grant-making committees and led research projects that received funding from the Group during the year and are not Trustees or considered to be key management personnel can be found on the Charity's website at [cruk.org/our-accounts](http://cruk.org/our-accounts). Such funding transactions are conducted on an arm's length basis.

## 28. RELATED PARTY TRANSACTIONS

Expenses reimbursed to Trustees and the remuneration of the key management personnel of the Charity are disclosed in Note 9. Transactions by the Charity with its defined benefit pension scheme are set out in Note 19a). There were no other transactions during the year that come within the FRS 102 definition of 'related party transactions'.

However, some Trustees, members of the Charity's Executive Board and directors of its subsidiary Cancer Research Technology Limited ('CRT') are Trustees or directors of organisations that are in receipt of funds from the Group or enter into commercial transactions with the Group. The following transactions are disclosed as the individuals concerned are regarded as holding a position of influence in both parties to the transactions concerned at the time they were entered into:

Professor Sir Leszek Borysiewicz is Chairman of the Charity. Until 1 October 2017, he was Vice-Chancellor of the University of Cambridge, which received £41.2 million of grant funding during the year ended 31 March 2018 (2017: £43.7 million). He was not involved in either the grant funding decisions or the grant application process.

Sir Harpal Kumar is Chief Executive Officer ('CEO') of the Charity and is also a Trustee of the Francis Crick Institute. The Charity has awarded a £54.4 million operational grant to the Francis Crick Institute for 2018/19 (2017: £53.8 million). During the year the Francis Crick Institute paid £0.9 million to the Charity in respect of management charges for the use of P Block at Clare Hall (2017: £1 million). The net balance owed to the Crick by the Group at the end of the year was £49.9 million (2017: £53.8 million).

Sir Harpal Kumar is also a Director of American Friends of Cancer Research, Inc, which made donations to the Charity totalling £2.9 million (USD \$4.1 million) during the year (2017: £3.4 million (USD \$4.3 million)).

Dr Iain Foulkes, Executive Director of Strategy and Research Funding and CEO of CRT, is a Trustee of the Institute of Cancer Research: Royal Cancer Hospital. On commercial terms, CRT has revenue sharing agreements in place with the Institute of Cancer Research pursuant to which CRT paid £32.6 million (2017: £29.4 million) during the year and received £0.6 million (2017: £0.8 million). At 31 March 2018, there were no outstanding balances (2017: £0.3 million debtor). During the year the Charity grant-funded the Institute of Cancer Research to the extent of £20.2 million (2017: £36.0 million).

The Charity owes CRT a net balance of £24.7 million (2017: £14.5 million). This represents the balance of operational transactions between the Charity and CRT, including management and support charges of £0.6 million (2017: £0.5 million) and property charges of £0.3 million (2017: £0.3 million). The year-end balance includes Gift Aid of CRT's profits to the Charity of £35.2 million (2017: £30.2 million).

The Charity is owed a net balance of £3.1 million from Cancer Research Trading Ltd (2017: £1.9 million). This represents the balance of operational transactions between the Charity and Cancer Research Trading Ltd, including a charge for salaries, property, marketing and other retail costs of £8.3 million (2017: £9.8 million) offset by a break-even credit of £2.5 million (2017: £2.4 million). The year-end balance includes Gift Aid of Cancer Research Trading's profits to the Charity of £6.9 million (2017: £6.6 million).

The Charity is owed a net balance of £1.2 million from The Beatson Institute (2017: £1.6 million). This represents the balance of operational transactions between the Charity and The Beatson Institute, including grant funding from the Charity of £20.5 million (2017: £17.6 million).

## REFERENCE AND ADMINISTRATIVE DETAILS

### FINANCIAL STATEMENTS

The audited consolidated financial statements comply with the Statement of Recommended Practice 'Accounting and Reporting by Charities' FRS 102 as revised in 2015, the Charities Act 2011, the Companies Act (2006), the Charities and Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006, as amended.

### CHARITY STATUS

The Charity has a maximum permitted membership of 100. There are currently 90 Members, of which 11 are Trustees (see page 45). Each Member guarantees to contribute up to one pound sterling (£1) to the Charity's debts, liabilities and costs in the event of the Charity being wound up and for one year after ceasing to be a Member.

### CHARITY OBJECTS

The Charity's objects are to protect and promote the health of the public in particular by research into the nature, causes, diagnosis, prevention, treatment and cure of all forms of cancer, including the development of findings of research into the practical applications for the prevention, treatment and cure of cancer and, in furtherance of that primary object, to provide information and raise public understanding of such matters.

### GOVERNING DOCUMENT

Cancer Research UK is governed by its Articles of Association. Cancer Research UK may operate under the following names: Cancer Research UK Scotland; Cancer Research UK Cymru; Cancer Research UK Jersey; Cancer Research UK Guernsey; and Cancer Research Northern Ireland.

### COMPANY NUMBER

4325234 in England and Wales  
5713F in Isle of Man

### CHARITY NUMBER

1089464 in England and Wales  
SC041666 in Scotland  
1103 in Isle of Man

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Her Majesty the Queen

### JOINT PRESIDENTS

HRH The Duke of Gloucester,  
KG, GCVO

HRH Princess Alexandra the  
Hon. Lady Ogilvy, KG, GCVO

### COMPANY SECRETARY

Niamh O'Sullivan FCIS

### CHARTERED ACCOUNTANTS AND STATUTORY AUDITORS

PricewaterhouseCoopers LLP  
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Find out more about our successes at [cruk.org/our-successes](http://cruk.org/our-successes)

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### TALK TO OTHERS AFFECTED BY CANCER

Go to our online discussion forum [cancerchat.org.uk](http://cancerchat.org.uk)



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Cancer Research UK has committed to a series of social and environmental goals. You can find out more about these at [cruk.org/corporate-responsibility](http://cruk.org/corporate-responsibility)

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