

Annual Report and Financial Statements 2015/16





HRH The Duke of Cambridge visits the Diane McCarthy Medical Day Unit

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Introduction

A letter from our Chairman

Philanthropic support at The Royal Marsden goes back a long way. It was a charitable gift that enabled Dr William Marsden to build the Free Cancer Hospital in 1851 – the first hospital in the world dedicated to treating and researching cancer.

It is this tradition of philanthropy and the wonderful supporters of The Royal Marsden Cancer Charity that has enabled us to play a vital role ensuring patients receive the very best cancer care not just at The Royal Marsden but across the UK. Over the last year we have supported projects across the hospital – in the areas of cancer research, diagnosis, treatment and care.

It is thanks to you that we were able to fund the building of The Ralph Lauren Centre for Breast Cancer Research, the wonderful new facilities in The Reuben Foundation Imaging Centre and groundbreaking research across all tumour types including paediatric, pancreatic, lung and breast cancers.

I'd like to thank each and every one of our supporters, whether they're making a single donation, a regular monthly gift, running a marathon or hosting a fundraising event.

But our work doesn't stop here. Over the next year we plan to grow our fundraising income to £18 million, an achievable amount with the support of our committed fundraisers, and continue helping The Royal Marsden deliver world-leading cancer research, diagnosis, treatment and care for all our patients.

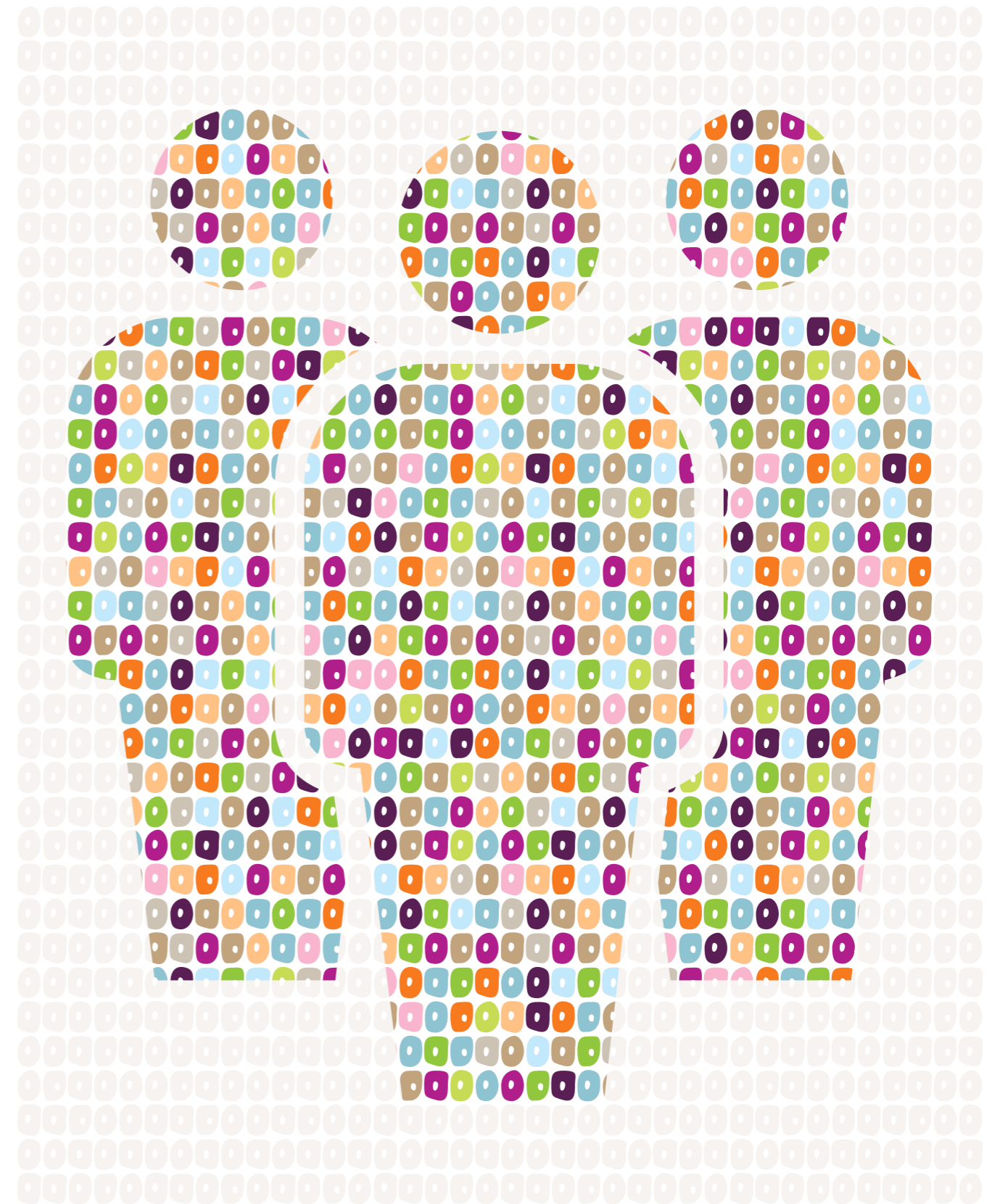
This will be my last annual report as Chairman, as I step down at the end of 2016. I've seen first-hand the impact our supporters have made on the lives of patients and staff as we work towards a future beyond cancer, and I'd like to thank everyone who has supported The Royal Marsden Cancer Charity over the past six years.



R. Ian Molson
Chairman
The Royal Marsden Cancer Charity

Trustees' Report

(including the strategic report)



Objectives

The Royal Marsden NHS Foundation Trust

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

Together with our academic partner, The Institute of Cancer Research, The Royal Marsden is the largest and most comprehensive cancer centre in Europe, treating over 50,000 patients every year. It is a centre of excellence with an international reputation for groundbreaking research and pioneering the very latest in cancer treatments and technologies, as well as specialising in cancer diagnosis and education.

The Royal Marsden Cancer Charity

The Royal Marsden Cancer Charity exists solely to support the work of The Royal Marsden. Our supporters have funded the very latest facilities, equipment and research, changing the lives of cancer patients not just at The Royal Marsden, but across the UK and around the world.

Charitable purpose

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

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

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

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

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

On 1 September 2011, restricted funds were transferred from The Royal Marsden Hospital Charity to The Royal Marsden Cancer Charity with the following charitable objects:

- **The Royal Marsden Hospital General Research Charity:** Any charitable purpose or purposes, principally (but not exclusively) at or in connection with the hospital, which will further the following aims:
 - The investigation of the causes of cancer and the prevention, treatment, cure and defeat of cancer in all its forms
 - The advancement of scientific and medical education in topics related to cancer.
- **The Royal Marsden Hospital Patient Amenity Charity:** The relief of sickness of patients suffering from cancer or its effects, who are or have been treated at the hospital.
- **The Royal Marsden Hospital Staff Amenity Charity:** The relief of sickness at the hospital by promoting the efficient performance of the staff of the hospital.

Public benefit

The Royal Marsden, as an NHS Foundation Trust, provides free healthcare at the point of delivery for members of the general public seeking cancer treatment. The overarching ambition of the hospital continues to be the provision of the very best cancer treatment and care available, supported by the highest quality research, to improve outcomes for people with cancer everywhere. The hospital has a crucial role in championing change and improvement in cancer care for patients through research, innovation, education, and cutting-edge clinical practice. This has been The Royal Marsden's essential mission throughout its 165 year history.

Each year, The Royal Marsden sees more than 50,000 patients at two hospitals in Chelsea and Sutton. It is an NIHR Biomedical Research Centre (BRC) in the UK dedicated solely to cancer (with its academic partner The Institute for Cancer Research, London). The specific remit of the BRC is to facilitate rapid and effective translation of scientific findings into improved therapies that are ultimately tested in large-scale national trials, and therefore has a key role in influencing clinical practice.

The Charity's support is vital in keeping the hospital at the forefront of its field, providing the best possible service for patients. All grants given by the Charity are made to the hospital at the Trustees' discretion in the areas of cancer research, diagnosis, treatment and care.

We invest in new equipment and facilities to increase the hospital's capacity and vastly improve the environment for patients. We also fund groundbreaking research which is carried out with the aim of achieving and publishing successful results and practices to be implemented both at the hospital and in the wider medical world. Funding is also made available to support staff so as to allow them to perform better in their jobs.

Fundamentally, our public benefit is to enable more patients at The Royal Marsden to be treated more quickly and more effectively, and to strive for a future beyond cancer. The Trustees believe they have complied with the duty to have due regard to guidance on public benefit published by the Charity Commission.

Research

The issue we're tackling

Cancer is a complex disease that has hundreds of variations and an incredible ability to adapt and evolve, which means we need to fund the development of even smarter treatments evaluated in innovative clinical trials at The Royal Marsden that will rapidly translate to better outcomes for patients.

The difference we make

The Royal Marsden, together with its academic partner, The Institute of Cancer Research (ICR), is an NIHR Biomedical Research Centre dedicated solely to cancer. The bench-to bedside approach sees The Royal Marsden translate scientific advances made at the ICR into clinical trials for patients, giving them a better quality of life and chance of survival.

The Royal Marsden Cancer Charity helps to fund clinical trials and research posts at The Royal Marsden, enabling specialist clinical research teams at the hospital to rapidly develop new, better, kinder treatments for different types of cancers. The specialists lead the way in personalised medicine developing new targeted therapies which mean that patients are surviving longer and also being cured of their cancer. The Royal Marsden is the leading centre for cancer clinical trials in the country, running over 700 every year.

In recent years, the hospital has led on and been part of some of the biggest and most important cancer trials, including breast cancer, melanoma and prostate cancer. This work informs treatments used for patients at The Royal Marsden, across the UK and internationally, improving their quality of life and chances of survival.

We help fund clinical trials and research posts at The Royal Marsden, enabling the hospital's teams to translate these new discoveries into pioneering smarter, kinder treatments for different types of cancers.

Our overall aim

To ensure The Royal Marsden continues to be at the forefront of translational cancer research so that its work extends, improves and saves more lives not just at The Royal Marsden but across the world.

Diagnosis

The issue we're tackling

Every patient's cancer is unique, which means our support is vital to help The Royal Marsden increase its work diagnosing subtle variations in tumour type using state-of-the-art technology.

The difference we make

Accurate diagnosis is essential to ensuring cancer patients receive the correct treatment. The Royal Marsden is leading the way in understanding more about the complex molecular make up of individual tumours, and as a result thousands of patients are receiving personalised treatment specifically targeted at their tumour.

The Royal Marsden brings together world-leading clinicians, pathologists and scientists. This collaborative working allows it to speed up the diagnosis of each patient's tumour and to develop specific molecular tests to determine each patient's specific tumour type that measure the effectiveness of different drugs for each type of cancer. Clinicians are able to scan and examine tumours in detail and rapidly diagnose patients. The detailed scanning equipment also helps them target tumours more effectively.

Staff also carry out genetic testing – a powerful tool that will transform the diagnosis and treatment of cancer – into clinical practice. Knowing whether a patient has a specific gene mutation is then an important part of making personalised treatment plans. State-of-the-art high throughput gene sequencing equipment can perform more genetic tests, faster and at a lower cost than traditional methods.

It is this groundbreaking work and the latest equipment which we are funding at The Royal Marsden that is delivering more accurate diagnoses than ever before, resulting in personalised treatment for patients.

Our overall aim

To invest in the best equipment and facilities to help The Royal Marsden develop the latest diagnostic tests for a wider variety of tumours, so that patients have a greater chance of survival.

Treatment

The issue we're tackling

Each patient should have a personalised treatment plan relating to their unique diagnosis – we need to help The Royal Marsden provide smarter, kinder treatments.

The difference we make

Different patients with the same type of cancer may respond differently to the same treatment. This is due to differing genetic mutations in individual tumours and the patient's own individual genetic profile. Increasingly, due to the innovative equipment and technology we fund, the hospital is able to improve outcomes for patients.

Technology breakthroughs are also allowing staff to offer better treatment options for cancer types that were previously untreatable. Using surgical robots, surgeons are able to conduct complex operations with outstanding control, which is especially important for hard to reach tumours, as well as treat some previously inoperable tumours.

Work funded by the Charity is also helping patients manage the side-effects of treatment more effectively and reduce the time they spend in hospital. This has a substantial positive impact on a patient's quality of life after treatment.

Our overall aim

To help The Royal Marsden give patients access to the very best personalised treatment by funding technology and equipment that will help the hospital achieve this.

Care

The issue we're tackling

Undergoing cancer treatment is difficult for all patients and their families and friends, which means our support is vital to help The Royal Marsden do everything it can to provide support for patients before, during and after treatment.

The difference we make

Cancer patients can go through a very challenging experience during their treatment and The Royal Marsden understands how important it is for them to feel comfortable and reassured during this time. It therefore aims to ensure all patient environments are peaceful and dignified with lots of natural light. Staff place the highest importance on patient dignity and care, so projects to modernise wards and day care facilities are incredibly important.

For its young patients, The Royal Marsden also has a specialist facility, the Oak Centre for Children and Young People, funded by the Charity, which sees over 5,000 day patients and 600 inpatients every year. It's designed around the needs of young patients and their families and has a variety of different spaces that all contribute to their comfort, engagement and positive frame of mind.

We also support staff of The Royal Marsden in a range of retention, recognition and pastoral schemes to ensure the hospital has a stable, positive workforce in order to provide the highest possible level of care to patients.

Our overall aim

To ensure that The Royal Marsden's patient facilities and environments are of the highest possible quality so that patients receive the best possible levels of care, and that staff provide quality care because they feel valued and supported.

Wider reach

While The Royal Marsden Cancer Charity directly benefits patients of The Royal Marsden, the work we support also has a national and international impact on improving care and outcomes for all cancer patients.

Sharing research findings

The bench-to-bedside ethos of The Royal Marsden and its academic partner, The Institute of Cancer Research, means that clinical research and drug or radiotherapy trials are central to its work as Europe's largest comprehensive cancer centre. It facilitates the translation of scientific findings in genetic and molecular causes of cancer into improved treatments tested in national trials, constantly furthering the understanding of different types and sub-types of cancers. This work is published and presented in world-leading forums including international cancer conferences and international publications.

Technology trials

The Royal Marsden also has a responsibility to innovate and ensure it can act as a pioneer of best practice for the NHS. The hospital has a history of trialling new technology, often funded by the Charity, which is then frequently rolled out to inform treatment processes at other cancer centres.

Training the next generation

The Royal Marsden also takes a leading role in training and educating the next generation of cancer professionals, influencing cancer treatment and care not just at The Royal Marsden but beyond as staff progress through their careers. It actively inspires and encourages them to develop their skills and dedicate their time to research, including projects and schemes funded by the Charity.

Grant-making

Grants are only made to The Royal Marsden NHS Foundation Trust and are not made to any other organisation or individual. Many of our clinicians work very closely, and have joint appointments, with our academic partner the ICR, and grants made to staff or projects at The Royal Marsden could also impact the work of the ICR.

In order to support research, diagnosis, treatment and care projects, charity bids for funding must demonstrate that they meet at least one of the following objectives to be considered:

- Investigation of the causes of cancer and the prevention, treatment, cure and defeat of cancer in all its forms
- Relief of sickness of patients suffering from cancer or its effects, who are or have been treated at the hospital
- Enhancing the quality of patient care
- Improving patient confidence in the care provided
- Pump priming and supporting innovation
- Supporting growth and development by extending the expertise at The Royal Marsden to more patients
- Advancement of scientific and medical education in topics related to cancer
- Attraction, retention and development of staff of the highest calibre
- Relief of sickness at the hospital by promoting the efficient performance of the staff of the hospital.

All funded projects are reviewed on at least an annual basis to ensure that the original award criteria are fulfilled, and there continues to be a significant positive impact on the patients of The Royal Marsden.

The total cost of making grants, including support costs, is disclosed on the face of the consolidated statement of financial activities, and an analysis is disclosed in note 7 to the financial statements.

Charitable funds

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

The Trustees have delegated the day to day management of such funds to a named fund-holder for each individual fund. The fund-holder is likely to be a senior clinician, researcher or nurse who is in a position to oversee the management of the fund with delegated authority to agreed levels of expenditure in accordance with the directions set out by the Trustees in the Charity's policy 'Specific Funds Guidelines'. Fund-holders are accountable to the Trustees for use of funds under their management.

The total of the actual funds spent on each main category of charitable activity including support costs, is disclosed on the face of the consolidated statement of financial activities, and an analysis is disclosed in notes 8, 9 and 10 to the financial statements.

Social investment

The Charity has made a concessionary loan of £226k to The Royal Marsden NHS Foundation Trust to be used to finance loans to hospital staff in relation to season tickets, bicycle purchase and staff awards ceremony tickets. The Royal Marsden NHS Foundation Trust is responsible for administration, any defaults, tax liabilities and any other costs. The loan is made interest free and the amount and terms of the loan are reviewed and renewed annually.

1 April 2015 to 31 March 2016

Our short and long-term aims

Prior to the 2015/16 financial year, our Trustees agreed a long-term objective to grow voluntary income to £50 million per year over the medium term. The first step towards achieving this was to set our voluntary income target for 2015/16 at £17.6 million against a proposed cost of generating voluntary income budget of £3.7 million, which equates to just over 20% of voluntary income.

The new Director of The Royal Marsden Cancer Charity took up post in April 2015, and reviewed the Charity's short and long-term plans at the beginning of the financial year, including developing new aims and objectives for the next few years.

You can read more about our new three year strategy and one year business plan on pages 27-30 in the section titled 'Plans for future periods'.

Our ultimate aim for 2015/16 was to set the Charity up for a period of growth. We made some new staff appointments in order to develop and refine key areas of focus within our new charity strategy and ensure we can progress in a sustainable and achievable way from 2016/17 onwards.

Our strategy

The main strategy for 2015/16 was twofold:

- Raise money in a cost effective manner, minimising risk and maximising opportunity
- Grant money where it would have the most impact across research, diagnosis, treatment and care.

The Charity focused on preparing its team, policies and processes, including working with the hospital to fully understand its funding needs over the short, medium and long-term and using this knowledge to develop a coherent fundraising plan to meet these needs. We also continued to support the work of the hospital in research, diagnosis, treatment and care to ensure patients at the hospital receive world-leading services.

Our main activities and achievements

You can read all about the significant activities we undertook in the 2015/16 financial year in the next section – 'Activities, achievements and performance' – on pages 12-26. This section provides a detailed explanation of how our main programmes, projects and services contributed to the achievement of our legal purpose, aims and objectives.

Measuring success

We measured the impact of our work over 2015/16 through regular Trustee progress reports. Each report detailed the key achievements for all ongoing projects against the objectives set, outlined the next steps and monitored the impact of our grants, ensuring that they were on track. Most importantly the reports focused on how all the money spent benefits the hospital's patients.

We also spent time in 2015/16 refining our metrics and criteria that will be used to measure impact from 2016/17 onwards. Additionally, we set milestones and key performance indicators that each of our fundraising teams will aim to meet next year.

Our volunteers

We have a team of about 70 regular volunteers who come from all walks of life and are a vital part of our workforce. We also have many more who give their time and support at bespoke events such as The Marsden March, where 200 extra people donated their time, energy and enthusiasm on the day to make the event a great success.

Our wonderful team of regular volunteers give more than 10,000 hours of their time each year and are key ambassadors for the Charity. Thanks to their amazing support we are continuing to help The Royal Marsden make life better for people with cancer.

Our volunteers carry out a variety of roles, such as helping:

- on the fundraising stall at The Royal Marsden, Sutton
- on our stall at outside events such as local fairs and fêtes
- at events like The Marsden March
- with our bucket collections in local shopping centres
- by placing and collecting our boxes within the community.

In accordance with the charities Statements of Recommended Practice (SORP), due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the financial statements.

“Without volunteers, we wouldn't be the Charity we are. They are vital to our fundraising, both within the hospital and out in the community, at events, in schools, in social clubs and so much more. They are truly amazing.”

Antonia Dalmahoy
Director
The Royal Marsden Cancer Charity

Activities, achievements and performance

Review of 2015/16

This section reviews the progress we made in achieving our aims in 2015/16. It sets out how our key activities performed against our objectives. All the fundraising and charitable activities we undertook in relation to our charitable purpose supported at least one of our four pillars of research, diagnosis, treatment and care. Our governance activities focused on setting the Charity up for a period of growth so that ultimately we will be able to raise more money and therefore fund more projects within our four pillars.

You will find a more detailed analysis of our income and expenditure in the section 'Financial review' on pages 32-36.

Fundraising activities and achievements

Aims and objectives	Achievement and performance	
Launch the fundraising appeal for the new Clinical Care and Research Centre, which aims to raise £50 million, and open the building in 2021	Met: The appeal was launched privately at Kensington Palace by HRH The Duke of Cambridge in November 2015 and several significant gifts were secured before March 2016.	
Achieve a cost to income ratio of under 21%	Met and exceeded: Our expenditure on raising funds was £2.8 million, giving us a 19.2% cost to income ratio.	
Achieve a voluntary income of £17.6m	Not met: Voluntary income was £14.4 million due to a delay in launching a major fundraising campaign.	
Increase the number of participants in our annual Marsden March event to more than 5,500 and raise £2 million	Partially met: Nearly 6,000 people signed up for The Marsden March 2016 and £1.7 million was raised.	Find out more on page 14
Develop our portfolio of challenge events in response to the changing charity market and increase the number of community fundraisers to over 1,000	Met and exceeded: Our pool of community fundraisers increased to over 1,200 and we grew our income in this area by 28% through offering more running, cycling and challenge events.	
Launch an appeal for the UK's first Robotic Surgery Fellowship, with the ultimate aim of securing enough funds to train 10 surgeons over 10 years in robotic surgery techniques using the new da Vinci Xi robot purchased by the Charity in January 2015	Met and exceeded: The appeal was launched in May 2015, raising £230,000 – enough to fund two Fellows in the first year.	Find out more on page 17

Charitable activities and achievements

Aims and objectives	Achievement and performance	
Complete the construction of The Ralph Lauren Centre for Breast Cancer Research	Met: The centre became fully operational in January 2016, staffed by a team of world-renowned clinicians and scientists working with the latest cancer research technology.	Find out more on page 18
Obtain Trustee and Board approval to build The Clinical Care and Research Centre, due to open in 2021	Met: We received approval from Trustees of The Royal Marsden Cancer Charity and The Royal Marsden Board in October 2015 to launch the project and begin fundraising.	

Aims and objectives	Achievement and performance	
Officially open the new Reuben Foundation Imaging Centre	Met: Simon Stevens, Chief Executive of NHS England, officially opened The Reuben Foundation Imaging Centre in May 2015 at a private event for the Reuben family and their friends.	Find out more on page 21
To provide funding for the latest equipment at The Royal Marsden to ensure it remains at the forefront of cancer treatment	Met: In June 2015, Trustees approved a grant of £4.5 million for the purchase of a new TrueBeam Linear Accelerator, in support of research and innovation in radiotherapy for improved patient outcomes. The TrueBeam is a 'best of breed' technology and is capable of delivering a wide range of advanced radiotherapy techniques including rotational IMRT and stereotactic radiotherapy. It is designed to treat targets more accurately and quickly, meaning fewer visits to the hospital for patients.	
To support the world-leading clinical and translational research through the continued provision of a grant to the research directorate at The Royal Marsden	Met: Out of a £9 million total grant committed in November 2013 to support clinical and translational research at The Royal Marsden, Trustees gave £3 million in 2015/16 which funded a combination of clinical trials, new posts and equipment.	Find out more on page 22
Enhance the world-class care for patients at The Royal Marsden through grants for patient support	Met: We continued with our support to patients as part of a £4.5 million 'Quality of services to patients' grant made in December 2014, funding £1.5 million of projects in 2015/16.	Find out more on page 25
Support the research of Europe's biggest Paediatric Drug Development Unit, ultimately improving survival for childhood cancers	Met: The Paediatric Drug Development Unit, whose work is funded by the Charity, was identified as a top ranked PDDU in the ITCC EU Consortium's independent international panel's benchmarking review for first-in-child study centre designation. Over the past year they have increased breadth and sophistication of their early-phase study portfolio including opening two new first-in child immunotherapy studies and moving five studies from phase I to larger Ib or II studies.	
Support staff at The Royal Marsden to ensure they continue to provide world-leading care and treatment to patients, their friends and families	Met: Trustees approved a £4 million grant over three years, 'Building workforce excellence', in September 2015 to support a range of staff retention, counselling and recognition schemes.	

Governance activities and achievements

Aims and objectives	Achievement and performance	
Recruit a Charity Director, highly experienced in the health care and charity fields	Met: Our new Charity Director, Antonia Dalmahoy, joined the team in April 2015, having previously worked at Great Ormond Street Hospital Children's Charity and Marie Curie.	
Develop a three year strategy for 2016/17 – 2018/19, accompanied by a plan for growing the income raised by The Royal Marsden Cancer Charity	Met: Our one year business plan and a three year strategy were developed and approved by Trustees in March 2016.	Find out more on page 27
Review and update our regulatory policies, developing new policies where required, taking into account any new Charity Commission guidelines and regulations	Met: We carried out a comprehensive review, including a gap analysis, of existing policies including developing or updating 'Reserves', 'Conflicts of Interest', 'Investments', 'Risk Management' and 'Specific funds guidelines', for approval and publication.	

The impact of our most significant activities

Over the next few pages we have detailed the significant fundraising and charitable activities undertaken in 2015/16 and their impact.

The Marsden March 2016

The Marsden March, which started in 2011, is our flagship annual mass participation event. It is a 14-mile sponsored walk from The Royal Marsden in Chelsea to The Royal Marsden in Sutton. There is also a shorter, family-friendly five-mile route that follows the last section of the main route. Each year, thousands of supporters take part in The Marsden March including patients, their families and friends, staff, Trustees and celebrity supporters. It's a great way for our walkers to show their support, honour loved ones and recognise the ways in which their lives have been touched by cancer alongside others with similar experiences. We set two benchmarks for The Marsden March 2016: increase the number of participants to more than 5,500 (2015 total) and raise over £2 million (more than the £1.7 million raised in 2015).

Nearly 6,000 people signed-up for the 2016 event, ensuring we exceeded our first objective. We are now at the maximum capacity for the event in its current arrangement. We didn't quite meet our second objective due to a number of last-minute drop outs and many children (who don't tend to raise as much as adults) taking part. However we did raise an incredible £1.7 million, which brings the total raised by The Marsden March over the past six years to more than £8.2 million. The funds raised by The Marsden March offer a vital source of unrestricted funds meaning that they can be used to support a wide range of projects across research, diagnosis, treatment and care, which benefit patients at The Royal Marsden and across the UK. Overall The Marsden March 2016 was a huge success, exceeding our expectations; therefore we intend to continue to run it on an annual basis for the next few years.

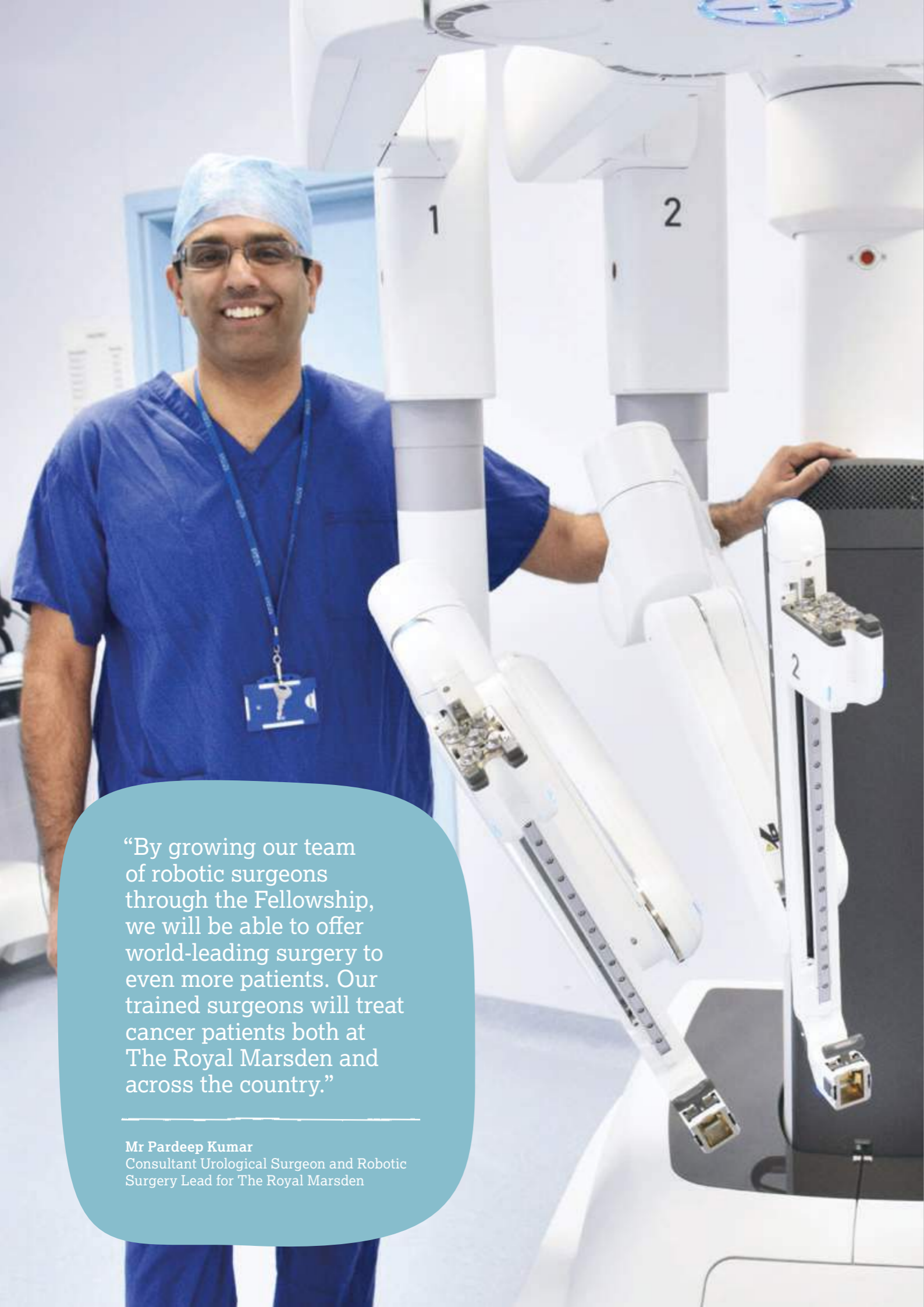
As we have reached our maximum capacity for the event in its current arrangement, we cannot grow the numbers involved without altering the logistics, for example closing roads, which would incur increased running costs. We therefore used the 2016 event as an opportunity to survey walkers on other ways we could raise further funds through The Marsden March. For the 2017 event we will take these findings and explore how we can increase income. Another lesson learned from the 2016 event was to get more walkers signed up earlier. In 2016, 2,400 walkers signed up two weeks or less before registration closed on 11 January 2016, despite registration opening on 5 October 2015. This meant we had three months before the event during which we had only filled 56% of our maximum capacity, creating uncertainty. Therefore, in 2017 we are aiming to sign up 3,500 participants by 31 December in order avoid this happening again.

Over **£8.2 million** raised over the last six years to help fund world leading research into new cancer treatments and pioneering equipment to provide the best possible care for cancer patients



“I was a support cyclist and I have many wonderful memories of The Marsden March 2016. Seeing the determination of the final walker in the last few miles, then their delight in crossing the finish line, made me feel very privileged to be part of such a great day.”

Mark
Volunteer



“By growing our team of robotic surgeons through the Fellowship, we will be able to offer world-leading surgery to even more patients. Our trained surgeons will treat cancer patients both at The Royal Marsden and across the country.”

Mr Pardeep Kumar
Consultant Urological Surgeon and Robotic Surgery Lead for The Royal Marsden

The da Vinci Xi Robotic Surgery Fellowship

Robotic surgery has revolutionised patient treatment. It involves operating using a robot that has four arms, all of which are controlled by a console which translates movements of the surgeons' hands and feet into miniaturised movements of interchangeable instruments. This allows surgeons to conduct minimally invasive operations without the need for more risky open surgery.

Thanks to a generous donation to The Royal Marsden Cancer Charity in the 2014/15 financial year, we were able to purchase a new surgical robot – the da Vinci Xi – for the hospital. It has a magnified three-dimensional view that allows surgeons to be even more precise in their work as well as several other innovations that enable more patients to benefit from the technology. We are using the new robot to treat more types of cancer including colorectal, gynaecological and other urological cancers.

One of the da Vinci Xi's most innovative functions is to facilitate the training of surgeons in robotic surgery techniques, in such a way as to provide the best possible hands on experience whilst maximising patient safety. We want to help The Royal Marsden make the most of this by funding the training of up to 10 additional surgeons in robotic surgery techniques over the next ten years through a new Robotic Surgery Fellowship.

We launched an appeal to fund these Fellowships in May 2015, and raised £80,000 by the end of July 2015. By the end of the financial year, we had sufficient funds for a second Fellow. However, it took longer than originally planned to hire suitable clinicians for these roles due to their specialist nature. For future campaigns we will ensure that, where necessary, we explain to donors any potential delay to the realisation of a project.

The Fellowship is planned to rotate between three specialities: urology, gynaecology and colorectal so they can operate on tumours anywhere in the pelvic and abdominal region. Each area has a four month defined syllabus for the Fellowship.

300 patients currently treated each year with the da Vinci Xi robot, enabling more types of cancer to be treated using more precise surgical techniques, resulting in less blood loss during surgery and a faster recovery

Completion of The Ralph Lauren Centre for Breast Cancer Research

A world-class facility for breast cancer research, The Ralph Lauren Centre for Breast Cancer Research is staffed by a team of leading clinicians and scientists working with the latest technology to set a benchmark for cancer research around the world. Construction of the centre was completed in December 2015 and research teams moved in to the centre in January 2016.

The Breast Unit at The Royal Marsden is one of the largest in the UK with around 1,000 new breast cancer referrals every year. The unit has a major commitment to leading international research into the development of new treatments. Research developments have seen many more women survive their primary breast cancer and The Royal Marsden has delivered multiple advances in translational research that continue to influence patient care.

The new Ralph Lauren Centre for Breast Cancer Research will increase the number and size of studies and trials The Royal Marsden is able to run including the conduct of laboratory research on behalf of centres around the UK and the world. The centre incorporates four strands of pioneering research, drawing upon new technological advances to allow much more rapid and in depth analysis of patients' disease. Over recent years the programme of translational research in breast cancer at The Royal Marsden has delivered multiple advances that continue to influence patient care. The integration of clinical and laboratory research has played a major part in that success.

This work will be improved by the centralisation of this programme in bespoke laboratory accommodation at The Ralph Lauren Centre for Breast Cancer Research. The impact of this centre's work will affect cancer patients of today and tomorrow and set a benchmark for global personalised breast cancer treatment.

One of the most important trials being run in The Ralph Lauren Centre for Breast Cancer Research is the PALLET clinical trial where patients are given drugs for three to four months before surgery to shrink their newly diagnosed breast cancer. The trial is actively recruiting in 25 centres in the UK, and in 16 centres in the USA. Worldwide, almost 100 patients have been recruited so far, with 53 from the UK. The Royal Marsden is the largest recruiting site worldwide with more than 15 patients so far.

The centre's clinicians will be analysing almost **30,000** samples taken from more than **4,400** women from **130** different centres in the UK as part of a clinical trial



“Over recent years, the programme of translational research in breast cancer at The Royal Marsden has delivered many advances that continue to influence patient care. Our new centre and the programme running here will maintain that approach and draw upon newer technology and advances that allow more rapid and in depth molecular analysis of our patients' disease.”

Professor Mitch Dowsett
Head of The Ralph Lauren Centre for
Breast Cancer Research

“We’re delighted with the new centre and scanners. The centre is a wonderful environment in which to welcome patients and we’ve had very positive feedback so far which is great to hear. People love the light, airy comfortable surroundings in the waiting rooms and the clinical areas.”

Cheryl Richardson
Superintendent Radiographer



The official opening of The Reuben Foundation Imaging Centre

The Reuben Foundation Imaging Centre, built thanks to a generous donation by The Reuben Foundation and other supporters of The Royal Marsden Cancer Charity, was officially opened by Simon Stevens, Chief Executive of NHS England, on Tuesday 5 May 2015, in the company of the Reuben family and guests.

The centre is equipped with two state-of-the-art MRI scanners – 1.5T and 3T – as well as two CT scanners, one of which is dedicated to interventional procedures. The 3T MRI has twice the field strength of most conventional MRI scanners, allowing staff to undertake clinical research studies that would be less effective on the 1.5T MRI. Previously, patients on certain clinical trials needing a 3T machine had to travel to the hospital’s Sutton site to have an MRI scan, even if Chelsea was their nearest hospital.

With the new MRI scanners in Chelsea, more patients can now be scanned, more efficiently, using state-of-the-art technology. Both sites also have the same model of 1.5T scanner which has greatly improved the service as patients can now choose where they have their scan. The new scanners allow clinicians to see their patients’ cancer in greater clarity than ever before. Clearer images improve diagnostic ability and allow the monitoring of the metabolism of tumours. This allows staff to assess if treatments are working, and ensures patients are receiving the very best treatment and care.

1.5T MRI – Improved patient comfort and larger field of view, better for whole-body imaging

3T MRI – Much greater resolution over a small field of view leading to more a more accurate diagnosis and treatment of cancers

Clinical and translational research programmes grant

In November 2013, the Charity approved a grant totalling £9m over a three year period that is being used to support and drive forward the world-leading clinical and translational research at The Royal Marsden.

The investment aims to improve The Royal Marsden's national and international standing in order to attract larger amounts of external funding (including the NIHR Biomedical Research Centre (BRC) grant) and ultimately provide more effective and kinder treatments for cancer patients.

Over 100 applications for scientific projects were approved for funding through The Royal Marsden Cancer Charity grant and BRC funding. It has been noted that a comparatively small direct investment can convert into significant advances in translational research by allowing researchers to apply for larger external national and international grants, strengthening our academic collaborations, and attracting industry participation.

One particular study to highlight is a phase II drug study led by Professor David Cunningham and Dr Nicholas Turner. In this study 341 patients were screened to identify 18% of breast cancer patients with amplification of the FGFR1 gene and nine per cent of stomach cancer patients with amplification of the FGFR2 gene for treatment with an oral drug directed against that gene. Patients with stomach cancers with many copies of the FGFR2 gene were found to be particularly susceptible to the experimental drug because the tumours had become reliant on, or 'addicted' to, the gene in order to grow. Three out of nine FGFR2 amplified stomach cancer patients had a response to treatment, and in those patients the drug worked for an average of 6.6 months. The patients who responded could all be identified by a blood test developed by the researchers to detect the extra copies of the FGFR2 gene on circulating tumour DNA in the blood. The study has therefore identified a potential new treatment for a small but important subset of patients with gastric cancer and a new blood-based diagnostic method to screen for patients suitable for this treatment.

The grant also supports equipment purchase and infrastructure development. Thanks to Charity funding, The Royal Marsden was able to purchase bioinformatics support and additional next-generation sequencing equipment to support genetic profiling of tumour samples and personalised treatment for lung cancer patients across the NHS.

The research grant provided to The Royal Marsden enables the hospital to undertake more studies of national and international importance, to invest in leading-edge facilities, equipment and technology for treating patients, and attract the highest calibre of staff. This commitment could change the lives of cancer patients in the UK and worldwide. The translational research we are able to do because of this funding is the key to understanding why some patients respond to treatment and some do not, feeding into future trials and helping us towards our goal of personalising treatment for every cancer patient.

We've invested **£9 million** over three years to research smarter, kinder treatments for cancer patients

“Knowledge gained in recent years has provided us with an opportunity to really accelerate our understanding of cancer, particularly in the areas of personalised medicine. The support of The Royal Marsden Cancer Charity is enabling us to capitalise on this knowledge and take us even further forward in providing patients with personalised treatment plans.”

Professor David Cunningham
Director of Clinical Research




Quality of services to patients grant

In December 2014, the Charity approved a grant totalling £4.5m over a three year period to be shared among a number of services in the hospital to enhance the world-class care and quality of service for patients at The Royal Marsden through funding patient support. For people undergoing complex cancer treatment, such services have a major impact on their ability to undergo acute treatment and improve their overall experience.

One element of this grant enables The Royal Marsden to provide psychological support and pastoral care for patients dealing with the effects of their diagnosis and treatment, and training for staff about the psychological needs of patients. Over the last year, the adult psychological support team has received over 750 new outpatient referrals and provided over 3,000 individual therapeutic sessions.

The Charity also funds the Family Support Service which specifically supports cancer patients who are parents of children under 18 years. This is the only service of its kind in the UK, and only made possible through the support of The Royal Marsden Cancer Charity.

3,000 individual therapeutic sessions provided to help patients talk to their family about their diagnosis and treatment



“My goal is to ensure that a family is able to communicate and effectively support each other, so that they can cope with a very difficult situation together. The support of The Royal Marsden Cancer Charity has enabled the Family Support Service to exist.”

Dr Lucy Grant
Clinical Psychologist

Investment performance

Listed investments increased by 1.6% overall. The portfolio consists of a conservatively positioned portfolio managed by Sarasin & Partners consistent with the short-medium term investment horizon and low risk, real return objectives for the Charity and two longer term investments managed by Egerton Capital (UK) LLP and Lansdowne Partners Limited.

The overall returns for the year, compared to the industry-standard benchmarks we expected our investments to perform against as a minimum, were as follows:

Sarasin & Partners portfolio:	-1.1%	(benchmark 1.1%)
Egerton Capital Equity Fund plc Class A Sterling:	4.2%	(benchmark – 1.2%)
Lansdowne Developed Markets Long Only Fund Class A:	3.3%	(benchmark – 1.2%)

Freehold investment properties were subject to a triennial professional revaluation by Gerald Eve, Chartered Surveyors in September 2014. The total open market valuation was assessed as £5.87 million. In February 2015 the Charity received by way of transfer the generous gift of a residential property. The fair value of this property was assessed by Gerald Eve, Chartered Surveyors at that date as £0.85 million. Trustees do not believe the total market value to have changed significantly since those valuation dates.

Rental yields varied between 8.1% and 1.2% depending on the nature of the property and the tenancy.

The Charity's investment policy can be seen on pages 34-35.

Plans for future periods

Future direction

The world of cancer care and research is changing at an astonishing pace. As the rate of oncological discovery continues to accelerate, driven increasingly by the desire to achieve truly personalised cancer therapies, concurrent changes are taking place within the research, political and practice environments. Such changes require international cancer institutions to innovate, adapt and develop at a similar pace; or risk being left behind.

The Royal Marsden has identified four strategic priorities within its five year plan (2014/15 – 2018/19)...

- Innovation and precision medicine
- New systems of care
- Financial sustainability and best value
- Modernising infrastructure

...and The Royal Marsden Cancer Charity needs to play a vital role in helping to deliver impact across them.

We must aim to support the latest clinical research and funding new facilities and equipment so that patients receive the best possible treatment and care. A successful fundraising strategy that aims to deliver significant growth has to be firmly rooted in meeting the needs of The Royal Marsden. Over the next three years the Charity will work in partnership with the hospital to deliver against a fundraising strategy that is driven by meeting the hospital's needs and most importantly demonstrating how charitable support will improve cancer care and outcomes for all patients.

To do this we have to evolve as a charity. In an ever more competitive fundraising environment we have to stand out from the crowd so that we can not only reach all those who walk through the doors of The Royal Marsden each year but ultimately fight for a share of the national cancer pound. Our strategy is based on a careful assessment of the current market climate, our own existing establishment and direct experience, and the hospital's needs for increased funds.

It lays out a clear ambition for growth and the relevant investment required, and this is reflected in the financial plan. We believe that fundraising income will grow from £14.4m in 2015/16 to over £26m by 2018/19, which is a growth of 80% over three years and takes us over half way to our ultimate target of £50m per annum. This growth compares very favourably against the sector backdrop of income growing for a charity of our size at 1.5% in the last six months.

As we enter this new phase, we have identified a number of strategic fundraising priorities for the Charity over the next three years, which will drive up our income in a sustainable fashion. These include a major appeal to fund the building of a new clinical and research facility, growing our supporter base and reviewing our ways of supporting the Charity, and raising awareness of legacy giving which will aim to increase income over the next ten years.

We have also developed a 2016/17 business plan that defines the key objectives we need to deliver next year in order to set us on the correct path for achieving our strategic priorities. The next section outlines key priorities, gives our overall aim for the next three years, and describes the steps we will be taking between April 2016 and March 2017.

Fundraising activities

Next year we plan to raise £18.9m while keeping our cost to income ratio at less than 21%. Below we highlight five strategic priorities that will help us achieve this level of donations and legacy income.

Delivering a successful appeal for The Clinical Care and Research Centre

We are committed to raising the money to build The Clinical Care and Research Centre at The Royal Marsden, Sutton. Opening in 2021, the centre will enable The Royal Marsden to speed up progress by bringing researchers, clinicians and patients together under one roof. It will also give the hospital far more space and grow its capacity by at least 20%. By 2021, it will be able to see thousands more patients every year. Furthermore, the project will create the best possible patient environment, which will support patients' wellbeing and protect their dignity and privacy when they are at their most vulnerable.

Three year strategy	One-year business plan for 2016/17
<p>The primary objective of the appeal is to raise £50m over four years. This will be in addition to the income generated by the rest of the Charity, which we expect to also grow over the time period.</p> <p>Delivering the appeal will enable the Charity to focus our major gift fundraising activity, generate a significant uplift in income and engage major philanthropists in a targeted way.</p>	Set up an Appeal Board with Chair, supported by a new Associate Director for Philanthropy, to lead the fundraising for the appeal.
	Create a suite of materials to support the appeal, aimed at engaging existing donors and new supporters.
	Deliver significant six to seven figure pledges, meeting the target set out in the appeal timeline.
	Gain outline planning permission for the centre.

Growing our supporter base

To grow our income in a sustainable fashion, we need to increase the number of people supporting us across all our fundraising streams, to ensure we develop a diversified portfolio thereby managing risk. The first priority of our individual giving supporter acquisition programme will be to ensure we continue to have, and develop further, meaningful two-way relationships with existing supporters by communicating with them in ways which meet their needs. We will then develop ways to reach out to a wider group of people to engage them with the work we fund at The Royal Marsden.

Three year strategy	One-year business plan for 2016/17
<p>In order to deliver long-term sustainable funding it is essential we focus on retaining our existing individual supporters. Through supporter centric journeys we must place stewardship at the heart of all we do and aim to optimise the value of their support.</p> <p>We also need to retain and increase our volunteer supporters who can act as ambassadors in their communities for the Charity as well as supporting fundraising directly.</p>	Optimise the efficiency and effectiveness of our systems, processes and procedures in order to better support the development and delivery of high quality supporter engagement.
	Following a thorough review of our supporters and the different ways they give, develop a detailed three year strategy that outlines clear plans for retaining our current supporters and acquiring new ones.
	Review all supporter communications to ensure they are in line with fundraising regulations, appropriate legislation and also best practice, while considering our supporters' wants and needs.

Raising our profile within the hospital and then extending our reach beyond our patient network

The most successful hospital charities have attributed much of their success to building close relationships with hospital staff, ensuring all staff are aware of the Charity and are equipped to act as ambassadors for it. We therefore need to ensure that staff at The Royal Marsden know about us and how we support the hospital's patients. We also need to increase awareness of the Charity amongst patients and their families. We want everyone who walks through the hospital's doors to be aware of us and to understand how donations to us can make a difference to the hospital's patients.

Three year strategy	One-year business plan for 2016/17
<p>We need to refresh the Charity presence in the hospital and tell our story in a clear and compelling manner. With 50,000 patients, plus their families and friends, visiting each year, there is huge potential to grow our supporter base in a very cost effective manner and for these supporters to be particularly warm to the Charity.</p> <p>To ensure sustained growth, we cannot purely recruit support from within the hospital environment, so we will need to also reach out to a wider audience within this strategic period. The second priority, therefore, will be to reach out to people in our locality.</p> <p>Thirdly, we need to engage hospital staff to demonstrate the vital role the Charity plays in supporting The Royal Marsden, its staff and patients. We want staff to feel confident when handling patient enquiries about the Charity, so we need to make sure they know enough about us and feel comfortable talking about us.</p> <p>Celebrities can increase our media coverage, and therefore the reach of our message. We will work to develop and mature our celebrity stewardship programme, increasing the opportunities for celebrities to become involved with the Charity.</p>	Review the Charity presence in the hospital and develop a plan to increase brand awareness, raising our profile with patients and visitors.
	Begin engaging hospital staff to act as ambassadors for The Royal Marsden Cancer Charity, particularly working with the hospital leadership team and senior clinical staff to raise our profile.

Putting digital at the heart of our activities

Digital is an essential part of how charities operate and in 2016 the majority of charities, no matter how large or small, have embarked upon a plan for digital transformation, putting digital at the heart of what they do. They have put in place strategies and tactics to harness the power of digital to meet supporter needs and business objectives.

Over the past few years digital has become increasingly prominent at The Royal Marsden Cancer Charity. The team has grown and we are active in the digital space across web and social. However we now need to embrace digital in order to compete in the cancer charity space which is dominated by big budgets and big brands. This is a large project for the organisation with the potential to significantly influence individual giving revenue. By revolutionising our digital presence we will be better able to compete in the cancer charity space.

Three year strategy	One-year business plan for 2016/17
We need to develop our digital infrastructure and operational capability in order to deliver high quality digital experiences across all channels. We also need to fully harness our digital channels to drive income and awareness.	The project will begin with a research phase to establish the nature of our digital/website ambition and help to shape our content strategy.
	In parallel with the website redevelopment project we will also develop a content strategy to make sure we are maximising available resource and making sure it is focused.
	Deliver 'business as usual' to the highest possible standard while we develop our website and content strategy.

Raising awareness of legacy giving

Legacies are an important source of income to the Charity thanks to the generosity of our supporters, patients, their families and friends who support us in this way. In order to secure the continuation and growth of this type of giving it is vital that there is specific investment and focus.

Three year strategy	One-year business plan for 2016/17
The Charity will be developing and implementing a five year strategic plan for legacy fundraising which will raise awareness, steward legacy supporters and develop engagement activities based on a supporter centric journey.	Establish Legacy Fundraising as a separate team for the first time.
	Develop a five year strategic plan including a commitment to invest in order to help deliver growth.

Charitable activities

We have a number of charitable activities planned for next year, some of which are new and some are part of ongoing projects that have already been established. Below we have highlighted our main aims that will help us support the overarching priorities of The Royal Marsden over the next financial year.

Research

- Officially open The Ralph Lauren Centre for Breast Cancer Research by May 2016, a world-leading centre bringing together a team of renowned clinicians and scientists working with the latest equipment in a state-of-the-art laboratory space
- Continue the support of translational research at The Royal Marsden, in collaboration with the NIHR Biomedical Research Centre, funding clinical trials, staff and equipment.

Diagnosis

- Support the provision of equipment and facilities across The Royal Marsden, ensuring staff can diagnose patients as quickly as possible using cutting-edge technology in the latest facilities.

Treatment

- Enable the purchase and development of world-class equipment at The Royal Marsden to give patients access to leading cancer treatments
- Install the new TrueBeam Linear Accelerator by February 2017, to enable patients to be treated with the most up-to-date radiotherapy equipment
- Complete installation and opening of the MR Linac by November 2016, the first such facility in the UK and fourth in the world, combining two technologies – an MRI scanner and a linear accelerator – giving patients access to world-leading radiotherapy treatment.

Care

- Run a number of successful fundraising projects to raise donations to fund the team of play specialists at the Oak Centre for Children and Young People, enabling the continuation of this vital service supporting young cancer patients through diagnosis and treatment
- Continue the support of the provision of high-quality patient care services at The Royal Marsden, to ensure staff can support patients going through complex cancer treatment.

Governance activities

Next year we will be focusing on ensuring that we stay abreast of all legal and regulatory requirements, including those issued by the Institute of Fundraising around supporter acquisition/retention programmes and opt in/out requirements. Where appropriate we will develop new policies to ensure the Charity adheres to best practice and regularly review all relevant policies. We will also establish new opt out processes for all materials.

We will also be undertaking a review and refresh of our financial and reporting systems to ensure they will be able to support the future needs of the Charity in an efficient and effective manner. Recent legal changes mean that we may now be able to fully wind up The Royal Marsden's NHS charity, The Royal Marsden Hospital Charity. We will therefore be reviewing the remaining legal matters associated with this charity. We will also be reviewing our key supplier contracts and undertaking the relevant tender processes to ensure we are getting the best value for money from our suppliers.

Financial review

Financial performance

The statement of financial activities on page 47 summarises the income, expenditure and gains of the group during the year ended 31 March 2016.

Income

Total income for the year was £16.2 million (2014/15: £22.8 million). Donations for the year were £10.4 million (2014/15: £15.1 million) and legacies were £3.9 million (2014/15: £5.5 million).

Income also includes gifts valued at £20k (2014/15: £22k) received by the charity mostly to be immediately passed on at the donors' request to the hospital's Oak Centre for Children and Young People. The charity also received donated goods and services valued at £41k (2014/15: £34k) used for fundraising purposes, many for The Marsden March, which included pro-bono legal advice worth £10k from Mayer Brown LLP over the two years as part of their programme of CSR support for the Charity. All donated goods and services were used in the period and have been included in the relevant income and expenditure categories at these values.

Expenditure

Expenditure for the year was £17.9 million (2014/15: £17.5 million). £12 million of this relates to grants committed or paid directly to The Royal Marsden for key projects (2014/15: £11.8 million) and includes a three year grant of £4 million made towards 'Building Workforce Excellence', a £4.5 million grant for a TrueBeam Linear Accelerator and a £3.5 million grant for the planning and design phase of the new Clinical Care and Research Centre.

The Royal Marsden Cancer Charity Trustees ensure that expenditure on raising funds and support costs is carefully monitored and controlled. Expenditure on raising funds was 19.1% of income from donations and legacies.

Financial position

The net movement in funds for the year was a deficit of £1.2 million (2014/15: surplus £17 million) which reflects the lower voluntary income and investment gains in the year.

The Charity's trading subsidiary company, Royal Marsden Cancer Campaign Trading Company Limited made a profit of £88k on turnover of £172k in the year (2014/15: £77k profit; £163k turnover), all of which will be paid to the Charity under the Gift Aid scheme. Further details can be found in note 15 to the financial statements.

The Charity ended the year with reserves of £87.8 million (2014/15: £89 million) of which £26.2 million (2014/15: £22.5 million) was restricted and £61.6 million (2014/15: £66.5 million) was unrestricted. Within unrestricted funds, designated funds were £44.8 million (2014/15: £19.1 million) and general funds were £16.8 million (2014/15: £47.4 million), with deficit designated funds for ongoing appeals of £4.4 million (2014/15: deficit of £0.1 million). Details of restricted and designated funds can be found in note 22 to the financial statements together with an analysis of movements in the year.

Funds raised in the year are held as either restricted funds (where donors have specifically requested that their donations are used on a project) or within unrestricted funds (where no restrictions are placed by the donor). Where the Trustees approve commitments to new projects as suitable for fundraising, commitments are made in full in designated funds as deficit funds. Restricted funds are matched against the deficits as fundraising occurs. As schemes conclude, balances are transferred from general funds as agreed by Trustees.

The Trustees are satisfied with the year-end position of both the Charity and its subsidiary company.

Reserves policy

The Trustees reviewed the Charity's reserves policy during the year. Trustees believe it is prudent to hold a level of free reserves to:

- enable them to take advantage of change and opportunity as it presents itself
- have set aside sufficient free reserves to allow the fundraising operations of the Charity to continue for one year. This will allow the Charity to respond in a considered way to an adverse change in circumstances, giving sufficient time to enable emerging circumstances to be assessed and appropriate plans developed and implemented, without requiring a crisis response.

At present, Trustees believe it appropriate to aim to hold £10 million free reserves for such purposes. This allows for the uncertainty of both actual receipt and timing of future fundraising income, and meeting the unplanned costs of urgent requirements of The Royal Marsden or of sudden closure. These reserves should be held in liquid and readily realisable assets accessible within one month.

Any free reserves held at any time over and above this amount will be considered by Trustees to be available for grants to The Royal Marsden, which will be invited to put forward bids for consideration.

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

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

Free reserves were £16.8 million at the year end, which are £6.8 million in excess of the amount Trustees have agreed appropriate. This excess amount is therefore considered immediately available for grants to The Royal Marsden.

Investment policy and strategy

Investment policy

The investment portfolio is designed to support:

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

The investment strategy is set by the Trustees and takes into account income requirements, the risk profile and the investment managers' views of the market prospects in the medium and longer term.

The broad purpose of the portfolios is to finance specific developments and research projects at The Royal Marsden using both capital and income.

When funds are generated in advance of the committed projects, in the interim, surplus funds are invested. The objective is to maintain the short to medium term value of the portfolio in real terms, with a portfolio of low to medium risk.

There are no restrictions on the Charity's power to invest. However, no direct investment will be made in any stocks related to tobacco. In addition, careful consideration is given to the effects of any particular investment on public support for the hospital.

There is a need for planned liquidity, with quarterly cash flow projections supplied to the Investment Committee for anticipated drawdowns or additions. The Charity should hold sufficient cash to meet its expenditure commitments over a 12 month timeframe; this should be deposited in secure, low risk bank accounts.

The expectation is that the investment funds will exist for the foreseeable future but will vary in size depending on the hospital's strategic objectives, on the Charity's appeal cycle and the timing of fundraising receipts and on planned payment schedules for the commitments approved by Trustees.

The investment policy is kept under regular review. During the year the Charity, through its Investment Committee, reviewed its investment strategy and the diversity of its portfolio and determined these remain appropriate but confirmed its commitment to responding to changes in both the needs of the Charity and the investment market and environment.

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

The Investment Committee, which is a sub-committee of the Board of Trustees, includes several members with significant, proven and current professional financial investment expertise and experience. The Committee meets with the investment managers regularly to review the performance of the portfolios and the investment strategy; this is reported back to the Trustees.

Sarasin & Partners Portfolio

The investment strategy is set by the Trustees. This takes into account the Charity's cash flow requirements, the level of risk considered appropriate by the Trustees and the investment manager's view of the market prospects in the medium term.

The overall investment objective is to maximise total return through a diversified portfolio, aiming to provide a level of return advised by the Trustees. The investment benchmark reflects the portfolio weightings set by the Trustees. The benchmarks used are: 50% Global Equity: MSCI All Countries World Daily (Net Total Return) and 50% Bonds: BofA Merrill Lynch UK Gilts All Stocks.

The investment manager has been given investment portfolio weightings as follows which are reviewed at the Investment Committee:

Equities	30%-70%
Bonds	30%-70%
Hedge funds and Alternative investments	0%-20%
Property	0%-5%
Commodities	0%-5%
Cash	0%-10%

The Investment Manager must request specific permission to invest in hedge funds and commodities or to go outside the above ranges. Normally a minimum of 60% should be held in sterling.

Egerton Capital (UK) LLP

Egerton Capital (UK) LLP's investment strategy is closely aligned with the objectives of the Charity for longer term investments to:

- target attractive absolute returns over the medium to long term with a net long bias towards equities
- add value through stock selection with detailed, intensive fundamental analysis of individual equities
- reduce volatility in long/short funds through the use of alpha shorts, hedges and cash
- avoid large drawdowns.

Lansdowne Partners Ltd

Lansdowne Partners Ltd's investment strategy for the Developed Markets Long Only Fund in which the Charity invested is closely aligned with the objectives of the Charity for longer term investments to:

- invest in developed market equities with the ability to invest up to 10% in emerging markets
- outperform the Dow Jones Global Titans 50 total return index
- typically take 15-25 positions with a maximum position size of 15% (at cost).

Liquidity for this fund is monthly on 90 days' notice; with the ability to redeem up to 10% on 30 days' notice.

The benchmark used for the Egerton Capital (UK) LLP and Lansdowne Partners Ltd investments is Global Equity; MSCI All Countries World Daily (Net Total Return).

The Trustees are satisfied the investment objectives are being achieved for each portfolio/investment.

Investment properties

The investment properties which were transferred on 1 September 2011 from The Royal Marsden Hospital Charity and are now held by the Charity together with a property gifted to the Charity in February 2015 are split into properties of strategic importance to The Royal Marsden and properties not of strategic importance. Under the new SORP those properties of strategic importance and which are occupied by either the The Royal Marsden NHS Foundation Trust or the Charity have been reclassified from investment properties to tangible fixed assets. This is disclosed in notes 16 and 17 to the financial statements.

Principal risks and uncertainties

The Trustees reviewed the risk policy during the year and have given consideration to the major risks to which the Charity is exposed and believe that the Charity has established systems and procedures to manage those risks.

The Trustees seek actively to manage the Charity's key strategic risks, which are assessed by the Charity's executive team several times a year and the Trustees annually. The current key strategic risks are considered to be:

Investment risk to the value of investments

This risk is mitigated through the Investment Committee comprising Trustees with significant, proven and current professional financial investment expertise and experience:

- adhering to investment policy and strategy approved by the Trustees
- employing carefully selected external investment managers
- monitoring the performance against agreed benchmarks on a regular basis and taking appropriate action.

Fundraising risk for committed projects

This risk is mitigated through the application of the Trustees' reserves policy such that for each commitment funds are designated from free reserves to cover the balance not yet raised through a fundraising appeal.

Increasing media focus on regulation of fundraising, economic environment and competitive market for charities

This risk is mitigated through the Charity implementing a strategic fundraising plan which is:

- focused on a spread of investment across a wide assortment of fundraising activities to reduce reliance on a more limited range
- responsive to staying abreast of all the regulatory changes and best practice requirements for fundraising and allows the design of a programme that will meet our need to grow income under new and increasing regulations
- reviewed, updated and approved annually by Trustees.

Fundraising and financial performance is reviewed monthly comparing actual outcomes against key indicators, including review of the forecast financial outturn. Trends are acted upon through tactical shifts in the plan.

Environment risk of changes in NHS funding

This risk is mitigated through Trustees being kept informed of changes to government policy and developments in health policy and the impact this is likely to have on the hospital so they can assess the impact on the Charity and plan accordingly.

These risks and other identified risks relating to the Charity are analysed in a formal risk register which includes controls and actions to mitigate the risks.

Structure, governance and management

Structure and governance

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

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

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

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

The Trustee Board of The Royal Marsden Cancer Charity includes:

- the Chairman of The Royal Marsden and the Chief Executive of The Royal Marsden as ex-officio Trustees
- two Trustees nominated by and members of the Board of The Royal Marsden
- up to seven Trustees independent of The Royal Marsden appointed by the Board of Trustees.

As R. Ian Molson steps down as Chairman at the end of 2016, we will be looking to appoint a new Chairman of The Royal Marsden who will also then become an ex-officio Trustee of The Royal Marsden Cancer Charity in 2016/17.

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

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

All decisions must be made by a quorum of Trustees that includes a majority of independent Trustees. Trustees met as a body five times, and additionally considered specific items via email and conference telephone calls, during the year ended 31 March 2016. No Trustee received any remuneration from the Charity during the period (2014/15: £nil).

Management

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

Assessment and approval of business plan

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

Identification and approval of projects for funding

The Charity achieves its objects by fundraising for key projects in support of the hospital (see Objectives and Activities sections on pages 4-26).

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

Fundraising and communications

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

Finance and administration

This covers the accounting, secretarial, legal and administrative requirements of the Charity. The everyday management of this area is delegated to the Associate Director – Charity Administration and the Company Secretary, who is also the Chief Financial Officer of The Royal Marsden.

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

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

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

Pay is set in line with market rates for comparable roles in similar organisations in the Charity sector. The salary of the Director is set by the Trustees. Salaries of other staff working full time for the Charity are set by the Director within the budget approved by Trustees.

Relationships with related parties

The Royal Marsden NHS Foundation Trust (The Royal Marsden)

The Royal Marsden provides staff and some facilities to the Charity, which are recharged under a contractual agreement. The total amount payable to The Royal Marsden under this agreement during the year was £2,093,410 (2014/15: £1,967,938). The total amount payable to The Royal Marsden for other services, primarily catering and printing, provided during the year was £61,907 (2014/15: £57,001).

The Royal Marsden pays other expenses on behalf of the Charity, which are also recharged to the Charity at the end of the month in which they are incurred. Amounts due to The Royal Marsden at 31 March 2016 totalled £408,758 (2014/15: £1,535,041), excluding grants payable.

The Charity makes grants to The Royal Marsden under its objects. Grants and revenue funding awarded to The Royal Marsden NHS Foundation Trust in the year were £11,811,000 (2014/15: £11,979,558). Grants payable owed to The Royal Marsden at 31 March 2016 totalled £17,398,000 (31 March 2015: £13,685,000).

A loan of £226,000 (2014/15: £226,000) to The Royal Marsden was made at 0% interest to be used to finance loans to Royal Marsden staff in relation to season tickets, bicycle purchase and staff awards ceremony tickets. The Royal Marsden is responsible for administration, any defaults, tax liabilities and any other costs. The amount and terms of the loan are reviewed and renewed annually.

Up to four of the Trustees of The Royal Marsden Cancer Charity, including the Chairman and the Chief Executive, also serve on the Board of The Royal Marsden, although all decisions of the Charity must be made by a quorum of Trustees that includes a majority of Trustees independent of The Royal Marsden (see list of Trustees on page 43). None of the Trustees or members of The Royal Marsden NHS Foundation Trust Board or parties related to them has undertaken any transactions with the Charity or received any benefit from the Charity in payment or kind.

The Royal Marsden Hospital Charity

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

On 1 September 2011, the assets and activities of The Royal Marsden Hospital Charity excluding the endowment funds were transferred to The Royal Marsden Cancer Charity. The transfer value at that date was £57,071,011 comprising £38,811,302 relating to unrestricted funds and £18,889,709 relating to restricted funds. A further transfer of £141,827 restricted funds was made during the year to 31 March 2013, representing the net investment returns included in the endowment funds so that The Royal Marsden Cancer Charity can manage the application of these funds in accordance with the terms of the original endowments.

The Charity now manages the assets, liabilities and functions of The Royal Marsden Hospital Charity. That charity's endowment funds must be retained indefinitely and, as detailed in note 17 to the financial statements, the Charity is holding listed investments on behalf of The Royal Marsden Hospital Charity in relation to these. The amount due to The Royal Marsden Hospital Charity at 31 March 2016 totalling £78,390 (2014/15: £78,390) represents the value of those endowment funds.

Royal Marsden Cancer Campaign Trading Company Limited

Transactions with Royal Marsden Cancer Campaign Trading Company Limited, the subsidiary company, are not disclosed separately as the company is 100% owned by the Charity, and thus any transactions with the company are exempted from disclosure under section 33 of FRS102.

Egerton Capital (UK) LLP

The Charity's investment portfolio includes an investment in Egerton Capital's Equity Fund plc Class A Sterling. £21 million was invested in July 2013 in a single arm's length transaction. No further purchases or sales of shares have taken place since then. The son of Mr R. Ian Molson, Trustee and Chairman of the Charity, works in a senior investment management capacity at Egerton Capital. Recognising this inherent conflict he excludes himself from discussions and decisions in relation to this investment.

The Institute of Cancer Research, London (ICR)

Many of our clinicians work very closely, and have joint appointments, with our academic partner, The Institute of Cancer Research (ICR), and grants made for projects at The Royal Marsden could be used on resources provided by the ICR.

Donations to the Charity from a Trustee or a related party

No donations with conditions attached were received by the Charity from a Trustee or related party. The total amount of donations received from a Trustee or a related party without conditions was £46,753 (2014/15: £36,740).

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the group, and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and the group, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Charity purchased insurance to protect it from any loss arising from the neglect or default of its Trustees, employees and agents, and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the Charity during the year totalled £4,770 (2014/15: £4,770) and provides cover of up to a maximum of £5 million (2014/15: £5 million).

Approved by the Trustees on 28 October 2016 and signed on their behalf by Cally Palmer:



Cally Palmer

Cally Palmer CBE
Trustee and Director

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

Reference and administrative information

Charity name	The Royal Marsden Cancer Charity	
Charity registration number	1095197	
Company registration number	04615761	
Registered office and operational address	The Royal Marsden 203 Fulham Road London SW3 6JJ	
Website	www.royalmarsden.org	
Bankers	Lloyds Bank plc 39 Threadneedle Street London EC2R 8AU	Bank of Scotland plc The Mound Edinburgh EH1 1YZ
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL	
Investment Managers	Sarasin & Partners Juxon House 100 St Paul's Churchyard London EC4M 8BU	Egerton Capital (UK) LLP Stratton House Stratton Street London W1J 8LA
	Lansdowne Partners Ltd 15 Davies Street London W1K 3AG	
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH	Mayer Brown LLP 201 Bishopsgate London EC2M 3AF

Trustees

The following Trustees were in office at 31 March 2016 and at the time this report was approved and served throughout the year, except where shown:

Trustee	Capacity
R. Ian Molson	Chairman, The Royal Marsden NHS Foundation Trust <i>Ex-officio Trustee</i>
Cally Palmer CBE	Chief Executive, The Royal Marsden NHS Foundation Trust <i>Ex-officio Trustee</i>
Professor Martin Gore CBE	Consultant Medical Oncologist (Medical Director to January 2016), The Royal Marsden NHS Foundation Trust <i>Appointed Trustee</i>
Richard Turnor	Non-Executive Director, The Royal Marsden NHS Foundation Trust <i>Appointed Trustee</i>
Robin Broadhurst CBE	<i>Elected Trustee</i>
Richard Oldfield	<i>Elected Trustee</i>
Emmanuel Roman	<i>Elected Trustee (resigned 31 August 2016)</i>
Sir John Rose	<i>Elected Trustee</i>
Lady Helen Taylor	<i>Elected Trustee</i>

Investment Committee

The following Trustees served throughout the year on the Investment Committee and continued to serve at the time this report was approved, except where shown:

- Emmanuel Roman, Chairman (resigned 31 August 2016)
- Richard Oldfield
- R. Ian Molson
- Cally Palmer CBE

As Emmanuel Roman stepped down as a Trustee on 31 August 2016, we have appointed Richard Oldfield to serve as the new Chairman of the Investment Committee.

Senior management

The following key senior management personnel were in office at 31 March 2016 and at the time this report was approved and served throughout the year, except where shown:

Senior manager	Capacity
Antonia Dalmahoy	Director (appointed 1 April 2015)
Marcus Thorman	Company Secretary, The Royal Marsden Cancer Charity (Chief Financial Officer, The Royal Marsden NHS Foundation Trust)
Jane Gregory	Associate Director – Charity Administration

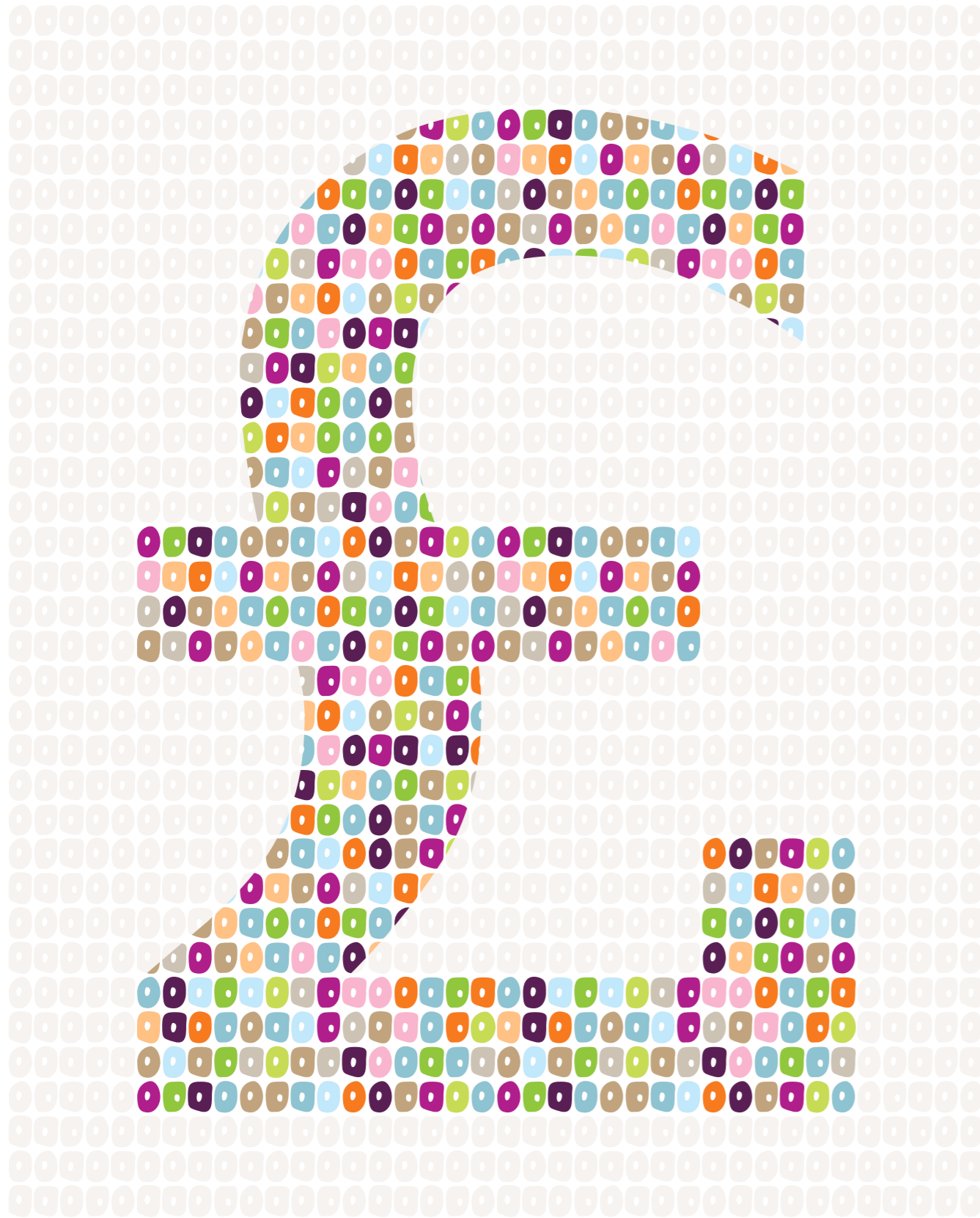
Exemptions from disclosure

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

Funds held as custodian Trustee on behalf of others

Neither the Charity nor its Trustees are acting as custodian Trustees; therefore this is not featured in this report.

Financial Statements



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

Introduction

We have audited the financial statements of The Royal Marsden Cancer Charity for the year ended 31 March 2016 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows, the principal accounting policies and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of Trustees and the auditor

The Trustees are also the Directors of the Charity for the purposes of company law. As explained more fully in the Statement of Trustees' Responsibilities set out in the Trustees' Report (including the strategic report), the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of: whether the accounting policies are appropriate to the Charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees report (including the strategic report) to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2016 and of the group's income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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
- the 'Trustees' report has been prepared in accordance with applicable legal requirements
- in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the 'Trustees' report.

Matters on which we are required to report by exception

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

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



Katharine Patel

Senior Statutory Auditor
for and on behalf of Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

8 November 2016

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2016

	Note	2016			2015
		Unrestricted funds	Restricted funds	Total funds	Restated
		£'000	£'000	£'000	£'000
Income from:					
Donations and legacies	3	7,853	6,604	14,457	21,337
Trading activities	4	88	73	161	154
Investments	5	766	577	1,343	1,177
Other		1	206	207	164
Total income		8,708	7,460	16,168	22,832
Expenditure on:					
Raising funds	6	2,769	–	2,769	3,052
Investment management costs	6	186	113	299	276
Trading activities		52	–	52	56
Charitable activities					
Charitable support of the hospital	7	12,654	(183)	12,471	12,476
Research	8	99	1,880	1,979	1,130
Patient Amenities	9	11	226	237	283
Staff Amenities	10	6	112	118	263
		12,770	2,035	14,805	14,152
Total expenditure		15,777	2,148	17,925	17,536
Net gains/(losses) on investments	17	1,757	(1,215)	542	11,668
Net (expenditure)/income	14	(5,312)	4,097	(1,215)	16,964
Transfers between funds					
	22	408	(408)	–	–
Net movement in funds		(4,904)	3,689	(1,215)	16,964
Reconciliation of funds					
Total funds brought forward at 1 April	22	66,541	22,532	89,073	72,109
Total funds carried forward at 31 March	22	61,637	26,221	87,858	89,073

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

Balance sheets

As at 31 March 2016

	Note	The Group		The Charity	
		2016	2015 Restated	2016	2015 Restated
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	16	11,330	8,814	11,330	8,814
Investments	17	83,611	84,954	83,611	84,954
		94,941	93,768	94,941	93,768
Current assets					
Stocks	18	42	41	-	-
Debtors	19	4,524	4,917	4,573	4,998
Cash at bank and in hand		6,462	5,969	6,444	5,918
Total Current Assets		11,028	10,927	11,017	10,916
Liabilities					
Creditors: amounts falling due within 1 year	20	(15,535)	(9,622)	(15,524)	(9,611)
Net current (liabilities)/assets		(4,507)	1,305	(4,507)	1,305
Total assets less current liabilities		90,434	95,073	90,434	95,073
Creditors: amounts falling due after 1 year	21	(2,576)	(6,000)	(2,576)	(6,000)
Total net assets		87,858	89,073	87,858	89,073
The funds of the Charity 22					
Restricted income funds		26,221	22,532	26,221	22,532
Unrestricted income funds					
General funds		16,807	47,474	16,807	47,474
Designated funds					
Tangible fixed assets fund		11,330	8,814	11,330	8,814
Investment properties fund		5,871	8,445	5,871	8,445
Grants fund		20,502	1,912	20,502	1,912
Other designated funds		7,127	(104)	7,127	(104)
Total Charity funds	22	87,858	89,073	87,858	89,073

Approved by the Trustees on 28 October 2016. Signed on their behalf by:



Cally Palmer CBE
Trustee and Director

Company no. 04615761 Charity no. 1095197

Consolidated statement of cash flows

For the year ended 31 March 2016

	Notes	2016	2015
		£'000	Restated £'000
Cash flows from operating activities			
Net cash (used in) provided by operating activities	A	(160)	5,604
Cash flows from investing activities			
Dividends, interest and rent from investments		1,343	1,177
Proceeds from sale of investments		14,063	8,119
Interest payable		(1)	(2)
Purchase of investments		(13,305)	(17,661)
Net cash provided by (used in) investing activities		2,100	(8,367)
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at 1 April 2015	B	6,787	9,550
Cash and cash equivalents at 31 March 2016	B	8,727	6,787
A. Reconciliation of net (expenditure)/income to net cash flow from operating activities			
Net (expenditure)/income for the reporting period (as per the statement of financial activities)		(1,215)	16,964
Adjustments for:			
Depreciation charges		58	55
(Gains) on investments		(542)	(11,668)
Dividends, interest and rents from investments		(1,343)	(1,177)
(Increase) in stocks		(1)	(3)
Decrease/(increase) in debtors		393	(2,127)
Increase in creditors		2,489	3,558
Interest payable		1	2
Net cash (used in) provided by operating activities		(160)	5,604
B. Analysis of cash and cash equivalents			
Cash in hand		6,462	5,969
Cash held by investment managers		2,265	818
Total cash and cash equivalents at 31 March 2016		8,727	6,787

Notes to the financial statements

1. Principal accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at fair value, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

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

In future years, the key risks to the Charity are a fall in income from donations, legacies or investment income and a fall in the value of its investments, but the Trustees have arrangements in place to mitigate those risks (see the risk management and reserves sections on pages 33-36 of the annual report for more information).

These financial statements consolidate the results of the Charity and its wholly-owned subsidiary, Royal Marsden Cancer Campaign Trading Company Limited, on a line-by-line basis. Transactions and balances between the Charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the Charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the Charity itself is not presented because the Charity has taken advantage of the exemptions afforded by s480 of the Companies Act 2006 and paragraph 15.11 of SORP (FRS 102) 2015.

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

b) Reconciliation with previous generally accepted accounting practice

In preparing these financial statements, the Trustees have considered whether any restatement of 2014/15 comparatives was required to comply with FRS 102 and the Charities SORP FRS 102.

Accounting for properties

In the opinion of the Trustees a restatement to 2014/15 was required to reflect a change in accounting for properties owned by the Charity. In accordance with the previous SORP the Charity classified all its properties as investment properties. Under the new SORP, property used by a charity for its own administrative purposes or to provide a service to its beneficiaries must be presented within tangible fixed assets. Only property that is held primarily to generate rental income and/or for its capital appreciation may be accounted for as investment property. Certain of the Charity's properties have been, and will for the foreseeable future be, required for use by the hospital at the Chelsea site for essential purposes and/or by the Charity for its own purposes and have therefore been reclassified with effect from 1 April 2014 for comparative purposes as tangible fixed assets. Under the transitional provisions of FRS 102, this value has been treated as deemed cost from 1 April 2014. This gives rise to a depreciation charge in each of the years 2014/15 and 2015/16 and hence restatements in both the statement of financial activities and the balance sheets.

Governance costs

There has also been a change in the analysis of governance costs. Previously, these have been separately analysed on the face of the statement of financial activities. Governance costs are now classified as a support costs and have therefore been apportioned between fundraising activities and charitable activities. There is no effect on the total expenditure for 2014/15 or 2015/16.

Donated goods and services

In previous years the value of donated goods and services were not considered sufficiently material to include in the financial statements. In view of the increasing value of such gifts and in accordance with the SORP these are now included and a restatement to 2014/15 was required to reflect this change.

Investments as a component of net income

Investment gains or losses are now presented as a component of net income.

Reconciliation of reported total income

	Unrestricted income	Restricted income	Total income
	£'000	£'000	£'000
2014/15 income as previously reported	14,946	7,830	22,776
Adjustment for value of donated goods and services	34	22	56
2014/15 income as restated	14,980	7,852	22,832

Reconciliation of reported total expenditure

	Expenditure on raising funds	Expenditure on charitable activities	Governance costs	Total expenditure
	£'000	£'000	£'000	£'000
2014/15 expenditure as previously reported	3,341	14,054	30	17,425
Adjustment for depreciation of tangible fixed assets	2	53	–	55
Adjustment for the reappportionment of governance costs	6	24	(30)	–
Adjustment for value of donated goods and services	34	22	–	56
2014/15 expenditure as restated	3,383	14,153	–	17,536

The adjustments shown above have had the following effect on the net income per the statement of financial activities for the year to 31 March 2015:

	£'000
Net income per statement of financial activities as previously stated	5,351
Depreciation on tangible fixed assets	(55)
Inclusion of net investment gains as a component of net income	11,668
Net income per statement of financial activities for the year as restated	16,964

Reconciliation of reported total funds

	2015 balances as previously reported	2015 balances as previously reported	Reclassification of investment properties	Depreciation on tangible fixed assets	2015 balances restated	2015 balances restated
	£'000	£'000	£'000	£'000	£'000	£'000
	The Group	The Charity			The Group	The Charity
Fixed assets						
Tangible fixed assets	–	–	8,869	(55)	8,814	8,814
Investments	93,823	93,823	(8,869)	–	84,954	84,954
	93,823	93,823	–	(55)	93,768	93,768
Current assets						
Stocks	41	–	–	–	41	–
Debtors	4,917	4,998	–	–	4,917	4,998
Cash at bank and in hand	5,969	5,918	–	–	5,969	5,918
Total Current Assets	10,927	10,916	–	–	10,927	10,916
Liabilities						
Creditors: amounts falling due within 1 year	(9,622)	(9,611)	–	–	(9,622)	(9,611)
Net current assets/(liabilities)	1,305	1,305	–	–	1,305	1,305
Total assets less current liabilities	95,128	95,128	–	(55)	95,073	95,073
Creditors: amounts falling due after 1 year	(6,000)	(6,000)	–	–	(6,000)	(6,000)
Total net assets	89,128	89,128	–	(55)	89,073	89,073
The funds of the Charity						
Restricted income funds	22,532	22,532	–	–	22,532	22,532
Unrestricted income funds						
General funds	47,474	47,474	–	–	47,474	47,474
Designated funds						
Tangible fixed assets fund	–	–	8,869	(55)	8,814	8,814
Investment properties fund	17,314	17,314	(8,869)	–	8,445	8,445
Grants fund	1,912	1,912	–	–	1,912	1,912
Other designated funds	(104)	(104)	–	–	(104)	(104)
Total Charity funds	89,128	89,128	–	(55)	89,073	89,073

c) Income

Income is recognised once the Charity is entitled to receipt, it is probable (more likely than not) that the resources will be received and the amount can be measured with reasonable reliability. Where there are terms or conditions attached to income, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet as deferred income.

Legacies

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

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

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated then the legacy is shown as a contingent asset until all of the conditions for income recognition are met. Legacies subject to a life interest held by another party are not recognised until all other interests cease.

Goods and services donated to the Charity

Income is recognised for donated goods or services once the income recognition criteria attached to the donation have been fully met:

- entitlement – the Charity has received the goods or service
- probable – it is more likely than not that the associated economic benefit will flow to the Charity
- measurable – the fair value or value to the Charity can be measured reliably.

d) Expenditure

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Expenditure is allocated to the particular activity where the cost relates directly to that activity and comprise the following:

- The costs of raising funds are those costs attributable to generating income for the Charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the Charity's objects. The costs of raising funds represent fundraising costs, including recharged salaries from The Royal Marsden NHS Foundation Trust, direct costs and overheads associated with raising donated income, together with the fees paid to investment managers in connection with the management of the Charity's listed investments and the fees paid to property managers in connection with the management of the Charity's investment properties. These costs include an apportionment of support costs as shown in note 11.
- Charitable activities costs are listed over the same headings as the overall objects of the Charity. Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 11.
- Grants payable are payments made to The Royal Marsden NHS Foundation Trust in furtherance of the charitable objectives of the Charity. They are included in the statement of financial activities when approved and when The Royal Marsden NHS Foundation Trust has been informed of the decision to make the grant and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued for as capital or revenue grant commitments. Grants where the beneficiary has not been informed or the final award is still within the control of the Charity are not accrued for but are noted as financial commitments in the notes to the financial statements.
- Support costs, which include governance costs, are those costs which do not relate directly to a single activity. These comprise costs incurred which are directly attributable to the administration of the Charity, management of the Charity's assets, organisational procedures and the necessary legal procedures for compliance with statutory and constitutional requirements, including some staff costs, internal and external audit costs and HR and IT support. The majority of costs are directly attributable to specific activities. Certain shared costs are apportioned between fundraising costs and charitable activities on an appropriate basis. Office costs and recharged costs are allocated based on the direct costs incurred by each activity. Support costs have been apportioned. The analysis of support costs and the bases of apportionment applied are shown in note 11.

e) Tangible fixed assets

Tangible fixed assets are initially recognised at their transaction value. As noted above in section (b) certain properties previously held as investments have been reclassified under the new SORP with effect from 1 April 2014 and were recognised at their carrying or market value at that date. Under the transitional provisions of FRS 102, this value has been treated as deemed cost from 1 April 2014. Freehold land is not depreciated because its residual value is likely to be at least equal to its initial transaction value. The initial value attributable to freehold buildings is written off in equal instalments over 50 years. The depreciation is recognised in the statement of financial activities and charged against charitable activities where the building is occupied by the hospital for their essential purposes and against support costs where the building is occupied as offices by the Charity.

f) Fixed asset investments

Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. Investment properties are revalued to market value every three years unless there is a possibility of a material movement in the valuation. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise. The Charity's investment in the subsidiary company is valued at cost.

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

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The charity does not acquire put options, derivatives or other complex financial instruments.

g) Stocks

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

h) Debtors

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

i) Cash and cash equivalents

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

j) Creditors

Creditors are amounts owed by the Charity. They are measured at the amount that the Charity expects to have to pay to settle the debt.

Amounts which are payable in more than a year are shown as long term creditors.

k) Realised gains and losses

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

l) Restricted funds

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

m) Designated funds

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

n) General funds

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

2. Prior year comparatives by type of fund

The statement of financial activities on page 47 provides prior year comparatives in total; this note provides prior period comparatives for each of the restricted and unrestricted funds.

	Note	2015 Restated		
		Unrestricted funds	Restricted funds	Total funds
		£'000	£'000	£'000
Income from:				
Donations and legacies	3	14,128	7,209	21,337
Trading activities	4	154	–	154
Investments	5	694	483	1,177
Other		4	160	164
Total income		14,980	7,852	22,832
Expenditure on:				
Raising funds	6	3,052	–	3,052
Investment management costs	6	196	80	276
Trading activities		56	–	56
Charitable activities				
Charitable support of the hospital	7	11,529	947	12,476
Research	8	57	1,073	1,130
Patient amenities	9	13	270	283
Staff amenities	10	163	100	263
		11,762	2,390	14,152
Total expenditure		15,066	2,470	17,536
Net gains on investments	17	9,672	1,996	11,668
Net income	14	9,586	7,378	16,964
Transfers between funds		2,534	(2,534)	–
Net movement in funds		12,120	4,844	16,964
Reconciliation of funds				
Total funds brought forward at 1 April 2014		54,421	17,688	72,109
Total funds carried forward at 31 March 2015	22	66,541	22,532	89,073

3. Donations and legacies

	2016			2015 Restated
	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Donations	6,106	4,301	10,407	15,118
Legacies	1,706	2,183	3,889	5,532
Grants receivable	–	100	100	631
Donated goods and services	41	20	61	56
	7,853	6,604	14,457	21,337
2015 Restated	14,128	7,209	21,337	

4. Trading activities

	2016			2015 Restated
	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Activities of the trading company	88	73	161	154
2015 Restated	154	–	154	

5. Investments

	2016			2015 Restated
	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Income from listed investments	277	577	854	691
Rental income from tangible fixed assets	254	–	254	215
Rental income from investment properties	229	–	229	262
Interest receivable	6	–	6	9
	766	577	1,343	1,177
2015 Restated	694	483	1,177	

6. Raising funds and investment management costs

	Note	2016			2015 Restated
		Unrestricted	Restricted	Total	Total
		£'000	£'000	£'000	£'000
Raising funds					
Fundraising costs		703	–	703	1,030
Outsourced fundraising costs		341	–	341	309
Marketing and consultancy		272	–	272	380
Donated goods and services		41	–	41	34
Support costs	11	1,412	–	1,412	1,299
		2,769	–	2,769	3,052
2015 Restated		3,052	–	3,052	
Investment management costs					
Investment managers' fees		68	113	181	115
Investment properties' management costs		103	–	103	134
Support costs	11	15	–	15	27
		186	113	299	276
2015 Restated		196	80	276	

The Trustees have contracted the provision of various services, including staff for fundraising, management and day-to-day administration for the Charity to The Royal Marsden NHS Foundation Trust. The Royal Marsden charges for those services, as shown above and elsewhere where indicated (see note 26).

7. Charitable support of the hospital

	Note	2016			2015 Restated
		Unrestricted	Restricted	Total	Total
		£'000	£'000	£'000	£'000
Capital Projects					
The Clinical Care and Research Centre		3,500	–	3,500	–
Ralph Lauren Centre for Breast Cancer Research		–	–	–	3,000
Maggie's Centre		–	–	–	500
MR Linac		–	–	–	325
Chelsea Research Centre		–	–	–	360
Equipment grants:					
TrueBeam linear accelerator		4,500	–	4,500	–
da Vinci Xi surgical robot		–	–	–	1,900
Gamma SPECT/CT camera		–	–	–	651
Grants underspent		–	(183)	(183)	–
		8,000	(183)	7,817	6,736
Other grants					
Building workforce excellence		3,994	–	3,994	–
Paediatric Drug Development		–	–	–	431
Breast cancer research		–	–	–	156
Quality of Services to Patients		–	–	–	4,500
		3,994	–	3,994	5,087
Depreciation of properties used in furtherance of charitable activity		49	–	49	46
Support costs	11	611	–	611	607
		12,654	(183)	12,471	12,476
2015 Restated		11,529	947	12,476	

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

8. Research

	Note	2016			2015 Restated
		Unrestricted	Restricted	Total	Total
		£'000	£'000	£'000	£'000
Revenue funding to the hospital		–	371	371	156
Other expenditure:					
Recharged staff costs		–	1,209	1,209	577
Laboratory and consumables costs		–	43	43	12
Research support and facilities		–	257	257	330
Support costs	11	99	–	99	55
		99	1,880	1,979	1,130
2015 Restated		57	1,073		1,130

9. Patient amenities

	Note	2016			2015 Restated
		Unrestricted	Restricted	Total	Total
		£'000	£'000	£'000	£'000
Patient support and facilities		–	206	206	248
Donated goods and services		–	20	20	22
Support costs	11	11	–	11	13
		11	226	237	283
2015 Restated		13	270		283

10. Staff amenities

	Note	2016			2015 Restated
		Unrestricted	Restricted	Total	Total
		£'000	£'000	£'000	£'000
Staff support and facilities		–	112	112	249
Support costs	11	6	–	6	14
		6	112	118	263
2015 Restated		163	100		263

11. Support costs

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

2016	Raising funds	Investment Management Costs	Charitable Support of the hospital	Research	Patient amenities	Staff amenities	2016 Total	2015 Restated Total
Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	6	6	7	8	9	10		
Office facilities	182	2	79	13	1	1	278	311
Financial administration	558	6	241	39	6	3	853	874
Management support	158	1	67	11	1	–	238	117
IT support	27	–	12	2	–	–	41	43
HR support	54	1	23	4	–	–	82	91
Marketing and PR support	433	5	189	30	3	2	662	579
	1,412	15	611	99	11	6	2,154	2,015
2015 Restated	1,299	27	607	55	13	14		2,015

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

12. Staff costs and Trustees' remuneration

The Charity does not employ any staff directly. All staff working for the Charity are employed by The Royal Marsden NHS Foundation Trust and provided to the Charity through a Service Level Agreement. 31 Staff (equivalent to 29 full time) work exclusively for the Charity, which pays for the actual costs of employment (gross salaries, employer's NI contributions and pension contributions). Other staff (equivalent to 10 full time) work for a percentage of their time for the Charity, which pays an amount equivalent to the pro rata costs of employment. The salary of the Director is set by the Trustees. Salaries of other staff working full time for the Charity are set by the Director within the budget approved by Trustees.

Staff costs during the year were as follows:

	2016	2015
	£'000	£'000
The Group and the Charity		
Wages and salaries	1,493	1,395
Social security costs	91	102
Other pension costs	133	145
	1,717	1,642

Employees of the Charity are entitled to join the NHS Pensions Scheme. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable participating bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the Charity of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in consumer prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

The Scheme is subject to a full actuarial valuation every four years, and an IAS 19 accounting valuation every year. At the conclusion from the 2012 full valuation the Scheme actuary reported that employer contributions could continue at the existing rate of 14% of pensionable pay.

The valuation of scheme liability in accordance with IAS19 is carried out annually by the Scheme Actuary. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website.

Pension payments recognised as an expense during the year amount to £133k (2014/15: £145k).

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

	Headcount		Full time equivalent	
	2016	2015	2016	2015
	Number	Number	Number	Number
Fundraising	41	34	30.1	27.6
Charitable activities	2	2	1.0	1.0
Support	22	21	8.2	7.4
	65	57	39.3	36.0

The number of employees during the year, whose gross pay and benefits (excluding employer pension contributions) fell within the following bands, was:

	2016	2015
	Number	Number
The Group and the Charity		
£60,001 – £70,000	1	–
£70,001 – £80,000	–	1
£80,001 – £90,000	–	1
£100,001 – £110,000	1	–
	2	2

In respect of employees in the £60,001 and above bandings, two accrued benefits under defined contributions pension schemes (2015: 2) and payments to defined contributions schemes totalled £12k (2015: £18k).

No Trustee/Director has received any remuneration or expenses during the year (2015: none). 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. This cost £4k (2014/15: £4k) and provided cover of up to £5 million.

The total amount of employee benefits, being gross salary and employer's pension contribution, received by the key management personnel listed on page 43 was £230k (2014/15: £212k).

The Charity makes payments to agency staff where additional temporary staff are required. For the year ended 31 March 2016 the total payments made by the Charity in respect of agency staff totalled £29k (2014/15: £33k).

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

None of the Trustees received any remuneration in respect of their services during the year (2014/15: £Nil). Out of pocket expenses were not reimbursed to Trustees during the year (2014/15: £Nil).

13. Taxation

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

14. Net expenditure/income

This is stated after charging:	Unrestricted	Restricted	2016 Total	2015 Restated Total
	£'000	£'000	£'000	£'000
Auditor's remuneration				
Statutory audit services	18	–	18	18
Non audit services	3	–	3	–
Finance lease interest	1	–	1	2

15. Results of the subsidiary company

The Charity owns the whole of the issued share capital of Royal Marsden Cancer Campaign Trading Company Limited, a company registered in England (Company number 04722285). The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line-by-line basis in the statement of financial activities. Available profits are Gift Aided to the Charity.

A summary of the results of the subsidiary for the year ended 31 March 2016 is shown below:

	2016	2015
	£'000	£'000
Profit and loss account		
Turnover	172	163
Cost of sales	(64)	(64)
Gross profit	108	99
Administrative expenses	(19)	(21)
Operating profit	89	78
Interest payable	(1)	(1)
Profit on ordinary activities before Gift Aid	88	77
Gift Aid payable to the Charity	(88)	(77)
Profit for financial year	–	–
The Company's assets and liabilities were as follows:		
Assets	115	140
Liabilities	(115)	(140)
Net assets	–	–

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

16. Tangible fixed assets

	The Group		The Charity	
	Land and buildings		Land and buildings	
	2016 Total £'000	2015 Restated Total £'000	2016 Total £'000	2015 Restated Total £'000
Cost				
Cost transferred from investments	8,869	8,869	8,869	8,869
Transfers (see note 17)	2,574	–	2,574	–
Disposals	–	–	–	–
At 31 March	11,443	8,869	11,443	8,869
Accumulated depreciation				
Depreciation as at 1 April	(55)	–	(55)	–
Depreciation for the current year	(58)	(55)	(58)	(55)
Disposals	–	–	–	–
At 31 March	(113)	(55)	(113)	(55)
Net book value				
At 31 March	11,330	8,814	11,330	8,814

Tangible fixed assets include properties owned by the Charity that have been, and will for the foreseeable future be, required for use by the hospital at the Chelsea site for essential purposes and/or by the Charity for its own purposes. As detailed in note 1b, such properties have been reclassified in accordance with the requirements of SORP FRS 102 as tangible fixed assets and accounted for accordingly. Properties that were in such use at 1 April 2014 were transferred at their carrying value at that date, which was based on a professional valuation of market value obtained as at 1 September 2014 (see note 17).

The Trustees do not believe the value to have moved materially between those two dates. During the year Trustees approved the change of use of a charity property in close proximity to the Chelsea hospital that had previously been held for investment purposes for office use by the hospital and the charity. In January 2016 a major refurbishment project commenced to make it suitable for such use and the carrying value of the property (based on the professional valuation of market value obtained as at 1 September 2014) at that date was transferred to tangible fixed assets. Under the transitional provisions of FRS 102, this value has been treated as deemed cost from 1 April 2014.

17. Investments

	Note	The Group		The Charity	
		2016	2015 Restated	2016	2015 Restated
		£'000	£'000	£'000	£'000
Freehold investment properties		5,871	8,445	5,871	8,445
Listed investments and cash held for investments		77,740	76,509	77,740	76,509
Investment in trading subsidiary	15	–	–	–	–
		83,611	84,954	83,611	84,954

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

	Listed investments £'000	Investment properties £'000	2016 Total £'000	Listed investments £'000	Investment properties £'000	2015 Restated Total £'000
Market value at the beginning of the year	75,691	8,445	84,136	58,930	3,996	62,926
Add: purchases at cost during the year	13,305	–	13,305	16,811	850	17,661
Less: disposal proceeds	(14,063)	–	(14,063)	(8,119)	–	(8,119)
Less: transfer to tangible fixed assets (see note 16)	–	(2,574)	(2,574)	–	–	–
Realised (losses)*	(149)	–	(149)	(497)	–	(497)
Unrealised gains*	691	–	691	8,566	3,599	12,165
Market value at the end of the year	75,475	5,871	81,346	75,691	8,445	84,136
Cash held with investment managers	2,265	–	2,265	818	–	818
Total	77,740	5,871	83,611	76,509	8,445	84,954
Historic cost (excluding cash held with investment managers)	66,764	851	67,615	65,252	851	66,103

*£78,390 (2015: £78,390) of listed investments relates to the endowment funds of The Royal Marsden Hospital Charity. This balance due to The Royal Marsden Hospital Charity is included within creditors: amounts falling due within one year. Included within total realised and unrealised gains are losses of £15,329 (2015: £4,600) and gains of £6,149 (2015: £32,837) respectively relating to investments held on behalf of the endowment funds of The Royal Marsden Hospital Charity. These have been accounted for in restricted funds where net income from investment of endowment funds is now held for distribution in accordance with the terms of the original endowments.

As described previously in note 1b and note 16, a number of properties owned by the Charity that have been, and will for the foreseeable future be, required for use by the hospital at the Chelsea site for essential purposes and/or by the Charity for its own purposes, have been reclassified in accordance with the requirements of SORP FRS 102 as tangible fixed assets and accounted for accordingly. The remaining freehold investment properties are subject to a programme of periodic revaluation and were last professionally revalued by Gerald Eve, Chartered Surveyors in September 2014 on the basis of open market value as at that date. The Trustees are satisfied that the market value at 31 March 2016 has not moved materially since the September 2014 valuation.

	2016 Total	2015 Restated Total
	£'000	£'000
Unrealised gains included above:		
On listed investments	8,711	10,439
On investment properties	5,020	7,594
On tangible fixed assets	11,316	8,742
Total unrealised gains at 31 March	25,047	26,775
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 April	26,775	14,349
Less: in respect to disposals in the year	(2,270)	758
	24,505	15,107
Add: net investment gains in the year	542	11,668
Total unrealised gains at 31 March	25,047	26,775

Fixed asset investments are valued at market rate at the balance sheet date. The significance of such investments to the ongoing financial sustainability of the Charity is considered in the risk analysis section of the Trustees' report.

The main risk lies in the combination of uncertain investment markets and volatility in yield. The yield on bonds and default rate on fixed interest securities has been low and may continue to be so. This could give rise to a risk of a fall in capital values if interest rates increase. Equities have been volatile over recent months.

Liquidity risk is anticipated to be low as listed investments are traded on a recognised stock exchange and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The Charity's investments are mainly traded in markets with good liquidity and high trading volumes. The Charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

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

Listed investments held at 31 March 2016 comprised the following:

	2016	2015
	£'000	£'000
Corporate bonds	7,790	11,003
Equities	18,459	16,991
Government bonds	4,521	3,839
UK equities funds	43,083	41,486
Other	1,622	2,372
	75,475	75,691
Investments assets in the UK	57,546	56,966
Investments assets outside the UK	17,929	18,725
	75,475	75,691

Investment holdings with a market value in excess of 5% of the market value of the entire listed portfolios are:

	2016	2015
	£'000	£'000
Egerton Capital Equity Fund plc Class A Stg	26,341	25,280
Lansdowne Developed Markets Long Only Fund Limited Class A GBP	16,742	16,206

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

18. Stocks

	The Group		The Charity	
	2016	2015 Restated	2016	2015 Restated
	£'000	£'000	£'000	£'000
Merchandise	40	39	-	-
Christmas cards	2	2	-	-
	42	41	-	-

19. Debtors

	The Group		The Charity	
	2016	2015 Restated	2016	2015 Restated
	£'000	£'000	£'000	£'000
Prepayments and accrued income	4,078	4,463	4,078	4,463
Amounts owed by subsidiary company:				
Secured loan	-	-	50	50
Gift Aid	-	-	53	77
Other	-	-	-	2
Loan to The Royal Marsden NHS Foundation Trust	226	226	226	226
Other debtors	220	228	166	180
	4,524	4,917	4,573	4,998

All amounts included as debtors fall due within one year.

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

The loan to The Royal Marsden NHS Foundation Trust is made interest free to be used to finance loans to hospital staff in relation to season tickets, bicycle purchase and staff awards ceremony tickets. The Trust is responsible for administration, any defaults, tax liabilities and any other costs. The amount and terms of the loan are reviewed and renewed annually.

20. Creditors: Amounts falling due within one year

	Note	The Group		The Charity	
		2016	2015 Restated	2016	2015 Restated
		£'000	£'000	£'000	£'000
The Royal Marsden NHS Foundation Trust	26	409	1,535	409	1,535
The Royal Marsden Hospital Charity	26	78	78	78	78
Capital commitments – grants payable	25	7,487	3,185	7,487	3,185
Revenue commitments – grants payable	25	7,335	4,500	7,335	4,500
Accruals and deferred income		226	324	215	313
		15,535	9,622	15,524	9,611

21. Creditors: Amounts falling due after one year

	Note	2016	2015 Restated
		£'000	£'000
The Group and the Charity			
Capital commitments – grants payable	25	713	-
Revenue commitments – grants payable	25	1,863	6,000
		2,576	6,000

22. Movements in funds

The Group and the Charity	At 1 April 2015 Restated	Income	Expenditure	Realised Gains & Losses	Other Recognised Gains & Losses	Fund Transfers	At 31 March 2016
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Restricted Funds:							
The Royal Marsden Hospital General Research Charity	20,274	4,321	(1,975)	94	(1,179)	(6)	21,529
The Royal Marsden Hospital Patient Amenity Charity	1,742	461	(235)	9	(102)	8	1,883
The Royal Marsden Hospital Staff Amenity Charity	731	165	(120)	4	(38)	–	742
Gottesmann Will & Ronald Raven funds	215	7	(1)	(4)	1	–	218
Ellis Ward	(443)	14	183	–	–	–	(246)
Haemato-oncology outpatients and day unit	1	–	–	–	–	–	1
The Ralph Lauren Centre for Breast Cancer Research	–	63	–	–	–	(63)	–
Robotic surgical fellowships	12	218	–	–	–	–	230
TrueBeam linear accelerator	–	127	–	–	–	(127)	–
The Clinical Care and Research Centre	–	1,864	–	–	–	–	1,864
Quality of Services to Patients – Family Support	–	143	–	–	–	(143)	–
The Reuben Foundation Imaging Centre	–	77	–	–	–	(77)	–
Total Restricted Funds	22,532	7,460	(2,148)	103	(1,318)	(408)	26,221
Unrestricted Funds:							
Designated funds:							
Tangible fixed assets fund	8,814	–	(58)	–	–	2,574	11,330
Investment properties fund	8,445	–	–	–	–	(2,574)	5,871
Grants fund	1,912	47	(9)	23	29	18,500	20,502
The Clinical Care and Research Centre	–	–	(3,500)	–	–	15,000	11,500
TrueBeam linear accelerator	–	–	(4,500)	–	–	127	(4,373)
The Reuben Foundation Imaging Centre	(104)	–	–	–	–	104	–
Total designated funds	19,067	47	(8,067)	23	29	33,731	44,830
General funds	47,474	8,661	(7,710)	(275)	1,980	(33,323)	16,807
Total Unrestricted Funds	66,541	8,708	(15,777)	(252)	2,009	408	61,637
Total Funds	89,073	16,168	(17,925)	(149)	691	–	87,858

Purposes of restricted funds

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

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

The specific purposes of these funds are as described on page 4 under Objectives in the Trustees' Report. They were transferred to The Royal Marsden Cancer Charity from The Royal Marsden Hospital Charity on 1 September 2011 and continue to be applied in accordance with the charitable objects of each of the special purpose funds.

Gottesmann Will & Ronald Raven funds

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

Ellis Ward

This fund represents donations made specifically for the Ellis Ward refurbishment. The deficit arose as a result of the Trustees agreeing the full grant commitment during 2011/12 of £2.65 million. A major donor has pledged under a Memorandum of Understanding to donate the balance of the commitment shown as a deficit of £246k (2014/15: £443k) under the restricted fund.

Haemato-oncology outpatients and day unit

This fund represents donations made specifically to the Haemato-oncology outpatients and day unit appeal.

The da Vinci Xi Robotic Surgery Fellowships

This fund represents donations made specifically for the Robotic Surgical Fellowships. This project is described on page 17 of the Trustees' report: Activities, achievements and performance section. The fund balance of £230k, representing fundraising appeal and other donations for this project, will be used to fund the costs of the fellowships as they fall due.

TrueBeam Linear Accelerator

This fund represents donations made specifically for the TrueBeam Linear Accelerator. This support for research and innovation for improved patient outcomes will provide 'best of breed' equipment as described on page 13 of the Trustees' report: Activities, achievements and performance section. The fund balance of £127k, representing fundraising appeal donations for this project, was transferred to the corresponding designated fund set up when the grant was initially awarded (see 'Purposes of designated funds' below).

The Clinical Care and Research Centre

This fund represents donations made specifically for The Clinical Care and Research Centre in Sutton. A new fundraising appeal which aims to raise £50 million to enable The Royal Marsden to open the building in 2021 was launched in November 2015 (see page 28 of the Trustees' report for more information). The fund balance of £1.9 million represents donations received for this project so far.

Quality of Services to Patients: Family Support

This fund represents donations made specifically for Family Support services. This is one of the key strands of the enhancement of the world-class care for patients at The Royal Marsden supported by the Charity through a grant described on page 25 of the Trustees' report: Activities, achievements and performance section. The fund balance of £143k, representing fundraising appeal and other donations for this service, was transferred to general funds from which the grant was originally awarded.

The Reuben Foundation Imaging Centre

This fund represents donations made specifically for The Reuben Foundation Imaging Centre. This project has provided a newly refurbished and developed facility in Chelsea. The fund balance of £77k, representing fundraising appeal donations for this project, was transferred to the corresponding designated fund set up when the grant was initially awarded (see 'Purposes of designated funds' below). During the year there was a net movement of £408k from restricted funds to general funds.

Purposes of designated funds

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

The tangible fixed assets fund

This fund represents the net book value of properties owned by the Charity which are used by The Royal Marsden NHS Foundation Trust at the Chelsea hospital for essential purposes and/or by the Charity for its own administrative purposes (see note 16). These funds have been set aside because these properties are of strategic importance to both organisations and Trustees expect this to remain the case for the foreseeable future.

The investment properties fund

This fund represents the net book value of the Charity's investment properties (see note 17). These funds have been set aside because the investment properties are of strategic importance to the hospital or are otherwise not immediately available for use in the Charity's activities.

Grants fund

This fund represents funds set aside by the Trustees in the expectation of receiving specific bids for grant funding during the next financial year. At their meeting in March 2016, following planning discussions with The Royal Marsden NHS Foundation Trust, Trustees decided to designate sufficient funds to meet four specific potential bids to be presented in the following financial year: two for renewal of the three year grants respectively for advancing clinical research (£9 million) and improving quality services to patients (£4.5 million) at The Royal Marsden; for innovative equipment for diagnosis and treatment (£3.5 million) and for a new three year grant for paediatric drug discovery research (£1.5 million), totalling £18.5m. The fund also receives the discretionary allocation of net investment returns relating to general funds set aside to be available for the future funding of other unplanned grants to the hospital.

The Clinical Care and Research Centre fund

This fund represents funds set aside by the Trustees for future funding of this £50 million project for the new Clinical Care and Research Centre.

TrueBeam Linear Accelerator fund

This fund represents funds set aside by the Trustees when the grant was made during the year. The balance of £4.4 million represents the value of the grant of £4.5 million less donations receivable in the year which have been transferred from the corresponding restricted appeal fund.

The Reuben Foundation Imaging Centre fund

This project was completed during the year. As the grant for this project was made out of designated funds, the fund balance totalling £27k after netting off transfers from restricted funds was transferred from general funds to match the remaining balance on the designated fund.

23. Analysis of group net assets between funds

				2016	2015
	General funds	Designated funds	Restricted funds	Total funds	Total funds
	£'000	£'000	£'000	£'000	£'000
The Group					
Tangible fixed assets	–	11,330	–	11,330	8,814
Fixed asset investments	25,739	33,500	24,372	83,611	84,954
Current assets	2,403	–	8,625	11,028	10,927
Creditors: Amounts falling due within 1 year	(9,151)	–	(6,384)	(15,535)	(9,622)
Creditors: Amounts falling due after 1 year	(2,184)	–	(392)	(2,576)	(6,000)
Net assets at the end of the year	16,807	44,830	26,221	87,858	89,073
2015 Restated	47,474	19,067	22,532	89,073	
The Charity					
Tangible fixed assets	–	11,330	–	11,330	8,814
Fixed asset investments	25,739	33,500	24,372	83,611	84,954
Current assets	2,392	–	8,625	11,017	10,916
Creditors: Amounts falling due within 1 year	(9,140)	–	(6,384)	(15,524)	(9,611)
Creditors: Amounts falling due after 1 year	(2,184)	–	(392)	(2,576)	(6,000)
Net assets at the end of the year	16,807	44,830	26,221	87,858	89,073
2015 Restated	47,474	19,067	22,532	89,073	

24. Liability of members

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

25. Reconciliation of grants payable

	Note	2016	2015
		£'000	£'000
Commitments at 1 April:			
Capital grants		3,185	95
Revenue grants		10,500	9,901
		13,685	9,996
Commitments made in the year:			
Capital grants	7	8,000	6,736
Revenue grants	7	3,994	4,500
		11,994	11,236
Grants paid in the year:			
Capital grants		(2,985)	(3,646)
Revenue grants		(5,296)	(3,901)
		(8,281)	(7,547)
Commitments at 31 March:			
Capital grants		8,200	3,185
Revenue grants		9,198	10,500
		17,398	13,685
Commitments at 31 March are payable as follows:			
Within one year:			
Capital grants	20	7,487	3,185
Revenue grants	20	7,335	4,500
		14,822	7,685
More than one year:			
Capital grants	21	713	–
Revenue grants	21	1,863	6,000
		2,576	6,000
		17,398	13,685

26. Related party transactions

Disclosure of related party transactions is provided in the Trustees' Report – Relationships with related parties on pages 39-40. Other than the transactions disclosed in that section there were no related party transactions during the year.

Thank you

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



Get in touch

We raise money to help The Royal Marsden provide world-class diagnosis, treatment and care for cancer patients, and to support the hospital's pioneering work in cancer research.

Find out more

www.royalmarsden.org
020 7808 2233

Fundraise

www.royalmarsden.org/support
020 7811 8478

Volunteer

www.royalmarsden.org/volunteering
0208 661 3391

Donate

www.royalmarsden.org/donate
020 7808 2233

Our offices

Chelsea

The Royal Marsden Cancer Charity
Fulham Road
London
SW3 6JJ

Sutton

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