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# Annual Report and Financial Statements 2016/17

HRH The Duke of Cambridge, President of The Royal Marsden, with patient Daisy Wood during his visit to the Oak Centre for Children and Young People.



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# Introduction

## A letter from our Chairman

**In my first Annual Report letter as Chairman of the Royal Marsden Cancer Charity I am pleased to record another outstanding year for the Charity. As is set out in detail in the following pages the Charity achieved an income in 2016/17 of £19.2 million which has enabled us to continue to provide essential support to The Royal Marsden’s mission of pioneering research, treatment and care for its patients.**

I would like to thank all of our hard-working staff for their commitment and dedication which has produced such excellent results. My thanks also go to our small but extraordinary army of volunteers without whom we could not achieve what we do. Above all we owe thanks to all our donors, large and small, who have chosen our Charity as their way of helping patients and their families to cope with the natural anxieties and consequences of a cancer diagnosis.

In particular I would draw your attention to some highlights of the year:

- The installation of the TrueBeam Linear Accelerator, already treating up to forty patients a day with higher, more targeted, safer doses of radiotherapy.
- The Play Specialist appeal which provided funding for our team of play specialists caring for the needs of our younger patients as they prepare for treatment.
- The 2017 Marsden March, the seventh in the series, raised a record £1.9 million. Thousands of people walked to support us, including patients, former patients and their loved ones as well as many, many more motivated by our cause. We have now raised over £10 million since the event began.
- The launch of our £50 million appeal to build the Clinical Care and Research Centre at The Royal Marsden in Sutton which, when complete in 2021, will vastly increase the amount of research we can do, providing our patients with faster access to more treatment options. The state-of-the-art Centre will also give us more space to treat patients in a modern clinical environment which is specifically designed to support their wellbeing. Under the inspiring leadership of the Appeal Chairman Mike Slade and his Board, the appeal has made a promising start.

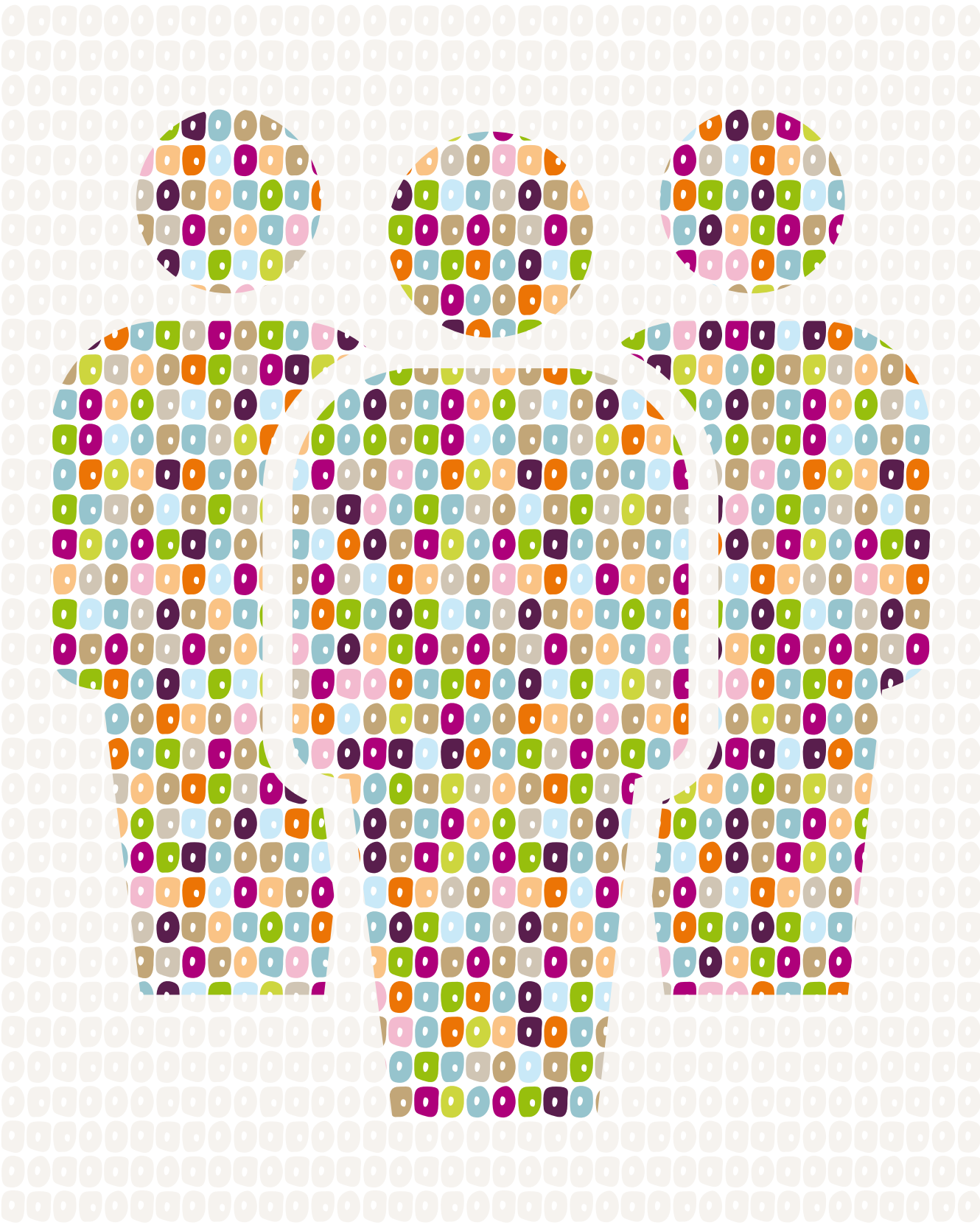
The science of cancer diagnosis, treatment and care is developing very rapidly. Exciting breakthroughs have been achieved, and many more are in the pipeline. Our donors and supporters are continuing a tradition of philanthropy at The Royal Marsden which can be traced back to the roots of our foundation. In this, the 150th anniversary of the year of the death of the hospital’s founder, Dr William Marsden, I would like to thank all our supporters for their contribution to our ability to provide early diagnosis and the best possible treatment of cancer to the benefit of all our patients and their loved ones. Never has your support been more vital.



**Charles Alexander**  
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 of cancer. This is a vision which continues through to the present day.

Together with our academic partner, The Institute of Cancer Research (ICR), 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.

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

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

### Charitable purpose

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

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

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

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

We apply these objectives to grants for funding work and equipment at The Royal Marsden under the four pillars of **research, equipment, patient environments, and 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 staff at 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, diagnosis, treatment and care. This has been The Royal Marsden's essential mission since 1851.

Each year The Royal Marsden sees more than 50,000 patients at two hospitals in Chelsea and Sutton. With its academic partner, the Institute of Cancer Research (ICR), it is the only NIHR Biomedical Research Centre (BRC) in the UK dedicated solely to cancer. The specific remit of the BRC is to facilitate rapid and effective translation of scientific findings into improved therapies that are ultimately tested in large-scale national trials and subsequently influence clinical practice.

The Charity's support is vital in keeping the hospital at the forefront of its field, so it can provide the best possible service to its patients. All grants given by the Charity are made to the hospital at the Trustees' discretion and focus on cancer research, equipment, patient environments or treatment and care.

We invest in new equipment and facilities to increase the hospital's capacity and vastly improve environments for patients. We also fund groundbreaking research which is carried out with the aim of achieving and publishing successful results and practices to influence work at the hospital and in the wider medical world.

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

## Research

### The issue we're tackling

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

### The difference we make

The Royal Marsden runs a pioneering drug development programme of clinical trials, currently treating over 42,000 patients – more than any other specialist centre in the UK. Working with the ICR, we take a *bench to bedside* approach, turning scientific advances into better treatments for patients, giving them a higher chance of survival or improved quality of life.

The Royal Marsden Cancer Charity helps to fund clinical trials and research posts at The Royal Marsden. This enables specialist clinical research teams at the hospital to rapidly develop new life-saving treatments for different types of cancers. The specialists lead the way in personalised medicine, developing new targeted therapies that are helping patients to survive longer and be cured of their cancer. The Royal Marsden is the leading centre for cancer clinical trials in the country, running over 600 every year.

In recent years the hospital has led on, and been part of, some of the biggest and most important cancer trials, including trials focusing on breast cancer, melanoma and prostate cancer. This work not only provides new treatments for patients at The Royal Marsden but also across the UK and internationally, improving patients' quality of life and chances of survival.

### Our overall aim

To ensure The Royal Marsden continues to be at the forefront of translational cancer research, so its work extends, improves and saves more lives at The Royal Marsden, in the UK and across the world.

## Equipment

### The issue we're tackling

To offer cancer patients the best outcomes and experience, we need to fund state-of-the-art equipment which can be used to provide faster and more accurate diagnosis, more effective and less invasive treatments and quicker recovery times.

### The difference we make

The Royal Marsden's on-going ability to deliver high-quality research and cancer care relies heavily upon access to state-of-the-art equipment. As The Royal Marsden strives to improve patient outcomes and survival rates, it's essential that the very latest equipment is available to ensure patients receive the best treatment.

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 greater accuracy, this is especially important for the treatment of hard-to-reach tumours and some previously inoperable tumours.

Faster and more detailed imaging can lead to an earlier diagnosis of cancer. At The Royal Marsden, state-of-the-art cancer imaging equipment is used by expert staff to provide fast and accurate diagnosis and to understand, and suggest appropriate treatment for, even the most complex cases.

The Royal Marsden has a worldwide reputation for radiotherapy research and is at the forefront of major research breakthroughs and the development of innovative radiotherapy treatment techniques. This pioneering work has significantly advanced radiotherapy practice, which in turn has changed the way patients receive radiotherapy on a national and international level.

The Royal Marsden Cancer Charity has invested significantly in radiotherapy facilities at The Royal Marsden to ensure the hospital has the very latest technology and best patient environments to deliver 75,000 treatments to 5,000 patients every year.

### Our overall aim

To ensure patients at The Royal Marsden are treated with leading-edge equipment that's best suited to their cancer diagnosis and treatment requirements.

## Patient environments

### The issue we're tackling

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

### The difference we make

The cancer journey can be an incredibly frightening and uncertain time for patients, their family members and friends. The Royal Marsden understands how important it is that all of these people have the best possible experience during this time. The hospital aims to do this by supporting each patient's wellbeing and ensuring the design of its patient environments follow the principles of Evidence Based Design (EBD).

EBD is guided by rigorous research that links a hospital's physical structure to patient outcomes and recovery times. Space, lighting, use of colour and noise levels all have an impact on the wellbeing and mood of an individual patient and improved environments have been linked to a person's ability to make positive choices. The focus of EBD at The Royal Marsden is to create environments that really support a patient's recovery and help staff provide even better care.

### Our overall aim

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



## Treatment and care

### The issue we're tackling

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

### The difference we make

Cancer is an individual disease. Different patients with the same type of cancer may respond differently to the same treatment and go through very different experiences during their treatment.

Increasingly, due to the innovative equipment and bespoke, peaceful environments we fund, the hospital is able to improve outcomes for patients. 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 during and after treatment.

It's also vitally important that the emotional and psychological needs of patients are met throughout their cancer journey; staff at The Royal Marsden treat the whole person, not just their illness. We fund a range of patient support, care and treatment services, both for adults and young people, as well as their families.

This year in the Oak Centre for Children and Young People, which is The Royal Marsden's specialist paediatric facility, we funded a team of play specialists who help children cope with their treatment fears and anxieties. These experts meet every young patient that comes to The Royal Marsden and assess what individual support they require, as the needs of each child are different.

### Our overall aim

To ensure every patient at The Royal Marsden has the very best treatment and care through every stage of their cancer journey, appropriate to their clinical and emotional needs.

## 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 ICR, places clinical research, drug and radiotherapy trials at the centre of their work as Europe's largest comprehensive cancer centre. It translates scientific discoveries relating to the genetic and molecular causes of cancer into improved treatments which are tested in national and international trials. These breakthroughs also constantly further the understanding of cancer types and sub-types of the disease.

This work is published and presented in world-leading forums, including international cancer conferences and international publications.

### Pioneering the latest equipment

The Royal Marsden also has a responsibility to adapt and innovate and act as a test bed of best practice for the NHS. The Royal Marsden has on many occasions trialled new technologies and equipment, often funded by The Royal Marsden Cancer Charity. The Royal Marsden proves the efficacy and value of such equipment, allowing it to then be rolled out as standard practise on the NHS.

For example, the da Vinci S robot, which was funded by The Royal Marsden Cancer Charity and first used at the hospital in 2007 to treat prostate cancer patients, is now in use at over 20 NHS Trusts.

The Royal Marsden's second robot, the da Vinci Xi, which was also funded by The Royal Marsden Cancer Charity, was installed in 2015.

### Training the next generation

The Royal Marsden takes a leading role in training and educating the next generation of cancer professionals. As these professionals progress through their careers, they influence cancer treatment and care at The Royal Marsden and beyond.

The hospital actively inspires and encourages its professionals to develop their skills and dedicate time to research. To support this, the Charity funds a wide range of research and training initiatives.

One example of Charity funded training opportunities is the UK's first Robotic Surgery Fellowship Programme; training surgeons to use the da Vinci Xi. By growing the number of robotic surgeons through the Fellowship, The Royal Marsden will be able to offer world-leading surgery to even more patients.

# Grant-making

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

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

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

All funded projects are reviewed at least once a year to ensure they are fulfilling the original award criteria and continue to have a significant positive impact on the patients of The Royal Marsden.

The total cost of making grants, including support costs, is disclosed on the face of the consolidated statement of financial activities, and an analysis is disclosed in note 6 to our financial statements.

## Charitable funds

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

The Trustees have delegated the day-to-day management of 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. They will have levels of expenditure agreed 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 7, 8, and 9 of our 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 for travel season tickets, bicycle purchase and staff awards ceremony tickets. The Royal Marsden NHS Foundation Trust is responsible for the administration of these loans and any defaults, tax liabilities and other costs relating to them.

The Charity's loan to the Trust is interest free, however the amount and terms of the loan are reviewed prior to renewal.

# 1 April 2016 to 31 March 2017

## Our short and long-term aims

The Trustees of The Royal Marsden Cancer Charity have agreed a long-term objective to grow our voluntary income to £50 million per year over the medium term.

The financial year 2016/17 focused on preparing the Charity for this extended period of growth: new staff members were hired and new and improved processes and structures were developed to enable us to evolve and refine our new strategy; which will ensure we progress in a sustainable way and achieve our objectives for 2017/18.

Subsequently, in 2017/18 we plan to make significant progress towards our long term aim of raising £50 million a year by securing total voluntary income of at least £19.6 million. This will be set against a proposed cost of £4 million to generate this voluntary income. In particular, our Philanthropy team and its work on our Clinical Care and Research Centre (CCRC) appeal will be central to us achieving this increase, as their income target for 2017/18 is a 23% increase on the last financial year.

You can read more about our three-year strategy and one-year business plan in our 'Plans for future periods' section on pages 26–30.

## Our strategy

Our core strategic aims for 2016/17 were to:

- Raise money in a cost-effective manner, minimising risk and maximising opportunity, with a key focus on delivering a rapid expansion in major gifts, largely driven by our CCRC appeal.
- Lay the groundwork for ongoing investment in legacy giving by establishing Legacy Fundraising as a separate team and developing a five-year strategic plan to deliver significant growth.
- Develop and enhance the Charity's digital presence through a website development project and content strategy review.
- Ensure grants are made to research, equipment, patient environments and treatment and care projects that can clearly demonstrate the impact of our investment.

## Our main activities and achievements

You can read all about the significant activities we undertook in the 2016/17 financial year in our 'Activities, achievements and performance' section on pages 13–24. 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 2016/17 through regular Trustee progress reports. Each report detailed the key achievements of our ongoing projects against the objectives set for them; outlined the next steps for each project; and reported on the impact of our grants and whether they were on track to achieving their set aims. Most importantly, the reports also focused on how the money we invested is benefiting patients at The Royal Marsden.

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. There are also many more volunteers who give their time to support our bespoke events. In 2016/17, this included 300 people donating their time, energy and enthusiasm to make our annual Marsden March such 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 continue to help The Royal Marsden make life better for people with cancer.

Our volunteers carry out a variety of roles, including:

- Running a fundraising stall at The Royal Marsden, Sutton;
- Working on stalls at outside events such as local fairs and fetes;
- Supporting events like The Marsden March;
- Holding bucket collections in local shopping centres; and
- Managing collection boxes in local communities.

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

*“I’d like to say a big thank you to our volunteers for all of their incredible efforts. They consistently show 100% commitment to our cause with their unbelievable energy and enthusiasm. Their efforts make a huge difference to our patients, and I cannot thank them enough.”*

Antonia Dalmahoy  
Director  
The Royal Marsden Cancer Charity

Activities, achievements and performance in 2016/17

This section reviews the progress we made in achieving our aims in 2016/17. 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 work: research, equipment, patient environments or treatment and care. Our governance activities focused on setting the Charity up for a period of growth so we’ll be able to raise more money and fund more projects across our four pillars.

You will find a more detailed analysis of our income and expenditure in our ‘Financial review’ section on pages 32–36.

Fundraising activities and achievement

Aims and objectives	Achievements and performance	
Achieve a cost income ratio of less than 21%.	<b>Met:</b> Our cost income ratio was 17.7%.	
Achieve voluntary income of at least £18.9 million.	<b>Not met:</b> Our charitable income (donations and legacies), this year was £17.6 million, a 21% increase from last year. We came in over budget across all of our income streams except legacies.	
Delivering a successful appeal for The Clinical Care and Research Centre		
Set up an Appeal Board and appoint a Chairman to lead the fundraising appeal. Appoint a new Associate Director for Philanthropy to support the Board.	<b>Met:</b> Mr Michael Slade was appointed as the Appeal Board Chairman in December 2016, together with 15 members of the Appeal Board. The first Appeal Board meeting took place on 29 March 2017.  Antonia Newman was appointed as Associate Director for Philanthropy on 1 October 2016.	
Create a suite of materials for the appeal, aimed at engaging existing donors and new supporters.	<b>Met:</b> An appeal brochure, summary document and an appeal video have been produced to support the Appeal Board and Philanthropy team.	
Deliver significant six to seven-figure pledges, meeting the target set out in the appeal timeline.	<b>Met:</b> This year, our appeal total reached £6.5 million in cash donations and pledges for future years. This included three gifts of £1 million and a number of six-figure donations.	
Gain outline planning permission for the centre.	<b>Not met:</b> Early in the process of working with the architect, another site was identified which would better suit the needs of the CCRC. This change has meant that our timeline for the project has moved, with the planning pre-application now planned for this financial year, followed by the full planning application in the following financial year.	
Growing our supporter base		
Optimise the efficiency and effectiveness of our systems, processes and procedures to develop and deliver high-quality supporter engagement.	<b>Ongoing:</b> A review of our systems, processes and procedures is underway, and we will continue to identify and implement improvements to ensure the delivery of high-quality supporter engagement.	
Following a review of the different ways our supporters give, to develop a detailed three-year strategy that outlines clear plans for retaining our existing donors and broadening our reach.	<b>Ongoing:</b> We are currently working to better understand our supporters, the different ways they give to us and what they want from their relationship with The Royal Marsden Cancer Charity. We are using this insight to develop a stewardship strategy that will ensure supporters, both new and existing, are at the heart of everything we do, and that we communicate with them in their preferred ways.	



Aims and objectives	Achievements and performance	
Growing our supporter base		
Review all supporter communications to ensure they are in line with fundraising regulations, appropriate legislation and best practice, whilst making sure that they remain relevant and engaging for our supporters.	<b>Met and ongoing:</b> We have reviewed and updated all communications to ensure they are compliant and in line with our supporters' preferences.	
Raising our profile within the hospital and then extending our reach beyond our patient network		
Review the Charity’s presence in the hospital and develop a plan to increase brand awareness to raise our profile with patients and visitors.	<b>Met:</b> We have developed a comprehensive plan and individual projects are underway, such as providing new printed literature in the hospital.	
Begin engaging hospital staff to act as ambassadors for The Royal Marsden Cancer Charity, particularly working with the hospital’s leadership team and senior clinical staff to raise our profile.	<b>Ongoing:</b> This was deferred to a future phase of the project so we could first complete tasks that would increase awareness of The Royal Marsden Cancer Charity amongst staff before we ask them to act as ambassadors.	
Putting digital at the heart of our activities		
The project will begin with a research phase to establish the nature of our digital/website ambition and help shape our content strategy.	<b>Met:</b> An extensive research phase took place that evaluated our current website to inform the creation of a new website. This comprised in-depth user research sessions with our supporters, as well as an online survey that was completed by over 1,800 people. The insight from this research has proven invaluable and has influenced our approach to our new website and digital strategy.	
In parallel with the website redevelopment project, we will develop a content strategy to make sure we are maximising available resources and focusing on the needs of our audiences.	<b>Ongoing:</b> Our content strategy development is progressing in parallel with our new website project to make sure we produce content that supports specific objectives across each fundraising area.  It is also making sure that future content is published in a highly coordinated way across our three main digital channels: website, social media and email. The strategy will also mean resources are dedicated to clear and tangible outcomes and monitored using appropriate metrics against specific key performance indicators.	
Deliver ‘business as usual’ to the highest possible standard while we develop our website and content strategy.	<b>Met:</b> Throughout the project the Digital team has been delivering business as usual to a high standard, supporting the website, email and key campaigns. This included offering tactical solutions for our Christmas 2016 campaign so it could be delivered in a mobile friendly format. This showcases the potential of our new website and the opportunities it will offer.	
Raising awareness of legacy giving		
Establish a separate Legacy Fundraising team for the first time.	<b>Met:</b> A Legacy Manager was appointed in May 2016 and a Legacy Executive in July 2016.	
Develop a five-year strategic plan for legacy fundraising, including a commitment to deliver growth in this area.	<b>Ongoing:</b> Our five-year strategic plan for legacy fundraising will be completed by June 2017. We postponed this project to focus on other areas of more immediate need: primarily an evaluation of the legacy gifts in administration.	

Charitable activities and achievements

Aims and objectives	Achievements and performance	
Officially open The Ralph Lauren Centre for Breast Cancer Research.	<b>Met:</b> HRH The Duke of Cambridge, President of The Royal Marsden, officially opened the centre in May 2016, alongside fashion designer and philanthropist Ralph Lauren, senior staff and donors.	
Continue the support of translational research at The Royal Marsden, in collaboration with the NIHR Biomedical Research Centre. This includes the funding of clinical trials, staff and equipment.	<b>Met:</b> In December we committed to a £15m grant to support translational research at The Royal Marsden over the next five years.  We also committed a new grant to The Royal Marsden’s world-leading Paediatric Drug Development team. The £3.2 million committed over 5 years will fund vital posts within the unit to ensure the continued successful running of phase I and II clinical trials.	<a href="#">Find out more on page 19</a>
Enable the purchase of world-class equipment at The Royal Marsden to give patients access to the latest cancer treatments and provide faster and more accurate diagnosis.	<b>Met:</b> Trustees committed a grant of £3.5 million to fund investment into the latest diagnostic equipment, including two mammography machines and a fluoroscopy machine.  This grant also provided funding for the purchase of agility heads for existing linear accelerators (Linacs), which are the next generation of external beam radiotherapy treatment technology. Purchasing of this equipment is underway.	
Install the new TrueBeam Linear Accelerator by February 2017, to enable patients to be treated with the most up-to-date radiotherapy equipment.	<b>Met:</b> The TrueBeam was installed and the first patient was treated in December 2016.	<a href="#">Find out more on page 20</a>
Complete the installation and opening of the MR Linac machine by November 2016, making it the first such facility in the UK and fourth in the world. It combines an MRI scanner and a linear accelerator to give patients access to world-leading radiotherapy treatment.	<b>Met:</b> The Royal Marsden and the ICR were the first in the UK to install an MR Linac in Summer 2016. It was officially opened by Sadiq Khan, Mayor of London, in November 2016, alongside senior Royal Marsden and ICR staff, stakeholders and Charity Trustees.	<a href="#">Find out more on page 23</a>
Raise sufficient funds to support the team of play specialists at the Oak Centre for Children and Young People. Their service is vital for young cancer patients undergoing cancer diagnosis and treatment.	<b>Met:</b> Thanks to our supporters we raised enough funds to support The Royal Marsden’s play specialist service for the financial year.  Through funding by the Chancellor using LIBOR funds we are now able to support The Royal Marsden’s play specialist service until 2020.	<a href="#">Find out more on page 16</a>
Continue to support the provision of high-quality patient care services at The Royal Marsden, ensuring staff can be there for patients going through complex cancer treatment.	<b>Met:</b> From a £4.5 million ‘Quality of services to patients’ grant made in December 2014, we funded £1.77 million of projects in 2016/17 to ensure patients benefited from the highest quality of patient care.	

Governance activities and achievements

Aims and objectives	Achievements and performance	
Stay abreast of all legal and regulatory requirements and update processes where necessary.	<b>Met and ongoing:</b> We have conformed to updated regulations and amended our materials and practises as required. We continue to stay abreast of all legal and regulatory requirements.	
Undertake a review and refresh of our financial and reporting systems.	<b>Not met:</b> This has been postponed to support a full assessment of the Charity’s overall system requirements once the finance, support and database teams have merged.	



## The impact of our most significant activities

Over the next few pages we have detailed the significant fundraising and charitable activities we undertook in 2016/17 and the difference they've made to the lives of cancer patients at The Royal Marsden and beyond.

### Play specialist appeal

Last summer, The Royal Marsden Cancer Charity launched the Play Specialist Appeal to fund this vital service in the Oak Centre for Children and Young People (OCCYP); one of the largest comprehensive children's cancer centres in Europe.

The amazing work of our supportive fundraisers enabled us to provide the service throughout this financial year and, through funding by the Chancellor using LIBOR funds, we are also now in a position to support The Royal Marsden's play specialist service until 2020; allowing these invaluable experts to continue to help young patients manage their fears and anxieties.

Play specialists use their understanding of child development, therapeutic play activities and distraction techniques to develop strategies that help young patients prepare and cope with painful or invasive procedures, scans and treatment.

For example, radiotherapy requires patients to stay absolutely still during their treatment, so helping children understand the procedure in a child-friendly way can reduce the need for general anaesthetic.

The Royal Marsden has four expert play specialists who meet every young patient to assess what support they need. They adapt activities carried out in the OCCYP's play room, at their bedside and in isolation wards to make sure a child's individual needs are met.

The play room provides a fun, non-clinical environment for the play specialists to help children regain confidence and self-esteem. Messy play, such as painting with plastic syringes and making things with play dough, are great ways for children to release their feelings of frustration and anger, which helps them cope with difficult situations.

"I'll never forget a play specialist bringing paints over to Nevaeh so she could paint while she was hooked up to chemotherapy. It sounds like a small thing but it made such a huge difference."

Charmaine Green, whose daughter was diagnosed with leukaemia when she was just two years old.

It is important that **children are able to deal with their fears** so they can undergo potentially life-saving treatment without any lasting psychological phobias.

*"Thank you so much to everyone who made a donation towards the appeal. At such a challenging time in their lives, it is so important that our young patients receive the best treatment and care, and their psychological needs are met. Play can really have a positive effect on the child and their experience."*

**Kate Hodgkiss, Play Specialist**  
with patient, Felicity Hookway







*"Our world-class Paediatric Drug Development team, led by Dr Lynley Marshall, continues to make leading-edge treatments and 'first-in-child' drugs available to children and young people with advanced cancer, bringing hope in very difficult situations and helping to move new treatments forward. Recently we have been extremely encouraged by successful grant awards for two new international early phase clinical trials designed and led by Royal Marsden consultants, which will be opening in coming months."*

**Dr Julia Chisholm**  
Consultant Paediatric Oncologist

### Paediatric Drug Development team

The Royal Marsden is a world leader in the field of drug development. This is reflected in the work of the Paediatric Drug Development team at the Oak Centre for Children and Young People (OCCYP), who are generously funded by Oak Foundation.

The team has worked closely with and built on the expertise and success of its colleagues at the Oak Foundation Drug Development Unit, the largest oncology phase 1 clinical trials unit in Europe, to lead on the development of innovative new drugs that show promise in treating young cancer patients.

The team has used these drugs in international early-phase clinical trials, including trials they have set up and led on. This outstanding work was awarded a top score by the Innovative Therapies for Children with Cancer consortium in 2015, a prestigious recognition of the team's expertise and the OCCYP's drug development programme as one of Europe's best.

Due to the Paediatric Drug Development team's work, the number of phase I and 2 drug trials available for children and adolescents at The Royal Marsden has increased from seven in 2009 to 23 in 2016; with 19 now open to recruitment. This has led to more than 100 young patients being recruited to trials since the OCCYP opened in 2011. In addition, the team also participates in a broad programme of international phase 3 clinical trials, which involves comparing new treatments with the best currently available treatment. These are specifically open to patients with an early stage cancer.

"Grace was diagnosed with adrenal cortical carcinoma in 2014. She had chemotherapy but that didn't work, so we came to The Royal Marsden. We were willing to try anything. Grace is now on an immunotherapy drug trial and is doing really well. It's her third trial; she has been on it since the beginning of this year and has had few side effects. She loves coming to the OCCYP, as the team all encourage her to do the things that she should be doing at her age. She adores her consultant Dr Lynley Marshall and always gives her a big hug."

Sarah Fookes, mum of four-year-old patient Grace Roberts-Fookes.

A third of patients taking part in the Paediatric Drug Development team's trials now **come from outside The Royal Marsden's catchment area**. This is mainly due to the Trust offering more new drug trials than any other centre in the UK, high-quality clinical care to its young patients and excellent support and real hope to their families.



### TrueBeam Linear Accelerator

The Royal Marsden's Radiotherapy department is one of the largest in the UK, treating up to 5,000 patients and delivering more than 75,000 treatments each year. Its multidisciplinary team includes therapy radiographers, radiotherapy aides, medical physicists, engineers and clinical oncologists.

In 2016 a state-of-the-art Varian TrueBeam linear accelerator was installed at The Royal Marsden in Chelsea, thanks to a £4.5 million grant from The Royal Marsden Cancer Charity. Known as Franklin, the TrueBeam treats up to 40 patients a day across a variety of tumour types, including breast, lung, head and neck, prostate, gastrointestinal and gynaecological cancers.

The TrueBeam can deliver all forms of advanced external-beam radiation, including image-guided radiotherapy (IGRT), intensity-modulated radiotherapy (IMRT), stereotactic body radiotherapy (SBRT) and volumetric modulated arc therapy (VMAT). The unit also has the flattening filter free (FFF) delivery system, which means it can deliver doses of radiotherapy more quickly.

Because of their access to the latest equipment and world-leading staff, patients at The Royal Marsden have the opportunity to take part in groundbreaking clinical trials for new radiotherapy treatments, with many national trials being developed and launched at the hospital.

Trials at The Royal Marsden evaluate methods such as IMRT and IGRT to discover how higher doses can be delivered to a tumour without patients suffering from long-term side effects. These trials include IMPORT HIGH, which focuses on the treatment of breast cancer, and HYBRID and RAIDER, which use IGRT and adaptive radiotherapy to treat bladder cancer.

Other trials at The Royal Marsden are aiming to reduce the number of treatments a patient has to receive. This includes the Prostate Advances in Comparative Evidence (PACE) study, which is a randomised clinical trial that compares stereotactic radiotherapy treatment to the current standard treatments of surgery and conventional radiotherapy.

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The Royal Marsden's new radiotherapy techniques are often rolled out across the country, thanks to its **commitment to training and education**. New treatment methods have been shared with more than half of the UK's radiotherapy departments.

*"Developments in radiotherapy imaging allow us to target tumours with sub-millimetre precision. Greater accuracy means that fewer healthy cells are damaged, which, in turn, means higher doses can be given, making treatment more effective and reducing side effects."*

**Dr Imogen Locke**  
Consultant Clinical Oncologist and  
Lead for Radiotherapy







*"The MR Linac will give us the opportunity to realise our vision for radiotherapy of the future. The superior imaging of the MR Linac will allow us to treat tumours with a greater level of accuracy and to adapt our radiotherapy treatment on a daily basis, meaning less normal tissue is irradiated."*

**Professor Uwe Oelfke**  
Head of the Joint Department of Physics  
Pictured in the Trunk Room of the MR Linac

### Magnetic Resonance Linear Accelerator (MR Linac)

The Royal Marsden Cancer Charity has helped radiotherapy remain at the forefront of The Royal Marsden's pioneering research by funding many advanced radiotherapy systems and research projects.

This includes the UK's first MR Linac, which combines an MRI scanner and state-of-the-art linear accelerator (called a Linac for short) to precisely locate tumours and tailor the shape of radiation beams in real time.

The MR Linac was made possible by funding from The Royal Marsden Cancer Charity and a £10m grant from the Medical Research Council to the ICR.

It was officially opened by Sadiq Khan, Mayor for London, in November 2016 and is located in a purpose-built treatment suite.

Currently, physicists and clinical teams at The Royal Marsden and the ICR are testing the machine to learn how they can adjust the radiation beam to a patient's anatomy during treatment. This will deliver more accurate and effective radiotherapy than ever before, which will help to improve outcomes and reduce side effects.

The MR Linac will be particularly effective for treating cancers which move during radiotherapy or change position between scanning and treatment, for instance, because of a person's breathing or changes to their bladder or bowel movements.

The Royal Marsden is part of a worldwide MR Linac Research Consortium with seven other cancer centres that have an MR Linac, including the MD Anderson Cancer Centre in the US and the Sunnybrook Health Sciences Centre in Canada. Working collaboratively, the Consortium aims to ensure that MR Linac research advancements are made, without duplication, to benefit cancer patients across the world.

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The MR Linac **combines two technologies** – an MR scanner and linear accelerator – to precisely locate tumours, tailor the shape of X-ray beams in real time and accurately deliver doses of radiation to moving tumours.



### Introducing the Clinical Care and Research Centre

Because of the UK's ageing population, the number of people diagnosed with cancer is increasing year-on-year. This means The Royal Marsden must plan for the future and have in place the resources to give more people access to the latest treatment options.

This is why the Charity's £50-million appeal to build The Clinical Care and Research Centre (CCRC) at our Sutton hospital is so important. When it opens its doors in 2021, it will grow clinical capacity by 40%, which will allow The Royal Marsden to see thousands more patients every year.

In the new centre, patients will be brought together with over 300 clinical researchers, something that's never happened before in one building. This will help to speed up the translation of world-leading research into breakthroughs in patient treatment and care.

Central to the design of this innovative building is an ambition to nurture collaboration at every level. For example, on the upper floors of the centre clinical research teams will work together in purpose-built spaces which encourage communication across different tumour specialities. This will allow many experts to share their latest findings and knowledge with research colleagues they wouldn't normally see during their working day.

### Designed to meet everyone's needs

With construction of the CCRC due to start in 2019, The Royal Marsden appointed architects and held a series of workshops and meetings with patients, carers and health professionals in 2016/17. These activities are helping to shape how the centre will look and work so it provides the best possible environment for patients and encourages collaboration between research teams.

"The number of people predicted to get cancer is expected to rise to 1 in 2 in the coming years. We need to ensure we can meet the increasing demand for our services. The state-of-the-art CCRC in Sutton will increase our capacity, allowing us to see more patients in modern and comfortable areas. It will create a culture of discovery and innovation and speed up the transformation of world-leading research into breakthroughs in patient care. The centre will help equip us for the future and give thousands of people hope for tomorrow."

Professor David Cunningham, Director of Clinical Research.

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Since HRH The Duke of Cambridge launched our CCRC appeal in November 2015 we have made great progress, reaching **£6.5 million** in cash donations and pledges.



Artist's impression of the Clinical Care and Research Centre. The new centre will place world-leading researchers with a high volume of the most challenging and rare cancer cases, in the same physical space. By putting patient care firmly at the heart of our research, one will constantly inform the other, giving us much greater patient insight.



## Plans for future periods

### Future direction

**With the number of people diagnosed with cancer continuing to grow, The Royal Marsden must provide greater access to new clinical trials, better equipment and more effective and personalised treatments.**

As a leading specialist cancer centre, The Royal Marsden plays a pivotal role in the national and international delivery of novel cancer treatments, which has an ever increasing focus on the provision of truly personalised cancer therapies.

To continue to build on its history of innovation and ability to offer more patients the very latest in cancer research, treatment and care, The Royal Marsden must innovate, adapt and develop at an unprecedented pace.

The Royal Marsden has four strategic priorities in its five-year plan (2014/15 to 2018/19):

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

The Royal Marsden Cancer Charity is playing a vital role in helping The Royal Marsden deliver impact across these four priority areas. A year ago we devised and launched our three-year fundraising strategy, which aims to help us evolve and grow in line with the ambitions of the hospital.

This strategy lays out our clear ambition for growth and the relevant investment required, which is reflected in our financial plan. We believe our fundraising income will grow from £19.2 million in 2016/17 to £19.8 million in 2017/18.

A year into our plan, we are confident our strategy is delivering well against our overall objectives. Therefore, we remain committed to the key priorities identified for the remainder of the strategy. We will continue to work in partnership with the hospital to meet their needs and support them in the provision of equipment, patient environments, research and treatment and care.

We have developed a 2017/18 business plan that defines key objectives we need to deliver next year to make sure we remain on course to achieving our three-year strategic priorities.

The next section outlines key priorities for the future, gives our overall aims for the three-year strategy and describes the steps we will take between April 2017 and March 2018.

### Fundraising activities

In 2017/18 the Charity enters into the second year of our current three-year strategy. The strategy clearly sets out how we want to evolve and deliver significant growth that remains firmly rooted in meeting the needs of The Royal Marsden.

Over the next financial year we plan to raise £19.6 million from donations and legacies (11% more than in 2016/17) and keep our average cost-to-income ratio below 23%. To do this, we will focus on the following six strategic priorities:

1. Deliver a successful appeal for the CCRC.
2. Develop and implement a legacy stewardship and marketing strategy.
3. Create a best-in-class stewardship programme for all our supporters.
4. Grow our supporter base.
5. Raise our profile within the hospital and then extend our reach beyond our patient network.
6. Put digital at the heart of our activities.

**Deliver a successful appeal for The Clinical Care and Research Centre**  
As we enter year two of our appeal we're pleased to report that we have exceeded the income target set for this point.

However, we know there's still a long way to go. In 2017/18 we will work closely with our newly established Appeal Board to make sure we remain on track to meet our overall target.

Three-year strategy	One-year business plan for 2017/18
The primary objective of our CCRC appeal is to raise £50 million over the course of the appeal.  Delivering the appeal will provide focus to the Charity's major gift fundraising activity, lead to a significant uplift in income and help us engage with major philanthropists in a targeted way.	Continue to work closely with our CCRC Appeal Board members, providing them with marketing materials and engagement opportunities.
	Secure a headline eight-figure gift for our CCRC Appeal.
	We will receive 1:100 scale plans from which we can establish ways to recognise the support of our donors.
	Following the activation of our PR plan for the appeal in 2015/16, we will continue to deliver against this plan, growing vital awareness.

**Develop and implement a legacy stewardship and marketing strategy**  
Legacy giving is a key priority for the Charity. In the year ahead, we will be building the foundations of a legacy programme that raises awareness and engages new and existing supporters who are interested in legacy giving.

Given the emotional nature of thinking about leaving a legacy, we will closely collaborate with and support anyone who is generous enough to consider supporting us in this way.

Three-year strategy	One-year business plan for 2017/18
The Charity will implement a five-year strategic plan for legacy fundraising which will raise awareness and develop engagement activities that carefully consider the journeys our supporters have with us.	This year we will complete our five-year strategic plan for legacy fundraising and deliver the first stage of our programme to increase awareness of this type of giving.
	Develop new materials which convey our new legacy message and the importance of this type of giving for the Charity.
	Continue to develop relationships with executors and local solicitors so they become increasingly aware of our Charity and how legacy gifts can help The Royal Marsden do even more for people diagnosed with cancer and their families.
	Expand the team by recruiting a Legacy Officer to support the administration of legacy gifts and build relationships with local solicitors.

**Develop a best-in-class stewardship programme for all our supporters**  
Gaining, maintaining and enhancing support for our Charity is fundamental to its growth and ability to provide greater funding to vital projects at The Royal Marsden.

Therefore, we will continue to review our stewardship activities to improve the way we engage and communicate with our audience.

In particular, we’ll aim to cultivate even greater loyalty among our existing supporters to inspire them to keep supporting the Charity.

Three-year strategy	One-year business plan for 2017/18
To deliver a sector-leading recruitment and stewardship programme to help us attract new supporters and build long-term relationships.	Understand the different motivations of our supporters for choosing the Charity, so we can provide them with engaging and inspiring information about how they make an important difference.
	Develop compelling fundraising appeals, materials, fundraising events and other opportunities to be involved with the Charity.
	Develop and enhance the Charity’s annual Impact Report, so our supporters have a greater insight into how they help to improve the lives of cancer patients and their families.
	Ensure we produce materials and develop processes that not only adhere to regulatory requirements but also meet best practice standards.

**Growing our supporter base**  
Increasing the number of people who give to the Charity is essential to us securing long-term sustainable income. To achieve this, we will continue to develop a varied selection of fundraising opportunities and communications. It’s important we have, and continue to develop, a meaningful two-way relationship with our supporters and communicate with them in a way that meets their needs. Then, in the future, we’ll develop ways to reach out to a wider group of people and engage them with the Charity and the work we fund at The Royal Marsden.

Three-year strategy	One-year business plan for 2017/18
To secure long-term sustainable funding, it’s essential we focus on retaining our existing individual supporters and optimising their contribution.  To do this, we will place the effective management of our supporters at the heart of everything we do and create engaging, rewarding and enjoyable interactions with the Charity.  We need to retain and increase our number of volunteers. As well as supporting our fundraising, they often act as ambassadors for the Charity in their communities.	Ensure our supporters are at the heart of everything we do by developing a greater understanding of the different ways they engage with us, and by communicating with them in a way that’s right for each individual.
	Review and improve our current in memory fundraising processes and develop better products, technology and communications in this area.

**Raising our profile within the hospital and then extending our reach beyond our patient network**  
The most successful hospital charities attribute much of their success to building close relationships with hospital staff who understand the work of the associated charity and are equipped to act as ambassadors for it. Therefore, we need to ensure that all staff at The Royal Marsden are aware of our Charity and how we support the hospital to improve the lives of their patients.

We also need to increase awareness of our Charity amongst The Royal Marsden’s patients and their families. We want everyone who comes to the hospital to recognise who we are, understand what we do and know that supporting The Royal Marsden Cancer Charity can make a huge difference to the lives of cancer patients at The Royal Marsden and beyond.

Three-year strategy	One-year business plan for 2017/18
We need to refresh the Charity’s presence in the hospital and tell our story in a clear and compelling manner. With 50,000 patients, plus their families and friends, visiting The Royal Marsden each year, there is huge potential for us to recruit a large number of supporters from this group of people, who are likely be particularly warm to the Charity.  To ensure sustained growth, we cannot purely recruit from within our hospitals. We also need to reach out to a wider audience. Therefore, we will focus on securing support from people who live in areas close to our hospitals, as they will have a strong awareness of The Royal Marsden.  We need to engage hospital staff about the vital role the Charity plays for The Royal Marsden’s patients so they become ambassadors for the Charity. We need to provide the information and advice staff need to feel confident when discussing the Charity and handling patients’ questions about our work.  Celebrities can increase media coverage of our Charity and the hospital, which results in many more people finding out about our work. We will work to develop and mature our celebrity stewardship programme, so celebrities have more opportunities to become involved with the Charity.	Develop strong relationships with hospital staff by providing regular briefings and updates on how their involvement has helped the Charity to fundraise successfully.
	Support clinicians to build relationships with donors, so they feel engaged with and actively involved in the work of the Charity.
	We will raise the profile of the Charity across the hospital sites in a tangible way which subsequently encourages staff, patients and their family and friends to support the Charity.
	Develop a comprehensive celebrity acquisition and stewardship strategy which focuses on providing celebrities with a wide range of opportunities to become involved with all areas of the Charity’s work.

Putting digital at the heart of our activities

Over the past few years digital has become increasingly important at The Royal Marsden Cancer Charity and we are increasingly active in the digital space across web and social. Significant development of all our digital platforms is underway to improve the experience of our supporters online, with the delivery of a new website and email system. This is a large project for the organisation with the potential to significantly influence the amount we can raise through our digital activity.

Three-year strategy	One-year business plan for 2017/18
We need to develop our digital infrastructure to make sure our digital services, e.g. website, social media and email perform as intended and deliver high-quality experiences to all our supporters.  We also need to make the most of the opportunities our digital services provide to increase our income and awareness of our Charity.	Launch a new Charity website that's focused on the needs of our supporters and makes it easy for them to give online and access information about how they are helping to make a difference.
	Roll out a digital strategy that supports organisational objectives and allocates resources to areas of work that have the greatest opportunity of driving income generation.
	Gather feedback from supporters and evaluate digital analytics to continuously improve our digital services and communications. This will help us meet our supporters' needs and attain the outcomes the Charity desires.

Charitable activities

We have a number of charitable activities planned for next year, some of which are new and some of which are part of ongoing projects that are already established.

Below, we have highlighted our main aims for the next financial year that will help us support the overarching priorities of The Royal Marsden.

Research

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

Continue to fund the work of our Paediatric Drug Development team. There is significant need for new paediatric oncology drugs to improve childhood and adolescent cancer survival as well as reduce long term side effects. The Royal Marsden Cancer Charity will support this world-leading team by funding the vital posts which ensure the successful running of this programme.

Equipment

Enable the purchase and development of the latest technology and equipment at The Royal Marsden, giving patients access to leading cancer treatments.

Patient environments

Continue to deliver our largest ever appeal to build The Clinical Care and Research Centre and support the hospital as it embarks on the planning process by signing off on 1:100 and 1:50 scale designs and beginning the process for gaining planning consent.

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

Treatment and care

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

For example, the charity provides funding to the palliative care teams, supporting the Hospital to Home Service. This service is unique to The Royal Marsden and seeks to establish the wishes of patients no longer receiving anti-cancer treatments to ensure they can spend their final days in their preferred place.

Governance activities

We are committed to providing the people who support the Charity with an excellent experience. To achieve this throughout 2017/18, we will continue to stay up-to-date on all legal and regulatory requirements and do all we can to not only adhere to standards but also apply best practice.

We will also continue to review our practices and policies in close reference to new guidelines released by the Information Commissioner's Office (ICO) and Fundraising Regulator. This will include making appropriate changes so our supporter care and communications meet best practice.



# Financial review

## Financial performance

### Income

Total income for the year was £19.2 million (2015/16: £16.2 million). This included donations for the year of £14.6 million (2015/16: £10.4 million) and legacies of £2.0 million (2015/16: £3.9 million). There were also grants receivable of £1.0 million (2015/16 £0.1 million) and investment income of £1.3 million (2015/16 £1.4 million). The remaining income of £0.3 million (2015/16 £0.4 million) relates to the trading and other miscellaneous income.

Income also includes donated gifts and services totalling £48k (2015/16: £61k). These gifts related to items kindly donated and given directly to the Oak Centre for Children and Young People and donated goods and services to support fundraising activities particularly The Marsden March.

### Expenditure

There was expenditure during the year of £34.1 million (2015/16: £17.9 million), which included £26.7 million of grants committed or paid directly to The Royal Marsden for key projects (2015/16: £12 million). This includes a £3.5 million grant made towards equipment, a £4.5 million grant for the quality of services to patients, a £3.2m grant for paediatric drug development and a five year grant of £15 million for research.

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 17.7% of income from donations and legacies.

During the year there was a major refurbishment of Stewarts' House. Costs of £936k were incurred, of which £734k has been included in charitable expenditure because the asset is used by the Charity. The remaining £202k has been included within tangible fixed assets because it is capital in nature.

### Financial position

There were investment gains during the year of £14.9 million (2015/16 £0.5 million), and overall increase in voluntary income. This resulted in a marginal deficit in the net movement in funds for the year of £46k (2015/16: deficit £1.2 million).

The Royal Marsden Cancer Campaign Trading Company Limited is the Charity's trading subsidiary and had a turnover of £200k for the year (2015/16: £172k). The profit of £101k (2015/16: £88k) will be paid to the Charity under the Gift Aid scheme. Further details can be found in note 14 to the financial statements.

The Charity ended the year with reserves of £87.8 million (2015/16: £87.8 million) of which £35.0 million (2015/16: £26.2 million) was restricted and £52.8 million (2015/16: £61.6 million) was unrestricted. Within unrestricted funds, designated funds were £38.1 million (2015/16: £44.8 million) and general funds were £14.7 million (2015/16: £16.8 million). This year there are no designated funds in deficit relating to on-going appeals (2015/16: £4.4 million in deficit). Details of restricted and designated funds can be found in note 21 to the financial statements together with an analysis of movements in the year.

## 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 £14.7 million at the year end, which are £4.7 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 performance

The majority of the investment portfolio is held across three longer-term investments managed by Egerton Capital (UK) LLP, Lansdowne Partners Limited and Kiltearn Partners LLP. These are held to support the long term objectives of the Charity. The remaining 16% is held by Sarasin and Partners which is a conservatively managed portfolio to support the short to medium term needs of the Charity.

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

Investment	Performance	Benchmark
Sarasin & Partners portfolio	18.2%	19%
Egerton Capital Equity Fund plc Class A Sterling	34.7%	32.2%
Lansdowne Developed Markets Long Only Fund Class A	2.4%	32.2%
Kiltearn Partners LLP	N/A*	

\* The investment in Kiltearn Partners LLP took place on 29 March 2017.

The performance of Lansdowne has been noted and discussed by the Investment Committee and is not causing concern due to the known long term nature and associated performance of the investment.

Our freehold investment properties are subject to a triennial professional revaluation which was last completed in September 2014 providing an open market valuation of £5.87 million. Subsequent to this, the Charity received, by way of transfer in February 2015, the generous gift of a residential property adding a further £0.85 million to the valuation of our property portfolio. Our Trustees do not believe these total market values to have changed significantly since those valuation dates.

Rental yields varied between 1.3% and 7.2%, depending on the nature of the property and the tenancy.

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 desired 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.

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 high quality liquidity funds or in top tier 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 portfolio of fixed income assets, 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:

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).

**Kiltearn Partners LLP**

On the 15 March 2017, the Board agreed the recommendation of the Investment Committee to appoint Kiltearn Partners LLP to manage £18.3m of the Charity’s investment portfolio.

The Charity continues to diversify its investment portfolio in keeping with its investment strategy and also the market and environment.

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. Those properties of strategic importance and which are occupied by either the The Royal Marsden NHS Foundation Trust or the Charity are reclassified as tangible fixed assets.

During the year, the Trustees resolved to stop charging rent to the Hospital for the use of property owned by the Charity. Instead, the Charity will enter into full repairing leases with the Hospital from 1 April 2017. Permission for this change has been sought and approved by the Charity Commission.

**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.

**Implementation of the EU General Data Protection Regulation (GDPR) in May 2018, the introduction of the Fundraising Preference Service, the economic environment and an increasingly 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.

Ian Molson stepped down on 30 November 2016 and Charles Alexander took up this role on 1 December 2016.

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 four times, and additionally considered specific items via email and conference telephone calls, during the year ended 31 March 2017. No Trustee received any remuneration from the Charity during the period (2015/16: £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 4–24).

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. The Associate Director left the Charity in January 2017 and a successor has been appointed and takes up the position from July 2017 as Associate Director, Finance and Operations.

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

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

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

Key management personnel are detailed on page 45 and 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.

### Protection and Social Investment

This covers the management and control of fundraising with regard to supervising fundraising, protecting the charity's reputation, money and other assets, following fundraising laws and regulation, adhering to recognised standards for fundraising and being open and accountable.

No professional fundraiser or commercial participator carried out any fundraising activities for the Charity.

The Charity is a registered member of the Fundraising Regulator and as such agrees to the commitment made to donors and the public as set out in our Fundraising Promise. In line with the Institute of Fundraising's 'Treating Donors Fairly – Understanding Vulnerability' guidance The Royal Marsden Cancer Charity has updated its policy for safeguarding people in vulnerable circumstances.

The number of complaints received by the charity in the financial year was 19 and these were all resolved satisfactorily within the timetable set out in our Complaints Policy.

Relationships with related parties

The Royal Marsden NHS Foundation Trust (The Royal Marsden)

The Royal Marsden provides staff and a number of services to the Charity, which are recharged under a contractual agreement. The total amount payable to The Royal Marsden under the formal agreement for the year was £2,290,014 (2015/16: £2,093,410) with an additional £38,944 (2015/16: £61,907) in relation to other ancillary services.

In addition The Royal Marsden pays other expenses on behalf of the Charity. These amounts due as at 31 March 2017 totalled £456,291 (2015/16: £408,753), excluding grants payable and are reflected in note 19.

The Charity makes grants to The Royal Marsden under its objects. Grants and revenue funding awarded to The Royal Marsden NHS Foundation Trust during the year were £26.7 million (2015/16: £11.8 million). Grants payable owed to The Royal Marsden as at 31 March 2017 totalled £25.7 million (31 March 2016: £17.4 million).

The Charity has provided an interest free loan of £226k (2015/16: £226k) to The Royal Marsden to provide support to their staff for season tickets, bicycle purchases and staff award ceremony tickets. The amount and terms of the loan are reviewed and renewed annually.

As at 31 March 2017, three 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 44). 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).

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

The Charity now manages the assets, liabilities and functions of The Royal Marsden Hospital Charity as detailed in note 16. The Charity holds listed investments on behalf of The Royal Marsden Hospital Charity in relation to these funds and the amount due to The Royal Marsden Hospital Charity at 31 March 2017 totalled £78,390 (2015/16: £78,390).

Royal Marsden Cancer Campaign Trading Company Limited

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

Egerton Capital (UK) LLP

The Charity's investment portfolio includes an investment in Egerton Capital's Equity Fund plc Class A Sterling. In July 2013, £21 million was invested in an arm's length transaction and no further purchases or sales of shares have taken place since this time. The son of Mr R. Ian Molson, Trustee and Chairman of the Charity during the year, works in a senior investment management capacity at Egerton Capital. Recognising this inherent conflict he excluded himself from discussions and decisions in relation to this investment prior to stepping down on 30 November 2016.

The Institute of Cancer Research, London (ICR)

Many of our clinicians work very closely, and have joint appointments, with our academic partner, The 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

A restricted donation of £0.5 million was received by the Charity from a Trustee (2015/16: £nil). There were no donations without conditions attached received during the year from a Trustee or related party (2015/16: £46,753).

## 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 £4,950 (2015/16: £4,770) and provides cover of up to a maximum of £5 million (2015/16: £5 million).

Approved by the Trustees on 26 September 2017 and signed on their behalf by Cally Palmer:



*C 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	Lansdowne Partners Ltd 15 Davies Street London W1K 3AG
	Egerton Capital (UK) LLP Stratton House Stratton Street London W1J 8LA	Kiltearn Partners LLP 3 Exchange Street 3 Semple Street Edinburgh EH3 8BL
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 2017 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> (stepped down 30 November 2016)
Charles Alexander	Chairman, The Royal Marsden NHS Foundation Trust <i>Ex-officio Trustee</i> (appointed 1st December 2016)
Cally Palmer CBE	Chief Executive, The Royal Marsden NHS Foundation Trust <i>Ex-officio Trustee</i>
Professor Martin Gore CBE	Consultant Medical Oncologist, 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>
Douglas Flint CBE	<i>Elected Trustee</i> (appointed 16 January 2017)
Emmanuel Roman	<i>Elected Trustee</i> (resigned 31 August 2016)
Sir John Rose	<i>Elected Trustee</i> (resigned 13 Feb 2017)
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, Chairman (appointed 1 September 2016)
- R. Ian Molson (stepped down 30 November 2016)
- Cally Palmer CBE
- Douglas Flint (appointed 15 March 2017)
- Charles Alexander (appointed 1 December 2016)

Senior management

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

Senior manager	Capacity
Antonia Dalmahoy	Director
Marcus Thorman	Company Secretary, The Royal Marsden Cancer Charity (Chief Financial Officer, The Royal Marsden NHS Foundation Trust)
Jane Gregory	Associate Director, Charity Administration (resigned 13 January 2017)
Linda Cherrington	Associate Director, Finance and Operations (appointed 10 July 2017)
Antonia Newman	Associate Director, Philanthropy (appointed 1 October 2016)

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

**We have audited the financial statements of The Royal Marsden Cancer Charity for the year ended 31 March 2017 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 2017 and of the group’s income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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; and
- the Trustees’ report (including the strategic report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 (including the strategic report).

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.



Shachi Blakemore

Senior Statutory Auditor for and on behalf of Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL  
11 October 2017

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

For the year ended 31 March 2017

	Note	2017			2016
		Unrestricted funds	Restricted funds	Total funds	Total funds
		£'000	£'000	£'000	£'000
Income from:					
Donations and legacies	2	8,493	9,057	17,550	14,457
Trading activities	3	189	–	189	161
Investments	4	643	631	1,274	1,343
Other		3	134	137	207
Total income		9,328	9,822	19,150	16,168
Expenditure on:					
Raising funds	5	3,095	14	3,109	2,769
Investment management costs	5	196	140	336	299
Trading activities	5	75	–	75	52
Charitable activities					
Charitable support of the hospital	6	26,023	2,118	28,141	12,471
Research	7	28	1,743	1,771	1,979
Patient Amenities	8	32	504	536	237
Staff Amenities	9	4	161	165	118
		26,087	4,526	30,613	14,805
Total expenditure		29,453	4,680	34,133	17,925
Net gains on investments					
Net gains on investments	16	11,092	3,845	14,937	542
Net (expenditure)/income	13	(9,033)	8,987	(46)	(1,215)
Transfers between funds					
Transfers between funds	21	215	(215)	–	–
Net movement in funds		(8,818)	8,772	(46)	(1,215)
Reconciliation of funds					
Total funds brought forward at 1 April	21	61,637	26,221	87,858	89,073
Total funds carried forward at 31 March	21	52,819	34,993	87,812	87,858

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

See note 26 for comparative statement of financial activities.



Balance sheets

As at 31 March 2017

	Note	Group		Charity	
		2017	2016	2017	2016
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	15	11,464	11,330	11,464	11,330
Investments	16	94,244	83,611	94,244	83,611
		105,708	94,941	105,708	94,941
Current assets					
Stocks	17	36	42	–	–
Debtors	18	3,562	4,524	3,660	4,573
Cash at bank and in hand		4,992	6,462	4,918	6,444
Total Current Assets		8,590	11,028	8,578	11,017
Liabilities					
Creditors: amounts falling due within one year	19	(7,933)	(15,535)	(7,921)	(15,524)
Net current assets/(liabilities)		657	(4,507)	657	(4,507)
Total assets less current liabilities		106,365	90,434	106,365	90,434
Creditors: amounts falling due after one year	20	(18,553)	(2,576)	(18,553)	(2,576)
Total net assets		87,812	87,858	87,812	87,858
The funds of the Charity		21			
Restricted income funds					
Restricted funds		35,093	26,467	35,093	26,467
Restricted funds in deficit		(100)	(246)	(100)	(246)
		34,993	26,221	34,993	26,221
Unrestricted income funds					
General funds		14,729	16,807	14,729	16,807
Designated funds:					
Tangible fixed assets fund		11,464	11,330	11,464	11,330
Investment properties fund		5,871	5,871	5,871	5,871
Grants fund		9,255	20,502	9,255	20,502
Other designated funds		11,500	7,127	11,500	7,127
Total Charity funds	21	87,812	87,858	87,812	87,858

The financial statements on pages 49–76 were approved and authorised for issue by the Board of Trustees on 26 September 2017, and were signed on its behalf by:

  
**Cally Palmer CBE**  
Trustee and Director  
Company no. 04615761  
Charity no. 1095197

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

Consolidated cash flow statement

For the year ended 31 March 2017

	Note	2017	2016
		£'000	£'000
Cash flows from operating activities			
Net cash (used in) operating activities	A	(6,845)	(160)
Cash flows from investing activities			
Dividends, interest and rent from investments		1,274	1,343
Proceeds from sale of investments		35,999	14,063
Interest payable		–	(1)
Payments to acquire tangible fixed assets		(203)	
Purchase of investments		(30,291)	(13,305)
Net cash provided by investing activities		6,779	2,100
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at 1 April	B	8,727	6,787
Cash and cash equivalents at 31 March	B	8,661	8,727
A. Reconciliation of net (expenditure) to net cash flow from operating activities			
Net (expenditure) for the reporting period (as per the statement of financial activities)		(46)	(1,215)
Adjustments for:			
Depreciation charges		68	58
(Gains) on investments		(14,937)	(542)
Dividends, interest and rents from investments		(1,274)	(1,343)
Decrease/(increase) in stocks		6	(1)
Decrease in debtors		962	393
Increase in creditors		8,375	2,489
Interest payable		–	1
Net cash used in operating activities		(6,845)	(160)
B. Analysis of cash and cash equivalents			
Cash in hand		4,992	6,462
Cash held by investment managers		3,669	2,265
Total cash and cash equivalents at 31 March		8,661	8,727

# Notes to the financial statements

for the year ended 31 March 2017

## 1. Principal accounting policies

### a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommend 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 reserves and risk management sections on pages 33 and 37 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) Income

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

### Legacies

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

- confirmation has been received from the representatives of the estate(s) that probate has been granted;
- the executors have established that there are sufficient assets in the estate to pay the legacy; and
- 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.

### c) 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 10. 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 10.



- 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, 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 10.

#### **d) Tangible fixed assets**

Tangible fixed assets are initially recognised at their transaction value. 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. 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.

#### **e) Fixed asset investments**

Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. Investment properties are revalued to market value every three years unless there is a possibility of a material movement in the valuation. The last valuation took place in September 2014. 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 16.

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.

#### **f) Stocks**

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

#### **g) Debtors**

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

#### **h) Cash and cash equivalents**

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

#### **i) Creditors**

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

#### **j) Realised gains and losses**

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

#### **k) Restricted funds**

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

#### **l) Designated funds**

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

#### **m) 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. Donations and legacies

	2017			2016
	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Donations	6,456	8,101	14,557	10,407
Legacies	1,989	(34)	1,955	3,889
Grants receivable	–	990	990	100
Donated goods and services	48	–	48	61
	8,493	9,057	17,550	14,457

3. Trading activities

	2017			2016
	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Activities of the trading company	189	–	189	161

4. Investments

	2017			2016
	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Income from listed investments	258	631	889	854
Rental income from tangible fixed assets	229	–	229	254
Rental income from investment properties	151	–	151	229
Interest receivable	5	–	5	6
	643	631	1,274	1,343

5. Raising funds and investment management costs

	2017			2016
	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Raising funds				
Fundraising costs	836	5	841	703
Outsourced fundraising costs	221	2	223	341
Marketing and consultancy	282	7	289	272
Donated goods and services	–	–	–	41
Support costs	1,756	–	1,756	1,412
	3,095	14	3,109	2,769
Fundraising activities				
Costs of goods sold and other costs	75	–	75	52
	3,170	14	3,184	2,821
Investment management costs				
Investment managers' fees	55	140	195	181
Investment properties' management costs	132	–	132	103
Support costs	9	–	9	15
	196	140	336	299

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 25).



6. Charitable support of the hospital

	2017			2016
	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Capital Projects				
Centre for Clinical Care and Research	–	–	–	3,500
Equipment grants:				
Truebeam linear accelerator	–	–	–	4,500
Truebeam linear heads	634	–	634	–
Fluoroscopy and X-Ray	600	–	600	–
Mammograph Senographs	486	–	486	–
Planning CT	1,780	–	1,780	–
Grants underspent	–	(13)	(13)	(183)
	3,500	(13)	3,487	7,817
Other grants				
Building workforce excellence	–	–	–	3,994
Paediatric Drug Development	3,670	–	3,670	–
Advancing Clinical and Translational research	12,869	2,131	15,000	–
Quality of Services to Patients	4,500	–	4,500	–
Other grants	–	–	–	–
	21,039	2,131	23,170	3,994
Depreciation of properties used in futherance of charitable activity	56	–	56	49
Refurbishment of Stewarts' House	734	–	734	–
Support costs	694	–	694	611
	26,023	2,118	28,141	12,471

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.

During the year there was a major refurbishment of Stewarts' House following the reclassification during 2015/16, from an investment property to a tangible fixed asset, for use by the Charity and the Hospital.

7. Research

	2017			2016
	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Revenue funding to the hospital	–	214	214	371
Other expenditure:				
Recharged staff costs	(4)	902	898	1,209
Laboratory and consumables costs	–	153	153	43
Research support and facilities	(13)	474	461	257
Support costs	45	–	45	99
	28	1,743	1,771	1,979

8. Patient amenities

	2017			2016
	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Patient support and facilities	–	504	504	206
Donated goods and services	–	–	–	20
Support costs	32	–	32	11
	32	504	536	237

9. Staff amenities

	2017			2016
	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Staff support and facilities	–	161	161	112
Support costs	4	–	4	6
	4	161	165	118

10. Support costs

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

	Raising funds	Investment Management Costs	Charitable Support of the hospital	Research	Patient amenities	Staff amenities	2017 Total	2016 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Note	5	5	6	7	8	9		
Office facilities	203	1	80	5	4	–	293	278
Financial administration	844	4	334	22	15	2	1,221	853
Management support	236	1	93	6	4	1	341	238
IT support	46	1	18	1	1	–	67	41
HR support	99	–	39	3	2	–	143	82
Marketing and PR support	328	2	130	8	6	1	475	662
	1,756	9	694	45	32	4	2,540	2,154

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

11. Staff costs and Trustees’ remuneration

11a. Staff Costs

The Charity does not employ any staff directly. All staff working for the Charity are employed by The Royal Marsden NHS Foundation Trust and supplied to the Charity through a Service Level Agreement. There are 35 staff (equivalent to 33.6 full time) who work exclusively for the Charity. There is additional staff resource to support the Charity (equivalent to 6.2 full time) and the proportion of these individuals time is provided by the hospital and recharged to the Charity.

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:

	2017	2016
	£'000	£'000
Charity and Group		
Wages and salaries	1,712	1,493
Social security costs	185	91
Other pension Costs	197	133
	2,094	1,717

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	
	2017	2016	2017	2016
Fundraising	49	41	32.3	30.1
Charitable activities	1	2	0.6	1.0
Support	29	22	6.9	8.2
	79	65	39.8	39.3

The total number of employees whose emoluments for the year (not including pension contributions) exceeded £60,000, relates to two of the four members of the senior management team (listed on page 45) are as follows:

	2017	2016
	£'000	£'000
Charity and Group		
£60,001 – £70,000	–	1
£70,001 – £80,000	–	–
£80,001 – £90,000	1	–
£100,001 – £110,000	–	1
£110,001 – £120,000	1	–
	2	2



Both employees accrued benefits under the defined contributions pension schemes (2016: 2) and payments to defined contributions schemes totalled £28k (2016: £12k).

The total amount of employee benefits, being gross salary and employer’s pension contribution, received by the key management personnel listed on page 45 was £280k (2015/16: £230k).

The Charity makes payments to agency staff where additional temporary staff are required. For the year ended 31 March 2017 the total payments made by the Charity in respect of agency staff totalled £56k (2015/16: £29k).

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

11b. Pension Costs

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

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

i. Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2017, is based on valuation data as 31 March 2016, updated to 31 March 2017 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

ii. Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next full actuarial valuation is to be carried out as at 31 March 2016. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this ‘employer cost cap’ assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

Pension payments recognised as an expense during the year amount to £197k (2015/16: £133k).

11c. Trustee expenses

The Charity Trustees neither received nor waived any emoluments during the year (2015/16: £nil). Trustees also were not reimbursed for any out of pocket expenses (2015/16: £nil). Trustee indemnity insurance is held at a cost of £5k (2015/16: £5k).

12. 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.

13. Net expenditure/income

This is stated after charging:	Unrestricted	Restricted	2017 Total	2016 Total
	£'000	£'000	£'000	£'000
Auditor’s remuneration				
Statutory audit services	17	–	17	18
Non audit services	3	–	3	3
Finance lease interest	–	–	–	1

14. Results of the subsidiary company

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

Audited financial statements are filed with the Registrar of Companies, and below is a summary of the trading results for the year ended 31 March 2017:

	2017	2016
	£'000	£'000
Profit and loss account		
Turnover	200	172
Cost of sales	(85)	(64)
Gross profit	115	108
Administrative expenses	(13)	(19)
Operating profit	102	89
Interest payable	(1)	(1)
Profit on ordinary activities before Gift Aid	101	88
Gift Aid payable to the Charity	(101)	(88)
Profit for financial year	-	-
The Company's assets and liabilities were as follows:		
Assets	162	115
Liabilities	(162)	(115)
Net assets	-	-

The entire issued share capital of Royal Marsden Cancer Charity Trading Company Limited, totalling £2, is held by the Charity (see note 15).

15. Tangible fixed assets

	Group		Charity	
	Land and buildings		Land and buildings	
	2017 Total	2016 Total	2017 Total	2016 Total
	£'000	£'000	£'000	£'000
Cost				
Cost as at 1 April	11,443	8,869	11,443	8,869
Additions	202	-	202	-
Transfers	-	2,574	-	2,574
At 31 March	11,645	11,443	11,645	11,443
Accumulated depreciation				
Depreciation as at 1 April	(113)	(55)	(113)	(55)
Depreciation for the current year	(68)	(58)	(68)	(58)
At 31 March	(181)	(113)	(181)	(113)
Net book value				
At 31 March	11,464	11,330	11,464	11,330

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.



16. Investments

	Note	Group		Charity	
		2017	2016	2017	2016
		£'000	£'000	£'000	£'000
Freehold investment properties		5,871	5,871	5,871	5,871
Listed investments and cash held for investments		88,373	77,740	88,373	77,740
Investment in trading subsidiary	14	-	-	-	-
		94,244	83,611	94,244	83,611

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

	Listed investments	Investment properties	2017 Total	Listed investments	Investment properties	2016 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Market value at the beginning of the year	75,475	5,871	81,346	75,691	8,445	84,136
Add: purchases at cost during the year	30,291	-	30,291	13,305	-	13,305
Less: disposal proceeds	(35,999)	-	(35,999)	(14,063)	-	(14,063)
Less: transfer to tangible fixed assets	-	-	-	-	(2,574)	(2,574)
Realised (losses)*	(629)	-	(629)	(149)	-	(149)
Unrealised gains*	15,566	-	15,566	691	-	691
Market value at the end of the year	84,704	5,871	90,575	75,475	5,871	81,346
Cash held with investment managers	3,669	-	3,669	2,265	-	2,265
Total	88,373	5,871	94,244	77,740	5,871	83,611
Historic cost (excluding cash held with investment managers)	67,508	851	68,359	66,764	851	67,615

\*£78,390 (2016: £78,390) of listed investments relate to the endowment funds of The Royal Marsden Hospital Charity which is included within creditors falling due within one year. Included within total realised and unrealised gains are losses of £3,253 (2016: £15,329) and gains of £39,274 (2016: £6,149) relating to The Royal Marsden Hospital Charity endowment funds.

These gains and losses are restricted funds held for distribution in accordance with the original endowment terms.

The freehold investment properties are subject to a programme of periodic revaluation and were last professionally revalued by Gerald Eve, Chartered Surveyors in September 2014 on the basis of open market value as at that date.

The Trustees are satisfied that the market value as at 31 March 2017 has not moved materially since the September 2014 valuation.

	2017	2016
	Total	Total
	£'000	£'000
Unrealised gains included above:		
On listed investments	17,196	8,711
On investment properties	5,020	5,020
On tangible fixed assets	11,248	11,316
Total unrealised gains at 31 March	33,464	25,047
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 April	25,047	26,775
Less: in respect to disposals in the year	(6,520)	(2,270)
	18,527	24,505
Add: net investment gains in the year	14,937	542
Total unrealised gains at 31 March	33,464	25,047

Fixed asset investments are valued at market rate at the balance sheet date. The significance of such investments to the on-going 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 2017 comprised the following:

	2017	2016
	£'000	£'000
Corporate bonds	6,369	7,790
Equities	340	18,459
Government bonds	6,621	4,521
UK equities funds	71,018	43,083
Other	355	1,622
	84,703	75,475
Investments assets in the UK	83,878	57,546
Investments assets outside the UK	825	17,929
	84,703	75,475

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

	2017	2016
	£'000	£'000
Egerton Capital Equity Fund plc Class A Stg	35,486	26,341
Lansdowne Developed Markets Long Only Fund Limited Class A GBP	17,138	16,742
Kiltearn Partners LLP	18,393	–

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 14).

17. Stocks

	Group		Charity	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Merchandise	31	40	–	–
Christmas cards	5	2	–	–
	36	42	–	–

18. Debtors

	Group		Charity	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Prepayments and accrued income	2,992	4,078	2,993	4,078
Amounts owed by subsidiary company:				
Secured loan	–	–	50	50
Gift Aid	–	–	99	53
Other	–	–	–	–
Loan to The Royal Marsden NHS Foundation Trust	226	226	226	226
Other debtors	344	220	292	166
	3,562	4,524	3,660	4,573

All amounts included as debtors fall due within one year.

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

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



19. Creditors: Amounts falling due within one year

	Note	Group		Charity	
		2017	2016	2017	2016
		£'000	£'000	£'000	£'000
The Royal Marsden NHS Foundation Trust	25	456	409	456	409
The Royal Marsden Hospital Charity	25	78	78	78	78
Capital commitments – grants payable	24	1,732	7,487	1,732	7,487
Revenue commitments – grants payable	24	5,418	7,335	5,418	7,335
Accruals and deferred income		249	226	237	215
		7,933	15,535	7,921	15,524

20. Creditors: Amounts falling due after one year

	Note	2017	2016
		£'000	£'000
The Charity and Group			
Capital commitments – grants payable	24	2,608	713
Revenue commitments – grants payable	24	15,945	1,863
		18,553	2,576

21. Movement in funds

The Group and the Charity	2016	2017					
	At 1 April	Income	Expenditure	Realised Gains & Losses	Other Recognised Gains & Losses	Fund Transfers	At 31 March
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Restricted Funds:							
The Royal Marsden Hospital General Research Charity	21,529	4,468	(3,963)	3,791	(392)	(7)	25,426
The Royal Marsden Hospital Patient Amenity Charity	1,883	824	(311)	341	(34)	(70)	2,633
The Royal Marsden Hospital Staff Amenity Charity	742	69	(156)	114	(11)	–	758
Gottesmann Will & Ronald Raven funds	218	7	(1)	40	(4)	–	260
Children's Drug Development unit	–	100	–	–	–	(100)	–
Ellis Ward	(246)	70	13	–	–	63	(100)
Mammography senograph machines	–	42	–	–	–	(42)	–
Haemato-oncology outpatients and day unit	1	–	–	–	–	(1)	–
Robotic surgical fellowships	230	177	–	–	–	–	407
Truebeam linear accelerator	–	11	–	–	–	(11)	–
Centre for Clinical Care and Research	1,864	3,762	(12)	–	–	–	5,614
Play Specialists	–	175	(250)	–	–	70	(5)
Quality of Services to Patients – Family Support	–	105	–	–	–	(105)	–
The Rueben Foundation Imaging Centre	–	12	–	–	–	(12)	–
Total Restricted Funds	26,221	9,822	(4,680)	4,286	(441)	(215)	34,993
Unrestricted Funds:							
Designated funds:							
Tangible fixed assets fund	11,330	202	(68)	–	–	–	11,464
Investment properties fund	5,871	–	–	–	–	–	5,871
Grants fund	20,502	–	(16,747)	–	–	5,500	9,255
Centre for Clinical Care and Research	11,500	–	–	–	–	–	11,500
Truebeam linear accelerator	(4,373)	–	–	–	–	4,373	–
Total designated funds	44,830	202	(16,815)	–	–	9,873	38,090
General funds	16,807	9,126	(12,638)	–	11,092	(9,658)	14,729
Total Unrestricted Funds	61,637	9,328	(29,453)	–	11,092	215	52,819
Total Funds	87,858	19,150	(34,133)	4,286	10,651	–	87,812

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 5 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.

Children’s Drug Development Unit

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

Ellis Ward

This fund represents donations made specifically for the Ellis Ward refurbishment. The deficit arose as a result of the Trustees agreeing the full grant commitment during 2011/12 of £2.65 million. A major donor has pledged under a Memorandum of Understanding to donate the balance of the commitment shown as a deficit of £100k (2015/16: £246k) under the restricted fund.

Mammography senograph machine

Mammography senographs use x-ray to detect and diagnose breast cancer. This state of the art machine includes tomosynthesis technology which enables improved detection of small tumours and the ability to perform biopsies with much greater precision.

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 9 of the Trustees’ report: Objectives section. The fund balance of £407k, 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. The fund balance of £11k, representing fundraising appeal donations for this project, was transferred to general funds.

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 24 of the Trustees’ report for more information). The fund balance of £5.6 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. The fund balance of £105k, 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 £12k, representing fundraising appeal donations for this project, was transferred 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.

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.



22. Analysis of group net assets between funds

				2017	2016
	General funds	Designated funds	Restricted funds	Total funds	Total funds
	£'000	£'000	£'000	£'000	£'000
Group					
Tangible fixed assets	–	11,464		11,464	11,330
Fixed asset investments	38,542	26,627	29,075	94,244	83,611
Current assets	(6,390)	–	14,980	8,590	11,028
Creditors: Amounts falling due within 1 year	(1,394)	–	(6,539)	(7,933)	(15,535)
Creditors: Amounts falling due after 1 year	(16,030)	–	(2,523)	(18,553)	(2,576)
Net assets at the end of the year	14,728	38,091	34,993	87,812	87,858
Charity					
Tangible fixed assets	–	11,464		11,464	11,330
Fixed asset investments	38,543	26,626	29,075	94,244	83,611
Current assets	(6,402)	–	14,980	8,578	11,017
Creditors: Amounts falling due within 1 year	(1,382)	–	(6,539)	(7,921)	(15,524)
Creditors: Amounts falling due after 1 year	(16,030)	–	(2,523)	(18,553)	(2,576)
Net assets at the end of the year	14,729	38,090	34,993	87,812	87,858

23. 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.

24. Reconciliation of grants payable

	Note	2017		2016	
		£'000	£'000	£'000	£'000
Commitments at 1 April:					
Capital grants		8,200		3,185	
Revenue grants		9,198		10,500	
			17,398		13,685
Commitments made in the year:					
Capital grants	6	3,500		8,000	
Revenue grants	6	23,171		3,994	
			26,671		11,994
Grants paid in the year:					
Capital grants		(7,360)		(2,985)	
Revenue grants		(11,006)		(5,296)	
			(18,366)		(8,281)
Commitments at 31 March:					
Capital grants		4,340		8,200	
Revenue grants		21,363		9,198	
			25,703		17,398
Commitments at 31 March are payable as follows:					
Within one year:					
Capital grants	19	1,732		7,487	
Revenue grants	19	5,418		7,335	
			7,150		14,822
More than one year:					
Capital grants	20	2,608		713	
Revenue grants	20	15,945		1,863	
			18,553		2,576
			25,703		17,398

25. Related party transactions

Disclosure of related party transactions is provided in the Trustees’ Report – Relationships with related parties on pages 40–41. Other than the transactions disclosed in that section, there were no related party transactions during the year.

26. Prior year comparative statement of financial activities

	Note	2016		2017
		Unrestricted funds	Restricted funds	Total funds
		£'000	£'000	£'000
Income from:				
Donations and legacies	2	7,853	6,604	14,457
Trading activities	3	88	73	161
Investments	4	766	577	1,343
Other		1	206	207
Total income		8,708	7,460	16,168
Expenditure on:				
Raising funds	5	2,769	–	2,769
Investment management costs	5	186	113	299
Trading activities	5	52	–	52
Charitable activities				
Charitable support of the hospital	6	12,654	(183)	12,471
Research	7	99	1,880	1,979
Patient Amenities	8	11	226	237
Staff Amenities	9	6	112	118
		12,770	2,035	14,805
Total expenditure		15,777	2,148	17,925
Net gains on investments	16	1,757	(1,215)	542
Net (expenditure)/income	13	(5,312)	4,097	(1,215)
Transfers between funds	21	408	(408)	–
Net movement in funds		(4,904)	3,689	(1,215)
Reconciliation of funds				
Total funds brought forward at 1 April	21	66,541	22,532	89,073
Total funds carried forward at 31 March	21	61,637	26,221	87,858

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.





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# Get in touch

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

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

The Royal Marsden Cancer Charity  
For a future beyond cancer.

## Find out more

[royalmarsden.org](http://royalmarsden.org)  
020 7808 2233

## Fundraise

[royalmarsden.org/support](http://royalmarsden.org/support)  
020 7811 8478

## Volunteer

[royalmarsden.org/volunteering](http://royalmarsden.org/volunteering)  
020 8661 3391

## Donate

[royalmarsden.org/donate](http://royalmarsden.org/donate)  
020 7808 2233

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