

Annual Report and Financial Statements 2017/18





President of The Royal Marsden, HRH The Duke of Cambridge, learns about robotic surgery on a visit to Theatres in January 2018.

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Introduction

A letter from our Chairman and Managing Director

We are pleased to report another outstanding year for The Royal Marsden Cancer Charity. In 2017/18, the Charity achieved a record income of £25.3 million from donations and legacies, which has enabled us to continue to fund state-of-the-art equipment, world-leading research, treatment and care, and modern patient environments at The Royal Marsden.

We would like to thank all of our donors, whether their gift was big or small. Your contributions have helped us to support patients, their families and friends, as well as our staff across almost every area of the hospital.

We would also like to thank our marvellous team of volunteers, whose efforts and commitment make such a difference to our patients. Our thanks also go to the Charity team whose dedication and skill has produced the excellent results set out in this report.

Some of the particular highlights that are covered in more detail in this report are:

- The continuing support of the research teams at The Royal Marsden through a £15-million, five-year grant. The Royal Marsden, alongside its academic partner The Institute of Cancer Research, is ranked in the top three cancer centres in the world for the impact of its research. This grant ensures The Royal Marsden remains at the forefront of translational cancer research and can extend, improve and save more lives – not just at The Royal Marsden, but across the UK and beyond.
- The Robotic Surgery Fellowship which has enabled surgeons to train to operate robotically on tumours across multiple cancer types using our dual-console da Vinci Xi
- The early success of our fundraising appeal to build a fantastic new treatment and research facility at The Royal Marsden in Sutton. Formerly known as the Clinical Care and Research Centre, the building will now be known as the Oak Cancer Centre in recognition of our largest-ever donation of £25 million from Oak Foundation. The response from donors since the start of the appeal also enabled us to increase the research and clinical capacity of the centre by increasing the fundraising target from £50 million to £70 million.

The Royal Marsden was founded more than 165 years ago as the world's first hospital dedicated to the treatment and care of people with cancer and, unusually for its time, to research into the causes of the disease. A charitable donation enabled Dr William Marsden to build the hospital. His mission of care and research continues today.

We would like to thank everyone who makes this a reality. The people who will benefit from your generosity are cancer patients. Not only those who come through the doors of The Royal Marsden, but cancer patients across the UK, and around the world.

Thank you



Charles Alexander
Chairman
The Royal Marsden Cancer Charity



Antonia Dalmahoy
Managing Director
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 to not only the treatment and care of people with cancer but also research into the underlying causes of the disease. This vision continues through to the present day.

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

The Royal Marsden Cancer Charity

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

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

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

Charitable purpose

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

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

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

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

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

Public benefit

The Royal Marsden, as an NHS Foundation Trust, provides free healthcare at the point of delivery for members of the general public seeking cancer treatment. The overarching ambition of the hospital continues to be the provision of the best cancer treatment and care available, supported by the highest-quality research, to improve outcomes for people with cancer everywhere. 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. Together with the ICR, it is the only National Institute for Health Research (NIHR) Biomedical Research Centre (BRC) in the UK dedicated solely to cancer. The specific remit of the BRC is to facilitate rapid and effective translation of scientific findings into improved therapies that are ultimately tested in large-scale national and international trials and subsequently influence clinical practice.

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

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

Research

The issue we're tackling

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

The difference we make

The Royal Marsden runs a pioneering drug development programme of clinical trials, currently treating more than 42,000 patients – more than any other specialist centre in the UK. Working with the ICR, The Royal Marsden takes a 'bench to bedside' approach, turning scientific advances into better treatments for patients and 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 more than 600 every year.

The hospital has led and been part of some of the biggest and most important cancer trials in recent years, including those involving robotic surgery and immunotherapy. It is also developing trials as part of its exciting work on the MR Linac, the latest in radiotherapy technology. This work not only provides new treatments for patients at The Royal Marsden but also across the UK and internationally, improving their quality of life and chances of survival.

Our overall aim

To ensure that 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, across the UK and around 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 that can offer faster and more accurate diagnoses, more effective and less invasive treatments, and quicker recovery times.

The difference we make

As a world-leading specialist centre, The Royal Marsden has a responsibility to innovate and ensure that the hospital can pioneer new treatments, prove their efficacy through research, and shape best practice throughout the UK and beyond.

The Royal Marsden's continuing ability to do this relies heavily on access to the very latest equipment. As it strives to improve patient outcomes and survival rates, it's essential that this equipment is available to ensure that patients receive the best treatment.

The Royal Marsden has the largest and most comprehensive programme of robotic surgery for cancer in the UK, treating patients with urological, gynaecological, head and neck, gastrointestinal and colorectal cancers.

Using two da Vinci surgical robots, both funded by The Royal Marsden Cancer Charity, surgeons at The Royal Marsden are able to conduct these complex operations with greater accuracy. This is especially important for the treatment of hard-to-reach or previously inoperable tumours.

Robotic surgery also offers patients less invasive, shorter operations compared to open surgery, leaving fewer scars and enabling them to recover more quickly.

Our overall aim

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

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 and care.

The difference we make

The cancer journey can be a frightening and uncertain time for patients and their family and friends. The Royal Marsden understands how important it is that they 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 to provide even better care.

Our overall aim

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

Treatment and care

The issue we're tackling

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

The difference we make

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

Due to the innovative equipment and bespoke peaceful environments we fund, the hospital is increasingly able to improve a patient's treatment and care. 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, both during and after treatment.

It's also vital that the emotional and psychological needs of patients are met throughout their cancer journey, which is why staff at The Royal Marsden treat the whole person, not just their illness. We fund a range of patient support services for adult and young patients, as well as their families.

In the Oak Centre for Children and Young People, The Royal Marsden's specialist paediatric facility, a team of play specialists help children cope with their treatment fears and anxieties. Funded by the Chancellor of the Exchequer using LIBOR funds, 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 that every patient at The Royal Marsden has the very best treatment and care, appropriate to their clinical and emotional needs.

Wider reach

While the Charity directly benefits patients of The Royal Marsden, the work we support also has a national and international impact, helping to improve treatment and outcomes for all cancer patients.

Sharing research findings

As Europe's largest comprehensive cancer centre, The Royal Marsden and the ICR together place clinical research and trials of new drugs and radiotherapy techniques at the centre of their work. This 'bench to bedside' approach translates scientific discoveries relating to the genetic and molecular causes of cancer into improved treatments that are tested in national and international trials. These breakthroughs also further the understanding of cancer types and sub-types of the disease, with the results published and presented in world-leading forums, including international cancer conferences and publications.

Pioneering the latest equipment

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

For example, the CyberKnife was funded by the Charity and first used at the hospital in 2011 to treat prostate cancer patients. Now, The Royal Marsden is leading the international PACE trial into the benefits of using hypo-fractionated radiotherapy, including CyberKnife to treat prostate cancer, compared with the current standard treatments of surgery and radiotherapy. More than 40 centres are involved in the trial, ensuring that patients all over the world benefit from the latest technology.

The Royal Marsden is also the first hospital in the UK to install the MR Linac. This machine 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, meaning more targeted treatment for patients and fewer side effects.

The installation of the MR Linac was made possible by a £10-million grant from the Medical Research Council to the ICR, with additional support from the Charity and the ICR. The Royal Marsden is part of an international consortium that shares data and results from the MR Linac for the benefit of patients worldwide.

Training the next generation

The Royal Marsden takes a leading role in training and educating the next generation of cancer professionals. As these experts 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 Darzi Fellowship in Clinical Leadership, which is designed to train and develop the skills of senior clinical leaders. The Charity has funded two Darzi Fellows at The Royal Marsden. One is focused on prehabilitation to physically and mentally prepare gastrointestinal cancer patients for the effects of chemotherapy, while the other is carrying out research into preventing skin injuries and harm from pressure ulcers, a common side effect of long inpatient stays in cancer patients.

Grant-making

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

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

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

All 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 on page 58.

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

The total of the actual funds spent on each main category of charitable activity, including support costs, is disclosed on the face of the consolidated statement of financial activities, and an analysis is disclosed in notes 7, 8, and 9 of our financial statements on page 59.

Social investment

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

Our fundraising practices

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

We adhere to best practice across all our fundraising activities and continually look for ways to improve and ensure we address challenges and adopt new regulations effectively. The Charity and external fundraisers complied with all fundraising standards as far as the Charity is aware in 2018.

Our fundraising approach

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

We are committed to the highest standards

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

We will be clear, honest and open

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

We will treat you, and your privacy, with respect

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

We are fair and reasonable

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

We are accountable and responsible

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

Working with third-party fundraisers

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

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

Complaints

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

We'll always make sure that:

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

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

Complaints and supporter feedback are an important source of information about the impact of our work on our supporters and members of the public, providing us with insight and lessons for future fundraising activities. In the year to 31 March 2018, we received 23 complaints. These were all resolved satisfactorily within the timetable set out in our Complaints Policy.

Supporter data

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

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

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

Protecting people

The Royal Marsden Cancer Charity takes careful steps to ensure that we protect vulnerable people and other members of the public from behaviour that may be seen as unreasonable. In line with the Institute of Fundraising guidance Treating Donors Fairly – Fundraising with People in Vulnerable Circumstances, the Charity has a clear Fundraising and Vulnerable Circumstances Policy in place. This is a key part of the induction and training process for all staff and is reviewed regularly. Managers are responsible for ensuring that their teams are aware of this policy and understand the information within it.

A patient in the Oak Centre for Children and Young People.



1 April 2017 to 31 March 2018

Our strategic aims and objectives

2017/18 marked the second year of the Charity's three-year strategy, which is due to end in March 2019. The strategy clearly defined how we planned to evolve and deliver significant growth while remaining firmly rooted in meeting the needs of The Royal Marsden.

Our three-year strategic objectives were:

- Deliver a successful appeal for the Oak Cancer Centre
- Develop and implement a legacy stewardship and marketing strategy
- Create a best-in-class stewardship programme for all our supporters
- Grow our supporter base
- Raise our profile within the hospital and extend our reach beyond our patient network
- Put digital at the heart of our activities

After a year of significant change and growth in 2016/17, we started 2017/18 in a strong position to drive income growth. We planned to raise £19.8 million from donations and legacies (11% more than in 2016/17) and keep our cost/income ratio below 23%. Over 2017/18, we raised £25.3 million, an increase of 28% on our budget.

You can read more about our progress against these aims, and the other significant activities we undertook in the 2017/18 financial year, in the 'Activities, achievements and performance in 2017/18' section on pages 15-29.

Measuring success

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

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

Our volunteers

We are lucky to be supported by a team of about 70 regular volunteers who are a vital part of our workforce. There are also many more volunteers who give their time to support our events. In 2017/18, this included almost 50 people who donated their time, energy and enthusiasm to cheer on our London Marathon runners along the 26.2-mile course.

Our regular volunteers give more than 10,000 hours of their time each year and are key ambassadors for the Charity. Thanks to their selfless 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
- Supporting the Charity teams in Chelsea and Sutton
- Working on stalls at outside events such as local fairs and fetes
- Supporting events such as The Marsden March
- Holding bucket collections in local shopping centres
- 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.

“Whether it’s handing out refreshments and cheering on our supporters, running stalls and information points, or helping in our fundraising office, the work of The Royal Marsden Cancer Charity simply couldn’t happen without the help of our wonderful volunteers. I can’t thank them enough; whether they give their time on a regular basis or at an individual event, their support is invaluable. Everyone at the Charity is so grateful for the time, energy and dedication all our volunteers give. They make a huge difference.”

Antonia Dalmahoy

Managing Director
The Royal Marsden Cancer Charity

Activities, achievements and performance in 2017/18

In this section, we review the progress we made towards achieving The Royal Marsden Cancer Charity’s aims in 2017/18, detailing how we performed against our objectives.

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

You will find a more detailed analysis of our income and expenditure in the ‘Financial review’ section on pages 33-37.

Fundraising activities and achievements

Aims and objectives	Achievements and performance
Achieve a cost/income ratio of less than 23%.	Met: Our cost/income ratio was 15%.
Achieve voluntary income of at least £19.6 million.	Met: Our voluntary income (donations and legacies) was £25.3 million – a 28% increase on 2016/17.
Deliver a successful appeal for the Oak Cancer Centre (OCC)	
Continue to work closely with our OCC Appeal Board members, providing them with marketing materials and engagement opportunities.	Met: All Appeal Board members had regular contact with the Charity team. They attended quarterly Appeal Board meetings, toured the Chelsea and Sutton hospitals and invited guests to panel discussion events at the Royal College of Physicians.
Secure a headline eight-figure gift for our OCC Appeal.	Met: Oak Foundation made a commitment to donate £25 million towards the OCC (subject to a final decision in 2018/19 following a full application, which was completed in 2017/18).
We will receive 1:100 scale plans from which we can establish ways to recognise the support of our donors.	Met: 1:100 plans were signed off in December 2017, and opportunities to recognise donor support within the new building have been identified and agreed.
Following the activation of our PR plan for the appeal in 2015/16, we will continue to deliver against this plan, growing vital awareness.	Ongoing: We continued to communicate with staff, as well as key stakeholders and donors, to ensure that they were informed about the plans for and benefits of the new building.
Develop and implement a legacy stewardship and marketing strategy	
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.	Met: The five-year strategic plan was presented to Trustees in June 2017. The first stage of the plan was to carry out research with patients and staff in order to develop new materials to raise awareness of this area of giving. This took place in January 2017.
Develop new marketing materials that convey our new legacy message and the importance of this type of giving for the Charity.	Ongoing: New marketing materials were in design in early 2018. The materials were approved, printed and distributed in June 2018.

Aims and objectives	Achievements and performance
Develop and implement a legacy stewardship and marketing strategy	
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.	Ongoing: We have focused on building relationships with executors and solicitors relating to existing legacy cases. With new marketing materials now available, there will be further opportunities to build wider relationships and develop links with local solicitors, including through our Community and Corporate Partnership teams.
Expand the team by recruiting a Legacy Officer to support the administration of legacy gifts.	Met: The Legacy Officer was appointed in September 2017 and has since improved the process and efficiency of dealing with legacy gifts.
Create a best-in-class stewardship programme for all our supporters	
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.	Ongoing: We are continuing to enhance our understanding of our supporters and their motivations for supporting The Royal Marsden Cancer Charity, both online and offline. We use these insights to provide content in our stewardship communications that interests and motivates supporters. We will continue to measure this by monitoring engagement levels and proactively seeking feedback from our supporters.
Develop compelling fundraising appeals, materials, events and other opportunities to be involved with the Charity.	Met: Our fundraising activity continues to inspire supporters to engage in greater numbers than ever before. More than 30,000 supporters made donations in 2017/18, raising more funds for the hospital than ever before. We are continuing to develop new and exciting ways for supporters to get 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.	Met: The Impact Report was redeveloped for the 2016/17 financial year and published in November 2017. The document was more comprehensive, providing supporters with easily understandable information and updates on the work of the Charity and the difference their support makes to 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.	Met and ongoing: Our supporters' interests are of paramount importance. With the changes in data protection law, we have conformed to all updated regulations and amended our materials, policies and procedures accordingly. This approach, combined with the application of best practice in the charity sector, will continue to inform how we respond to all future updates to regulation and legislation.
Grow our supporter base	
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.	Met and ongoing: We are continuing to improve our understanding of our supporters through better data analytics, reporting and supporter feedback. We are using this knowledge to improve both the timing and content of our communications.
Review and improve our current in-memory fundraising processes and develop better products, technology and communications in this area.	Not met: This was deferred to 2018/19 in order to focus on recruiting an in-memory expert to lead this area.

Aims and objectives	Achievements and performance
Raise our profile within the hospital and extend our reach beyond our patient network	
Develop strong relationships with hospital staff by providing regular briefings and updates on how their involvement has helped the Charity to fundraise successfully.	Met: Antonia Dalmahoy, the Charity's Managing Director, sends out monthly emails to all staff to update them on key activities and projects supported by the Charity, and presents to all new staff on monthly induction days. Members of the Charity team also regularly attend Trust meetings involving senior clinical and non-clinical staff to ensure that our messages are delivered to as wide an audience as possible.
Support clinicians to build relationships with donors, so they feel engaged with and actively involved in the work of the Charity.	Met: Members of the Charity team regularly meet clinicians to brief them on the work of the Charity. Senior clinical staff also regularly speak at fundraising events, lead donor tours of the hospital, and meet supporters interested in donating to 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.	Met: Spontaneous awareness of the Charity among hospital patients rose from 23% in our 2016/17 survey to 44% in our 2017/18 survey. Awareness among friends and family also increased significantly, while staff awareness remained at a similar level.
Develop a comprehensive celebrity acquisition and stewardship strategy that focuses on providing celebrities with a wide range of opportunities to become involved with all areas of the Charity's work.	Ongoing: We continued our efforts to engage celebrities in the work of the Charity. Progress on an acquisition and stewardship strategy was deferred until 2018/19 after Trustees approved the creation of a Celebrity Liaison Manager role.
Put digital at the heart of our activities	
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.	Met: We completed phase 1 of the Charity's website redevelopment in July 2017 when the new site was launched. This included a new online donation process and new content that illustrates how supporters are making a difference to the lives of cancer patients. Since then, we have been gathering user feedback and monitoring analytics to inform future phases of development so we can continue to improve the supporter experience.
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.	Ongoing: We are implementing phase 2 of our digital strategy to embed our supporter-led approach. This will establish best-practice operating principles to ensure that all future content and online activity is fully integrated and drives an increase in Charity income.
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.	Ongoing: Our decision-making process is data-driven, and all our digital activity is monitored, tracked and evaluated. Phase 2 of our digital strategy will include a detailed channel review, with the aim of optimising our communications and encouraging more meaningful actions from supporters.

Charitable activities and achievements

Aims and objectives	Achievements and performance	
Ensure that The Royal Marsden remains at the forefront of translational cancer research, so its work extends, improves and saves more lives at The Royal Marsden, across the UK and beyond.	Met: In December 2016, we committed to a £15-million grant to support translational research at The Royal Marsden. This has continued, including the funding of the Biobank in the NIHR Centre for Molecular Pathology and posts in the West Wing Clinical Research Centre.	Find out more on pages 22-25
Continue to fund the work of The Royal Marsden's Paediatric Drug Development team. There is a significant need for new paediatric oncology drugs to improve childhood and adolescent cancer survival, as well as to reduce long-term side effects. The Charity will support this world-leading team by funding the vital posts that ensure the successful running of this programme.	Met: In May 2017, Oak Foundation agreed to fund the Paediatric Drug Development team for a further five years and to the same level as in its previous five-year funding cycle.	
Enable the purchase and development of the latest technology and equipment at The Royal Marsden, giving patients access to leading cancer treatments.	Met: As a result of a £3.5-million grant committed to fund investment in the latest diagnostic equipment, The Royal Marsden installed two mammography machines and a fluoroscopy machine in Chelsea and Sutton. In November 2017, we committed a further grant of £14.3 million to purchase pioneering equipment to improve cancer diagnosis, treatment and survival. The equipment identified under this grant will be purchased and installed over the coming years.	Find out more on page 27
Continue to deliver our largest-ever appeal to build the Oak Cancer 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.	Ongoing: The Royal Marsden signed off 1:100 designs in December 2017 and held pre-planning meetings with the London Borough of Sutton in January 2018. The formal planning consent was deferred until 2018/19 due to changes in building design. The fundraising Appeal Board met four times during 2017/18 and continued to successfully drive fundraising for the project, securing support from a number of major donors and foundations.	
Support the improvement of wards and facilities across The Royal Marsden, helping patients to benefit from the most appropriate environments, as well as spaces that enhance their wellbeing and provide a high-quality patient experience.	Met: Throughout 2017/18, we committed £3.8 million through ward funds that benefit patients and staff across The Royal Marsden. Using these funds, the hospital refurbished Bud Flanagan Ward, its dedicated haemato-oncology ward, in late 2017, enhancing the patient and staff areas to create a more comfortable, supportive environment.	
Support the provision of personalised treatment and care at The Royal Marsden to improve the lives of patients before, during and after their treatment.	Met: As part of £4.5-million grant committed in September 2016, we continued to fund the GIaNT programme. This led to the appointment of three new gastroenterology consultants to ensure that patients could access the service, irrespective of whether they present with acute or late effects. The Charity also funded two Darzi Fellows: one in prehabilitation and the other in tissue viability. Both enabled the hospital to offer patients a holistic approach to their treatment and care by looking after the whole person, not just their disease.	

Governance activities and achievements

Aims and objectives	Achievements and performance	
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.	Met: We continue to stay abreast of all legal and regulatory requirements.	
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 the Fundraising Regulator. This will include making appropriate changes so our supporter care and communications meet best practice.	Met: We have invested time and significant resources to meet the requirements of the ICO and the Fundraising Regulator as required, while also appreciating the significant impact that GDPR has made on the charity sector.	

The difference you make

In this section, we highlight the most significant fundraising and charitable activities we undertook in 2017/18 and the difference they've made to the lives of cancer patients at The Royal Marsden and beyond.

The Oak Cancer Centre

In late 2015, HRH The Duke of Cambridge, President of The Royal Marsden, launched our appeal to build a new Clinical Care and Research Centre as part of the redevelopment of the Sutton hospital. Everyone at The Royal Marsden Cancer Charity is extremely grateful for The Duke's continuing support.

The project is now well under way and, thanks to a transformational pledge of £25 million from Oak Foundation, the building will now be known as the Oak Cancer Centre.

The Charity originally committed to raise £50 million to build the centre and, thanks to the generosity of our supporters, we are now over halfway to our fundraising target, ahead of schedule. Despite still having a long way to go, this early success has given us the confidence to increase the fundraising appeal total to £70 million and extend the size and scope of the centre so we can achieve even more for patients.

The centre will bring researchers, clinicians and patients together under one roof for the first time. The state-of-the-art building will speed up the translation of world-leading research into breakthroughs in treatment and care, transforming the lives of cancer patients at The Royal Marsden and beyond. It will grow clinical capacity by at least 40%, and aim to increase the number of patients on clinical trials by 25%.

This centre will bring together the Outpatient Department, the Medical Day Unit and Haemato-oncology day care, as well as a brand-new Rapid Diagnostic Centre (RDC). Earlier diagnosis leads to a greater chance of patients being cured. The Royal Marsden already runs one of the biggest breast cancer diagnostic centres in the UK, and the RDC will give staff at the hospital the opportunity to bring our expertise to many more cancer types.

The building will also incorporate a research centre, which will have space for more than 330 world-leading clinical researchers. They will work alongside one another in spaces designed to encourage communication across different tumour specialities, speeding up the development of new clinical trials and advances in treatments.

We are incredibly grateful to everyone who has supported the Oak Cancer Centre appeal to date, and are excited about the difference this centre will make to the lives of cancer patients at The Royal Marsden and beyond.

The centre is being designed with and for cancer patients and their families, to provide **the best possible environment** to ensure their comfort and privacy.

Our new centre



1 new state-of-the-art centre



350 health professionals providing expert care



330 clinical researchers working together



140,000 visits from cancer patients each year



£70m to make it a reality

“The Royal Marsden treats a wide variety of cancers, so the Biobank has samples from some of the rarest tumour types. At the time of taking a sample, there may not be a research need for it but it may be used in later years and be instrumental in developing future cancer treatments.”

Janine Salter
Tissue Bank Manager



Biobank

Housed deep within the NIHR Centre for Molecular Pathology (CMP), The Royal Marsden and The Institute of Cancer Research's (ICR) joint laboratory in Sutton is one of the UK's largest biobanks dedicated to cancer.

Currently holding more than 54,000 blood and tissue specimens collected from thousands of Royal Marsden patients, the Biobank is a core resource for samples for use in cancer research. Its -80°C freezers and liquid nitrogen units have the capacity to store and preserve up to 900,000 frozen samples well into the future.

As part of a £15-million grant awarded in December 2016 to support The Royal Marsden's most innovative research for the benefit of patients, the Charity has funded a number of posts in the Biobank throughout 2017/18. These posts include three bio-specimen co-ordinators, who collect a wide variety of samples, from tissue biopsies – which can be either deep-frozen or preserved in paraffin blocks – through to a multitude of blood products.

One of the most exciting current areas of research is into the use of circulating tumour DNA (ctDNA) to diagnose a relapse of cancer – also known as 'liquid biopsies'. Some tumours shed DNA into the blood, which can now be detected at extremely low concentrations. This DNA acts as an early-warning signal that the cancer is coming back, so detecting it ensures that patients can receive the most effective treatment possible.

The bio-specimen co-ordinators provide a critical link between the clinical teams and the scientists involved in ctDNA research by ensuring that all samples are collected and processed in a standardised manner to allow our experts the best opportunity to carry out their work.

The Biobank is **invaluable to research**, allowing The Royal Marsden to attract the best cancer clinicians and researchers and work towards new, more personalised treatments for patients.

West Wing Clinical Research Centre

Research at The Royal Marsden is driven by clinical trials. Without the commitment of the many patients who agree to take part, this work would simply not happen.

The West Wing Clinical Research Centre opened in 2014, thanks to the generous supporters who left gifts to the Charity in their Wills. It is a dedicated unit that cares for and treats patients involved in clinical trials, ensuring that they have the best possible experience as they take part in the life-changing research carried out at The Royal Marsden.

The Charity has committed to providing ongoing support to the centre, which provides more than 8,000 hours of care to over 700 patients and run more than 100 trials every year. Patients travel from all over the country to take part in clinical trials across all tumour types.

We have funded a number of posts in the centre throughout 2017/18. This includes a specialist nursing post and a research centre facilitator, who creates care plans for all patients attending the West Wing, ensuring that the patient's time is best used – which is particularly important when they need to have blood tests and scans, as well as chemotherapy or immunotherapy treatment. This not only improves a patient's time at The Royal Marsden, but also enhances the quality of data captured as part of the research.

Using data analysis, the teams aim to establish faster treatment options, including reducing the number of appointments and kinds of treatments for example the number of biopsies. This could lead to more effective and efficient treatment for patients in the future.

The West Wing Clinical Research Centre **brings together day care patients** who are on early-phase and late-phase clinical trials in one space, together with specialist clinical teams and equipment to improve their treatment and care.



"We deliver new clinical trials to patients across all tumour types. What drives us is the sense of hope the unit brings. It's important that we're delivering treatment for patients now, and shaping the treatment options of the future."

Bethan Jones
Sister, West Wing Clinical Research Centre



“Because of the superb clarity and accuracy of the images from the new mammography machines, patients will undergo fewer biopsies and additional tests, start treatment earlier and receive more personalised treatments, all of which reduce anxiety and improve chances of survival.”

Louise D’Costa
Superintendent Radiographer

Fluoroscopy and mammography

Fluoroscopy is a technique that uses X-rays to take real time images of inside of the body, enabling clinicians to visualise structures such as the bowel, stomach, oesophagus and blood vessels in more detail. A contrast agent is often used during fluoroscopy procedures as it is visible under X-ray imaging. This enables the radiologist to assess functionality and to differentiate between structures and visualise anomalies, or a narrowing in a structure.

Through funding provided to the Charity by the Chancellor of the Exchequer using LIBOR funds, The Royal Marsden has installed a state-of-the-art fluoroscopy system at the Sutton hospital. Previously, patients had to travel to Chelsea for this service – but since the installation of the machine in Sutton in October 2017, more than 250 patients have been imaged, ensuring they receive care closer to home and alongside their other treatment.

The new machine provides images with a greater level of clarity, enabling the radiology team to make a more detailed and accurate diagnosis. It also offers a faster scanning process, which means patients spend less time in the procedure room.

The new fluroscopy machine allows us to scan ‘live’ images of a patient’s tumour using X-rays, **enabling clinicians to visualise the tumour and surrounding areas in much more detail**, and providing a clearer diagnosis and more targeted treatment plan.

Robotic Surgery Fellowship

Thanks to Charity supporters, The Royal Marsden has been pioneering robotic surgery using the da Vinci robots since 2007.

Robotic surgery has several benefits over open or keyhole surgery. Greater precision results in lower blood loss, less pain and smaller scars, which means patients recover faster and have shorter stays in hospital.

In 2015, following a generous donation from the McCarthy family, the hospital installed a da Vinci Xi, which has a dual console that allows consultants to supervise trainees during live surgery. This capability enabled The Royal Marsden to set up the Robotic Surgery Fellowship programme – the first of its kind in the country.

Supporters of the Charity are funding the programme, which will train 10 new surgeons to operate robotically on tumours anywhere in the pelvic region using the da Vinci Xi.

During the 12-month programme, surgeons undergo simulation training, attend courses, assist in the operating theatre and use the da Vinci Xi. Unlike in other fellowships, surgeons are trained in three specialities – urological, gynaecological and colorectal cancers – rather than just one.

Traditionally, surgeons develop one area of expertise – either one organ or a small group of organs. However, cancer is not restricted by such boundaries, often spreading from its original site to nearby organs. Gaining an in-depth knowledge across multiple cancer types that affect the pelvic area gives the surgeon an appreciation of the different surgical techniques required to tackle them.

Mr Ibnauf Suliman, one of the first surgeons to undertake the fellowship, completed his course in spring 2018. He has since taken up a consultant post at the Royal Free Hospital, meaning that more patients can now undergo the very latest in cancer surgery. The next fellow, Mr Marc Bullock, started at The Royal Marsden in April 2018; two further fellows are due to start in August 2018 and April 2019.

The Robotic Surgery Fellowship programme, funded by supporters of The Royal Marsden Cancer Charity, is **shaping the future of surgery**, significantly improving the treatment of cancer patients.

“The fellowship is exceptionally forward-thinking, and it’s been an exciting few months as a surgical trainee at one of the leading cancer hospitals in the world. I work alongside a unique team, who have the sole aim of improving outcomes for patients with complex cancers.”

Mr Marc Bullock
Pelvic Exenteration Robotics Surgical Fellow



Plans for future periods

Future direction

More than 360,000 people in the UK are diagnosed with cancer each year, and it is now estimated that one in two people will develop cancer at some point in their lives – yet survival is improving. For The Royal Marsden, the rising incidence of cancer will mean demand for all services across the hospital will continue to increase.

The Royal Marsden Cancer Charity plays a vital role in helping to deliver the hospital's strategic priorities: innovation and translational research, delivering care across healthcare systems, modernising infrastructure, financial sustainability and best value.

Since 2005/06, the Charity has made grants totalling more than £200 million to the hospital. With current grant commitments of over £40 million and a fundraising appeal to raise £70 million to build the Oak Cancer Centre, the need for the Charity to achieve more than ever before, and to play our part in changing the lives of people affected by cancer everywhere, could not be clearer.

To do this, we must continue to challenge ourselves to do more, working as a team and harnessing our collective passion. We need to attract and retain more supporters by providing best-in-class stewardship and increasing brand awareness, while improving efficiency and ensuring we attract and retain the best talent in the sector.

In 2017/18, we raised £25.3 million – an increase of 28% on our budget – and as a result of this success chose to develop a new, even more ambitious strategic plan. The plan was approved in March 2018 and will run for the next three financial years, ending in March 2021.

The new three-year strategy sets out how we will move into the next phase of our growth plan by focusing on the following six strategic priorities:

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

Fundraising activities

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

- Continue to build skilled teams of experts who form strong relationships and support the Charity's overall objectives and vision
- Undertake a review of the Community Fundraising portfolio to ensure it meets the needs of existing and potential supporters
- Develop a programme to grow our supporter base, particularly those who give regularly through Direct Debit
- Develop activities, including in-hospital, that raise awareness of the importance of leaving gifts in Wills and provide excellent supporter care to those who have left, or are considering leaving, a gift to the Charity in their Will
- Increase awareness of the Charity with patients, particularly through their treatment and care pathway
- Continue to raise funds for the Oak Cancer Centre and significantly raise the profile of the appeal with our target audiences, including a programme of communications for the Appeal Board and for significant donations
- Deliver a programme of both small and large donor events, including a major event at Buckingham Palace
- Create and establish a grants management function that supports and enables the Charity to improve information provided to supporters about the difference their support makes to cancer patients
- Develop and implement the required infrastructure to improve our forecasting and strategic planning

Charitable activities

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

Research

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

We will continue to fund clinical trials and research posts at The Royal Marsden – including work in the Biobank in the NIHR Centre for Molecular Pathology and posts in the West Wing Clinical Research Centre – through our £15-million grant.

Equipment

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

We will continue to support funding across radiotherapy, imaging and surgery through an equipment grant aimed at improving patients' experience and treatment, as well as supporting research into improving survival for cancer patients everywhere.

Patient environments

We will continue to deliver our largest-ever appeal to build the Oak Cancer Centre and support the hospital as it prepares for gaining planning consent.

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

Treatment and care

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

We will continue to fund the hospital's programme of complementary therapies which, for many patients, help to relieve symptoms and enhance their physical and emotional wellbeing.

Financial review

Financial performance

Income

Total income for the year was £26.8 million (2016/17: £19.2 million). This included donations for the year of £17.0 million (2016/17: £14.6 million) and legacies of £6.8 million (2016/17: £2.0 million). There were also grants receivable of £1.5 million (2016/17: £1.0 million) and investment income of £1.1 million (2016/17: £1.3 million). The remaining income of £400,000 (2016/17: £300,000) relates to the trading and other miscellaneous income.

Income also includes donated services totalling £32,000 (2016/17: £48,000).

Expenditure

Expenditure during the year totalled £22.8 million (2016/17: £34.1 million), which included £15.1 million of grants committed or paid directly to The Royal Marsden for key projects (2016/17: £26.7 million). This includes a £14.3-million grant made towards equipment (2016/17: £3.5 million). The increased expenditure in 2016/17 reflects a number of multi-year grants committed in this year (see page 18 for further information).

The Royal Marsden Cancer Charity Trustees ensure that expenditure on raising funds and support costs is carefully monitored and controlled. Expenditure on raising funds was 15.0% (2016/17: 17.7%) of income from donations and legacies.

Financial position

Investment gains during the year totalled £5.2 million (2016/17: £14.9-million gain). This resulted in a significant surplus in the total net movement in funds for the year of £9.2 million, with a surplus in restricted funds of £4.3 million and in unrestricted funds of £4.9 million (2016/17: total deficit of £46,000).

The Royal Marsden Cancer Campaign Trading Company Limited is the Charity's trading subsidiary and had a turnover of £196,000 for the year (2016/17: £200,000). The profit of £133,000 (2016/17: £101,000) will be paid to the Charity under the Gift Aid scheme. Further details can be found in note 14 to the financial statements on page 64.

The Charity ended the year with reserves of £97.0 million (2016/17: £87.8 million), of which £39.3 million (2016/17: £35.0 million) was restricted and £57.7 million (2016/17: £52.8 million) was unrestricted. Within unrestricted funds, designated funds were £42.2 million (2016/17: £38.1 million) and general funds were £15.5 million (2016/17: £14.7 million). Details of restricted and designated funds, together with an analysis of movements in the year, can be found in note 21 to the financial statements on page 71.

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, for two reasons.

First, it will enable them to take advantage of change and opportunity as it presents itself. Second, it will ensure there are sufficient funds set aside 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 any adverse change in circumstances, giving sufficient time to enable emerging situations to be assessed and appropriate plans developed and implemented, without requiring a crisis response.

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

Any free reserves held at any time that are above this amount will be considered by Trustees to be available for grants to The Royal Marsden, which will be invited to submit 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 be best applied to fulfil its charitable objectives and meet the need to spend funds raised within a reasonable timeframe, while ensuring that the Charity continues to invest for maximum patient impact.

Free reserves were £15.5 million at the year end, which is £5.5 million in excess of the amount Trustees have agreed to be appropriate. This excess amount is therefore considered immediately available for grants to The Royal Marsden.

Investment policy and strategy

The investment portfolio is designed to support:

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

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

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

The Investment Committee meets formally twice a year. It is responsible for appointing and monitoring the performance of investment managers, for meeting formally with them at least annually and reviewing their performance.

The Investment Committee must ensure that conflicts of interest have been identified, adequately recorded, addressed and responded to.

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

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

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

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

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

The overall investment objective is to maximise total return to the extent compatible with an appropriate risk profile, through a diversified portfolio. The portfolio may be invested in a variety of investment funds. Normally, a minimum of 60% should be held in sterling. The benchmark for the overall portfolio is agreed by the Investment Committee to reflect the current mandate.

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

Investment properties

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

Investment performance

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

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

At year-end, the value of the investment portfolio was £92.8 million. The total return (including dividends) of the investment portfolio (including properties) for the year was 12.6%. The total return of the securities portfolio (which is the investment portfolio, excluding properties) was 12.9%.

Further investment information is provided in note 16 on page 66.

Principal risks and uncertainties

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

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

An ever-increasing competitive market for charities

This risk has been and continues to be mitigated through the Charity's strategic fundraising plan. We regularly review activities of other charities and ensure that our fundraising and marketing demonstrates the compelling difference that supporters of The Royal Marsden Cancer Charity make for cancer patients. We are also working to increase the awareness of the Charity throughout the hospital with patients, their family and friends, and staff.

A challenging economic and political environment

In the event of changes – for example, as a result of Brexit or to tax legislation – working groups will assess the impact and any possible mitigation to protect future income streams. We will also continue to diversify the income streams of the Charity to minimise the impact on overall income generation by reducing the reliance on a limited range of fundraising activities.

Increased scrutiny of fundraising practice and changes to data legislation

The continued scrutiny of mass-market fundraising, new data protection laws (GDPR) and the ongoing regulatory changes may continue to result in significant changes to processing and fundraising programmes, and affect our ability to communicate with our donors. We are addressing this at a strategic level, planning for and responding to the challenges we face. In addition, all our future programme and product development will include plans for data capture and management that will ensure best practice and protect our supporters' privacy.

Risk to the value of investments

This risk is mitigated through the work of the Investment Committee, which comprises Trustees with significant, proven and current professional financial investment expertise and experience. The Investment Committee undertakes to:

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

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

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 its positioning as a long-term charity supporting the work of The Royal Marsden NHS Foundation Trust (The Royal Marsden).

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

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

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

The Board of Trustees comprises of nine Trustees, from a range of sectors and industries, all of whom are Members of the Charity and Directors of the charitable company. Elected Trustees are appointed, following a formal selection process.

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

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

All decisions must be made by a quorum of Trustees that includes a majority of independent Trustees. During the year ended 31 March 2018, Trustees met as a body four times, and additionally considered specific items via email and conference telephone calls. No Trustee received any remuneration from the Charity during the period (2016/17: £nil).

Management

The day-to-day management of the Charity is delegated to the Managing Director. All strategic and other major decisions are considered and taken by the Trustees. The management of the Charity falls into 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 objectives by fundraising for key projects in support of the hospital (see 'Objectives' and 'Activities, achievements and performance in 2017/18' sections on pages 4-29).

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

Fundraising and communications

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

Finance and administration

This covers the accounting, secretarial, legal and administrative requirements of the Charity.

The everyday management of this area is delegated to the Associate Director, Finance and Operations, and the Company Secretary, who is also the Chief Financial Officer of The Royal Marsden.

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

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

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

Key management personnel are detailed on page 44 and pay is set in line with market rates for comparable roles in similar organisations in the charity sector. The salary of the Managing Director is set by the Trustees. 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. For more information about this area, please refer to 'Our fundraising practices' on pages 10-11.

Relationships with related parties

The Royal Marsden NHS Foundation Trust (The Royal Marsden)

The Royal Marsden provides 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 £2,652,943 (2016/17: £2,290,014), with an additional £47,870 (2016/17: £38,944) in relation to other ancillary services.

In addition, The Royal Marsden pays other expenses on behalf of the Charity. As at 31 March 2018, these amounts due totalled £1,309,543 (2016/17: £456,291), excluding grants payable, and are reflected in note 19 on page 70.

The Charity makes grants to The Royal Marsden under its objects. Grant and revenue funding awarded to The Royal Marsden NHS Foundation Trust during the year was £14.3 million (2016/17: £26.7 million). Grants payable owed to The Royal Marsden as at 31 March 2018 totalled £30.5 million (31 March 2017: £25.7 million).

The Charity has provided an interest-free loan of £226,000 (2016/17: £226,000) to The Royal Marsden to offer support to staff for season tickets, bicycle purchases and staff award ceremony tickets. The amount and terms of the loan are reviewed and renewed annually.

As at 31 March 2018, two of the Trustees of the Charity – 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 objectives to The Royal Marsden Cancer Charity. The Trustee of The Royal Marsden Hospital Charity is The Royal Marsden NHS Foundation Trust (as a corporate Trustee).

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

The Royal Marsden Cancer Charity now manages the assets, liabilities and functions of The Royal Marsden Hospital Charity as detailed in note 16 on page 66. The Royal Marsden Cancer Charity holds listed investments on behalf of The Royal Marsden Hospital Charity in relation to these funds. The amount due to The Royal Marsden Hospital Charity at 31 March 2018 totalled £78,390 (2016/17: £78,390).

Royal Marsden Cancer Campaign Trading Company Limited

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

The Institute of Cancer Research, London (ICR)

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

Donations to the Charity from a Trustee or a related party

Donations without conditions attached received during the year from a Trustee or related party totalled £1,170 (2016/17: £nil).

Restricted donations of £25,000 were received by the Charity from its Trustees in 2017/18 (2016/17: £500,000).

Statement of Trustees' responsibilities

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

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

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

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

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

Each of the Trustees confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006. The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Charity purchased insurance to protect it from any loss arising from the neglect or default of its Trustees, employees and agents, and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the Charity during the year totalled £5,040 (2016/17: £4,950) and provides cover of up to a maximum of £5 million (2016/17: £5 million).

Approved by the Trustees on 26 September 2018 and signed on their behalf by Cally Palmer:



Cally Palmer

Cally Palmer CBE
Trustee and Director

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

Reference and administrative information

Charity name	The Royal Marsden Cancer Charity	
Charity registration number	1095197	
Company registration number	04615761	
Registered office and operational address	The Royal Marsden 203 Fulham Road London SW3 6JJ	
Website	www.royalmarsden.org	
Bankers	Lloyds Bank plc 39 Threadneedle Street London EC2R 8AU	Bank of Scotland plc The Mound Edinburgh EH1 1YZ
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL	
Investment managers	Sarasin & Partners LLP 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 5 Stratton Street London W1J 8LA	Kiltearn Partners LLP 3 Exchange Street 3 Semple Street Edinburgh EH3 8BL
	BlackRock 12 Throgmorton Avenue London EC2N 2DL	
Solicitors	Mayer Brown LLP 201 Bishopsgate London EC2M 3AF	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW

Trustees

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

Trustee	Capacity
Charles Alexander	Chairman, The Royal Marsden NHS Foundation Trust <i>Ex-officio Trustee</i>
Robin Broadhurst CVO CBE	<i>Elected Trustee</i>
Sir Douglas Flint CBE	<i>Elected Trustee</i>
Professor Martin Gore CBE	Consultant Medical Oncologist, The Royal Marsden NHS Foundation Trust <i>Appointed Trustee</i>
Richard Oldfield OBE	<i>Elected Trustee</i>
Cally Palmer CBE	Chief Executive, The Royal Marsden NHS Foundation Trust <i>Ex-officio Trustee</i>
Lady Helen Taylor	<i>Elected Trustee</i>
Richard Turnor	<i>Elected Trustee</i> (from 1 January 2018; previously Non-Executive Director of The Royal Marsden NHS Foundation Trust and an Appointed Trustee)

Sir Terry Leahy was appointed Trustee and Director on 9 May 2018.

Investment Committee

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

- Richard Oldfield OBE, Chairman*
- Mark Aedy, Non-Executive Director, The Royal Marsden NHS Foundation Trust (appointed to Investment Committee 14 March 2018)
- Charles Alexander*
- Sir Douglas Flint*
- Cally Palmer CBE*

* Trustees of the Charity

Senior management

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

Senior manager	Capacity
Antonia Dalmahoy	Managing Director
Linda Cherrington	Associate Director, Finance and Operations (appointed 10 July 2017)
Antonia Newman	Associate Director, Philanthropy
Marcus Thorman	Company Secretary, The Royal Marsden Cancer Charity (Chief Financial Officer, The Royal Marsden NHS Foundation Trust)

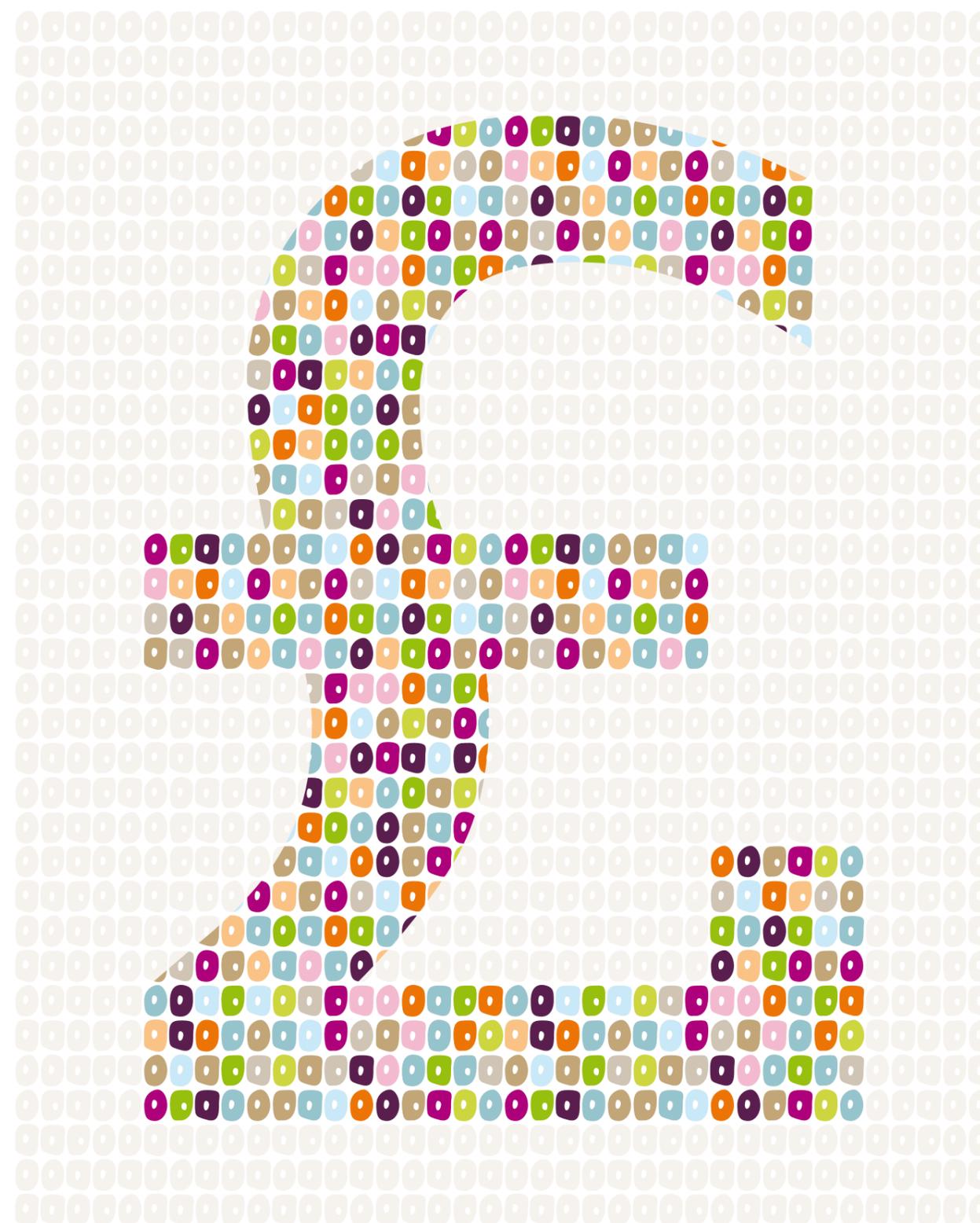
Exemptions from disclosure

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

Opinion

We have audited the financial statements of The Royal Marsden Cancer Charity (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 March 2018 which comprise the group statement of financial activities, the group and charitable parent company balance sheets and consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 March 2018 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

Responsibilities of trustees

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

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

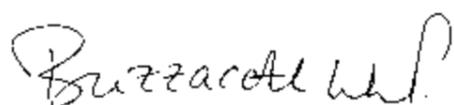
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Shachi Blakemore

Senior Statutory Auditor

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

27 September 2018

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

For the year ended 31 March 2018

	Note	2018			2017
		Unrestricted funds	Restricted funds	Total funds	Total funds
		£'000	£'000	£'000	£'000
Income from:					
Donations and legacies	2	10,436	14,847	25,283	17,550
Trading activities	3	191	–	191	189
Investments	4	885	248	1,133	1,274
Other		5	205	210	137
Total income		11,517	15,300	26,817	19,150
Expenditure on:					
Raising funds	5	3,798	2	3,800	3,109
Investment management costs	5	164	28	192	336
Trading activities	5	45	–	45	75
Charitable activities					
Charitable support of the hospital	6	14,822	792	15,614	28,141
Research	7	76	2,600	2,676	1,771
Patient amenities	8	9	315	324	536
Staff amenities	9	3	100	103	165
		14,910	3,807	18,717	30,613
Total expenditure		18,917	3,837	22,754	34,133
Net gains on investments	16	5,690	(524)	5,166	14,937
Net income/(expenditure)	13	(1,710)	10,939	9,229	(46)
Transfers between funds	21	6,592	(6,592)	–	–
Net movement in funds		4,882	4,347	9,229	(46)
Reconciliation of funds					
Total funds brought forward at 1 April	21	52,819	34,993	87,812	87,858
Total funds carried forward at 31 March	21	57,701	39,340	97,041	87,812

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

See note 26 on page 76 for comparative Statement of Financial Activities.

Balance sheets

As at 31 March 2018

	Note	The Group		The Charity	
		2018	2017	2018	2017
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	15	11,579	11,464	11,579	11,464
Investments	16	92,800	94,244	92,800	94,244
		104,379	105,708	104,379	105,708
Current assets					
Stocks	17	39	36	–	–
Debtors	18	2,891	3,562	3,058	3,660
Cash at bank and in hand		22,053	4,992	21,942	4,918
Total current assets		24,983	8,590	25,000	8,578
Liabilities					
Creditors: amounts falling due within one year	19	(16,252)	(7,933)	(16,269)	(7,921)
Net current assets		8,730	657	8,731	657
Total assets less current liabilities		113,110	106,365	113,110	106,365
Creditors: amounts falling due after one year	20	(16,069)	(18,553)	(16,069)	(18,553)
Total net assets		97,041	87,812	97,041	87,812
The funds of the Charity					
Restricted income funds	21	39,340	34,993	39,340	34,993
Restricted funds		39,440	35,093	39,440	35,093
Restricted funds in deficit		(100)	(100)	(100)	(100)
Unrestricted income funds					
General funds		15,468	14,729	15,468	14,729
Designated funds:					
Tangible fixed assets fund		11,579	11,464	11,579	11,464
Investment properties fund		6,154	5,871	6,154	5,871
Grants fund		3,000	9,255	3,000	9,255
Other designated funds		21,500	11,500	21,500	11,500
Total Charity funds	21	97,041	87,812	97,041	87,812

The financial statements on pages 49-76 were approved and authorised for issue by the Board of Trustees on 26 September 2018, 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 2018

	Note	2018	2017
		£'000	£'000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	A	9,555	(6,845)
Cash flows from investing activities			
Dividends, interest and rent from investments		1,133	1,274
Proceeds from sale of investments		19,655	35,999
Payments to acquire tangible fixed assets		(237)	(203)
Purchase of investments		(16,339)	(30,291)
Net cash provided by investing activities		4,212	6,779
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at 1 April	B	8,661	8,727
Cash and cash equivalents at 31 March	B	22,428	8,661
A. Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)		9,229	(46)
Adjustments for:			
Depreciation charges		122	68
Gains on investments and revaluation of fixed assets		(5,166)	(14,937)
Dividends, interest and rents from investments		(1,133)	(1,274)
(Increase)/decrease in stocks		(3)	6
Decrease in debtors		671	962
Increase in creditors		5,835	8,375
Net cash provided by/(used in) operating activities		9,555	(6,845)
B. Analysis of cash and cash equivalents			
Cash in hand		22,053	4,992
Cash held by investment managers		375	3,669
Total cash and cash equivalents at 31 March		22,428	8,661

Notes to the financial statements

for the year ended 31 March 2018

1. Principal accounting policies

a) Basis of preparation

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

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

In future years, the key risks to the Charity are a fall in income from donations, legacies or investments and a fall in the value of its investments, but the Trustees have arrangements in place to mitigate those risks (see the 'Reserves policy' and 'Principal risks and uncertainties' sections on pages 34 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 section 480 of the Companies Act 2006 and paragraph 15.11 of SORP (FRS 102) 2015.

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

b) Income

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

Legacies

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

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

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

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 that cannot be recovered. Expenditure is allocated to the particular activity where the cost relates directly to that activity, and comprises the following:

The costs of raising funds

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

The costs of raising funds represent fundraising costs (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 on page 60.

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 objectives of the Charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 10 on page 60.

Grants payable

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

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

Support costs

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

The majority of costs are directly attributable to specific activities. Certain shared costs are apportioned between fundraising costs and charitable activities on an appropriate basis. Office costs and recharged costs are allocated based on the direct costs incurred by each activity. Support costs have been apportioned. The analysis of support costs and the bases of apportionment applied are shown in note 10 on page 60.

d) Tangible fixed assets and intangible 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.

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

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

e) Fixed asset investments

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

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

The main form of financial risk faced by the Charity is that of volatility in equity markets and other investment markets due to wider economic conditions, and changes in sentiment concerning equities and within particular sectors or subsectors. Further information on the Charity's investments can be found in note 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 directly 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 – these are measured at the amount originally loaned, which is the amount repayable.

h) Cash and cash equivalents

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

i) Creditors

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

j) Realised gains and losses

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

k) Restricted funds

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

l) Designated funds

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

m) General funds

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

2. Donations and legacies

	2018			2017
	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Donations	6,265	10,714	16,979	14,557
Legacies	4,139	2,658	6,797	1,955
Grants receivable	–	1,475	1,475	990
Donated goods and services	32	–	32	48
	10,436	14,847	25,283	17,550

3. Trading activities

	2018			2017
	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Activities of the trading company	191	–	191	189

4. Investments

	2018			2017
	Unrestricted	Restricted	Total	Total
	£'000	£'000	£'000	£'000
Income from listed investments	674	248	922	889
Rental income from tangible fixed assets	–	–	–	229
Rental income from investment properties	164	–	164	151
Interest receivable	47	–	47	5
	885	248	1,133	1,274

5. Raising funds and investment management costs

	Note	2018			2017
		Unrestricted	Restricted	Total	Total
		£'000	£'000	£'000	£'000
Raising funds					
Fundraising costs		1,067	2	1,069	841
Outsourced fundraising costs		168	–	168	223
Marketing and consultancy		376	–	376	289
Donated goods and services		32	–	32	–
Support costs	10	2,155	–	2,155	1,756
		3,798	2	3,800	3,109
Trading activities					
		45	–	45	75
		3,843	2	3,845	3,184
Investment management costs					
Investment managers' fees		66	28	94	195
Investment properties' management costs		93	–	93	132
Support costs	10	5	–	5	9
		164	28	192	336

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 on page 75).

6. Charitable support of the hospital

Capital projects	Note	2018			2017
		Unrestricted	Restricted	Total	Total
		£'000	£'000	£'000	£'000
Equipment grants					
TrueBeam linear heads					634
Fluoroscopy and X-ray		–	–	–	600
Mammography Senographe		–	–	–	486
Planning CT scanner		–	–	–	1,780
Linac infrastructure		2,405		2,405	–
Genetic sequencing (NovaSeq)		1,050		1,050	–
Equipment fund		2,500		2,500	–
MRI		5,595		5,595	–
CT		773		773	–
Robotic surgery		2,000		2,000	–
Grants underspent		–		–	(13)
		14,323	–	14,323	3,487
Other grants					
Paediatric Drug Development		–	457	457	3,670
Advancing Clinical and Translational Research		–	–	–	15,000
Quality of Services to Patients		–	–	–	4,500
LIBOR grant			335	335	–
		–	792	792	23,170
Depreciation of properties used in furtherance of charitable activity		59	–	59	56
Refurbishment of Stewart's House		–	–	–	734
Support costs	10	440	–	440	694
		14,822	792	15,614	28,141

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

7. Research

	Note	2018			2017
		Unrestricted	Restricted	Total	Total
		£'000	£'000	£'000	£'000
Revenue funding to the hospital		–	605	605	214
Other expenditure					
Recharged staff costs		–	1,445	1,445	898
Laboratory and consumables costs		–	159	159	153
Research support and facilities		1	391	392	461
Support costs	10	75	–	75	45
		76	2,600	2,676	1,771

8. Patient amenities

	Note	2018			2017
		Unrestricted	Restricted	Total	Total
		£'000	£'000	£'000	£'000
Patient support and facilities		–	315	315	504
Support costs	10	9	–	9	32
		9	315	324	536

9. Staff amenities

	Note	2018			2017
		Unrestricted	Restricted	Total	Total
		£'000	£'000	£'000	£'000
Staff support and facilities		–	100	100	161
Support costs	10	3	–	3	4
		3	100	103	165

10. Support costs

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

	Raising funds	Investment management costs	Charitable support of the hospital	Research	Patient amenities	Staff amenities	2018 total	2017 total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Note	5	5	6	7	8	9		
Finance and administration	1,240	3	253	43	5	2	1,546	1,514
Management support	310	1	64	11	1	–	387	341
IT support	70	–	14	2	–	–	86	67
HR support	151	–	31	5	1	–	188	143
Marketing and PR support	384	1	78	14	2	1	480	475
	2,155	5	440	75	9	3	2,687	2,540

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 45 staff (equivalent to 43.2 full-time) who work exclusively for the Charity. There is additional staff resource to support the Charity (equivalent to 16 full-time) and the proportion of these individuals' time is provided by the hospital and recharged to the Charity. The salary of the Managing Director is set by the Trustees. Salaries of other staff working full-time for the Charity are set by the Managing Director within the budget approved by Trustees.

Staff costs during the year were as follows:

	2018	2017
	£'000	£'000
The Group and the Charity		
Wages and salaries	1,920	1,712
Social security costs	211	185
Other pension costs	266	197
	2,397	2,094

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	
	2018	2017	2018	2017
Fundraising	63	49	51	32
Charitable activities	2	1	1	1
Support	20	22	7	7
	85	72	59	40

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

	2018	2017
The Group and the charity		
£60,001 – £70,000	2	–
£70,001 – £80,000	–	–
£80,001 – £90,001	1	1
£100,001 – £110,000	–	–
£100,001 – £120,000	1	1
	4	2

The above employees accrued benefits under the defined contributions pension schemes and payments to defined contributions schemes totalled £44,000 (2016/17: £28,000).

The total amount of employee benefits, being gross salary and employer's pension contribution, received by the key management personnel listed on page 44 was £362,000 (2016/17: £311,000).

The Charity makes payments to agency staff where additional temporary staff are required. For the year ended 31 March 2018, the total payments made by the Charity in respect of agency staff totalled £99,600 (2016/17: £56,000).

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. Details of the benefits payable and rules of the scheme can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/nhs-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 government financial reporting manual (FReM) requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This uses an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018 is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The 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 employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury and are used to complete the valuation calculations, from which the scheme actuary can sign off the final valuation report. 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 £266,000 (2016/17: £197,000).

11c. Trustee expenses

The Charity Trustees neither received nor waived any emoluments during the year (2016/17: £nil). Trustees also were not reimbursed for any out-of-pocket expenses (2016/17: £nil). Trustee indemnity insurance is held at a cost of £5,040 (2016/17: £4,950).

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 income/(expenditure)

This is stated after charging:	Unrestricted	Restricted	2018 total	2017 total
	£'000	£'000	£'000	£'000
Auditor's remuneration				
Statutory audit services	19	–	19	17
Non-audit services	4	–	4	3

14. Results of the subsidiary company

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

Audited financial statements are filed with Companies House. Below is a summary of the trading results for the year ended 31 March 2018:

	2018	2017
	£'000	£'000
Profit and loss account		
Turnover	196	200
Cost of sales	(49)	(85)
Gross profit	147	115
Administrative expenses	(13)	(13)
Operating profit	134	102
Interest payable	(1)	(1)
Profit before taxation	133	101
Taxation	-	-
Profit for financial year	133	101
Retained earnings		
Retained earnings at 1 April	-	-
Profit for the year	133	101
Gift Aid payable to parent undertaking	(133)	(101)
Retained earnings at 31 March	-	-
The Company's assets and liabilities were as follows:		
Assets	174	162
Liabilities	(174)	(162)
Net assets	-	-

The entire issued share capital of Royal Marsden Cancer Campaign Trading Company Limited, totalling £2, is held by the Charity (see note 16 on page 66).

15. Tangible and intangible fixed assets

	The Group			The Charity		
	Other assets	Land and buildings		Other assets	Land and buildings	
	2018 total	2018 total	2018 total	2018 total	2018 total	2018 total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
Cost as at 1 April	-	11,645	11,645	-	11,645	11,645
Transferred from debtors	92	-	92	92	-	92
Additions	145	-	145	145	-	145
At 31 March	237	11,645	11,882	237	11,645	11,882
Accumulated depreciation						
Depreciation as at 1 April	-	(181)	(181)	-	(181)	(181)
Depreciation for the current year	(50)	(72)	(122)	(50)	(72)	(122)
At 31 March	(50)	(253)	(303)	(50)	(253)	(303)
Net book value						
At 31 March 2017	-	11,464	11,464	-	11,464	11,464
At 31 March 2018	187	11,392	11,579	187	11,392	11,579

Tangible fixed assets include properties owned by the Charity that have been and will, for the foreseeable future, be required for use by the hospital at the Chelsea site for essential purposes and/or by the Charity for its own purposes. Other assets comprise website costs that have been capitalised in the year. Other assets with the net book value of £187,000 reflects the value of intangible assets held by the Group and Charity.

16. Investments

	Note	The Group		The Charity	
		2018	2017	2018	2017
		£'000	£'000	£'000	£'000
Freehold investment properties		6,154	5,871	6,154	5,871
Listed investments and cash held for investments		86,646	88,373	86,646	88,373
Investment in trading subsidiary	15	-	-	-	-
		92,800	94,244	92,800	94,244

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

	Listed investments	Investment properties	2018 Total	Listed investments	Investment properties	2017 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Market value at the beginning of the year	84,704	5,871	90,575	75,475	5,871	81,346
Add: purchases at cost during the year	16,339	-	16,339	30,291	-	30,291
Less: disposal proceeds	(19,655)	-	(19,655)	(35,999)	-	(35,999)
Realised (losses)*	(370)	-	(370)	(629)	-	(629)
Unrealised gains*	5,253	283	5,536	15,566	-	15,566
Market value at the end of the year	86,271	6,154	92,425	84,704	5,871	90,575
Cash held with investment managers	375	-	375	3,669	-	3,669
Total	86,646	6,154	92,800	88,373	5,871	94,244
Historic cost (excluding cash held with investment managers)	69,659	851	70,510	76,157	851	77,008

*£78,390 (2016/17: £78,390) of listed investments relate to the endowment funds of The Royal Marsden Hospital Charity. This balance due to The Royal Marsden Hospital Charity is included within creditors: amounts falling due within one year. Included within total realised gains and unrealised gains are losses of £3,493 (2016/17: £3,253) and gains of £1,171 (2016/17: £39,274) relating to investments held on behalf of the endowment funds of The Royal Marsden Hospital Charity.

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

The freehold investment properties are subject to a programme of periodic revaluation and were last professionally revalued by Gerald Eve chartered surveyors in September 2017 on the basis of open-market value as at that date.

The Trustees are satisfied that the market value as at 31 March 2018 has not moved materially since the September 2017 valuation.

	2018	2017
	Total	Total
	£'000	£'000
Unrealised gains included above:		
On listed investments	16,612	12,216
On investment properties	5,303	5,020
On tangible fixed assets	-	0
Total unrealised gains at 31 March	21,915	17,236
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 April	17,236	13,731
Less: in respect to (disposals)/additions in the year	(487)	(11,432)
	16,749	2,299
Add: net investment gains in the year	5,166	14,937
Total unrealised gains at 31 March	21,915	17,236

Fixed asset investments are valued at market rate at the balance sheet date. The significance of such investments to the ongoing financial sustainability of the Charity is considered in the 'Principal risks and uncertainties' section on page 37 of the Trustees' report.

The main risk lies in the volatility of investment markets and volatility in yield. The yield on bonds and default rate on fixed interest securities has been low. There could be a fall in capital values if interest rates increase.

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

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

Listed investments held at 31 March 2018 comprised the following:

	2018	2017
	£'000	£'000
Corporate bonds	–	6,369
Equities	–	340
Government bonds	–	6,621
UK equities funds	86,270	71,018
Other	–	355
	86,270	84,703
Investments assets in the UK	86,270	83,878
Investments assets outside the UK	–	825
	86,270	84,703

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

	2018	2017
	£'000	£'000
Egerton Capital Equity Fund plc Class A Stg	38,470	35,486
Lansdowne Developed Markets Long Only Fund Limited Class A GBP	20,506	17,138
BlackRock	10,007	–
Kiltearn Partners LLP	17,288	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 on page 64).

17. Stocks

	The Group		The Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Merchandise	38	31	–	–
Christmas cards	1	5	–	–
	39	36	–	–

18. Debtors

	The Group		The Charity	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Prepayments and accrued income	2,603	2,992	2,603	2,993
Amounts owed by subsidiary company:				
Secured loan	–	–	50	50
Gift Aid	–	–	133	99
Other	–	–	9	–
Loan to The Royal Marsden NHS Foundation Trust	226	226	226	226
Other debtors	62	344	37	292
	2,891	3,562	3,058	3,660

All amounts included as debtors fall due within one year.

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

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

19. Creditors: amounts falling due within one year

	Note	The Group		The Charity	
		2018	2017	2018	2017
		£'000	£'000	£'000	£'000
The Royal Marsden NHS Foundation Trust	25	1,310	456	1,310	456
The Royal Marsden Hospital Charity	25	78	78	78	78
Capital commitments – grants payable	24	8,676	1,732	8,676	1,732
Revenue commitments – grants payable	24	5,710	5,418	5,710	5,418
Amounts owed to subsidiary company		–	–	32	–
Accruals and deferred income		478	249	463	237
		16,252	7,933	16,269	7,921

20. Creditors: amounts falling due after one year

	Note	2018	2017
		£'000	£'000
The Group and the Charity			
Capital commitments – grants payable	24	5,569	2,608
Revenue commitments – grants payable	24	10,500	15,945
		16,069	18,553

21. Movement in funds

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

Purposes of restricted funds

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

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

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

Gottesmann Will and Ronald Raven funds

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

Children's Drug Development Unit

The Royal Marsden's 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 £100,000 under the restricted fund.

da Vinci Xi Robotic Surgery Fellowships

This fund represents donations made specifically for the Robotic Surgery Fellowships. This project is described on page 28 of the Trustees' report. The fund balance represents the fundraising appeal, and other donations for this project will be used to fund the costs of the fellowships as they fall due.

Oak Cancer Centre

This fund represents donations made specifically for the Oak Cancer Centre in Sutton (previously known as the Clinical Care and Research Centre). A fundraising appeal to raise £50 million to enable The Royal Marsden to open the building in 2021 was launched in November 2015; the fundraising target has subsequently been increased to £70 million. Further details can be found on page 20 of the Trustees' report. The fund balance of £11.7 million represents donations received for this project so far.

LIBOR fund

This fund represents a grant received from HM Treasury to fund a team of play specialists and psychologists, pilot a new pain management service, and purchase vital equipment in order to develop and improve the care of children with cancer. The transfer of £594,000 relates to funds utilised by the Charity while the money was being received.

Equipment fund

This fund represents donations made to the Charity specifically to enable the Trust to purchase state-of-the-art equipment to support research, innovation and improved patient outcomes. The fund balance of £248,000 was transferred to general funds. This represents funds already committed/spent that were previously allocated out of general funds.

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

During the year, there was a net transfer of £5.7 million from these restricted funds to unrestricted reserves. Of this, £4.3 million related to investment gains previously allocated to restricted funds in the past few years that should have been assigned to unrestricted funds. The remaining balance of £1.5 million relates to funds utilised in the current year and in previous years for related expenditure incurred via unrestricted funds.

Other transfers

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

Purposes of designated funds

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

Tangible fixed assets fund

This fund represents the net book value of properties that are owned by the Charity and used by The Royal Marsden NHS Foundation Trust at the Chelsea hospital for essential purposes and/or by the Charity for its own administrative purposes (see note 15 on page 65). These funds have been set aside because these properties are of strategic importance to both organisations, and Trustees expect this to remain the case for the foreseeable future.

Investment properties fund

This fund represents the net book value of the Charity's investment properties (see note 16 on page 66). 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 monies set aside by the Trustees in the expectation of receiving specific bids for grant funding in the next financial year.

Oak Cancer Centre fund

This fund represents monies set aside by the Trustees for future funding of this £70 million project to build the new Oak Cancer Centre, which is due to open in 2021.

22. Analysis of group net assets between funds

	2018				2017
	General funds	Designated funds	Restricted funds	Total funds	Total funds
	£'000	£'000	£'000	£'000	£'000
The Group					
Tangible fixed assets	–	11,579	–	11,579	11,464
Fixed asset investments	34,827	30,654	27,319	92,800	94,244
Current assets	3,714	–	21,269	24,983	8,590
Creditors: amounts falling due within one year	(7,005)	–	(9,247)	(16,252)	(7,933)
Creditors: amounts falling due after one year	(16,069)	–	–	(16,069)	(18,553)
Net assets at the end of the year	15,468	42,233	39,340	97,041	87,812
The Charity					
Tangible fixed assets	–	11,579	–	11,579	11,464
Fixed asset investments	34,827	30,654	27,319	92,800	94,244
Current assets	3,731	–	21,269	25,000	8,578
Creditors: amounts falling due within one year	(7,021)	–	(9,248)	(16,269)	(7,921)
Creditors: amounts falling due after one year	(16,069)	–	–	(16,069)	(18,553)
Net assets at the end of the year	15,468	42,233	39,340	97,041	87,812

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	2018		2017	
		£'000	£'000	£'000	£'000
Commitments at 1 April					
Capital grants		4,340		8,200	
Revenue grants		21,363		9,198	
			25,703		17,398
Commitments made in the year					
Capital grants	6	14,323		3,500	
Revenue grants	6	335		23,171	
			14,658		26,671
Grants paid in the year					
Capital grants		(4,419)		(7,360)	
Revenue grants		(5,487)		(11,006)	
			(9,906)		(18,366)
Commitments at 31 March					
Capital grants		14,245		4,340	
Revenue grants		16,210		21,363	
			30,455		25,703
Commitments at 31 March are payable as follows					
Within one year					
Capital grants	19	8,676		1,732	
Revenue grants	19	5,710		5,418	
			14,386		7,150
More than one year					
Capital grants	20	5,569		2,608	
Revenue grants	20	10,500		15,945	
			16,069		18,553
			30,455		25,703

25. Related party transactions

Disclosure of related party transactions is provided in the section of 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	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	16	11,092	3,845	14,937	542
Net (expenditure)/income	13	(9,033)	8,987	(46)	(1,215)
Transfers between funds		215	(215)	–	–
Net movement in funds		(8,818)	8,772	(46)	(1,215)
Reconciliation of funds					
Total funds brought forward at 1 April		61,637	26,221	87,858	89,073
Total funds carried forward at 31 March	21	52,819	34,993	87,812	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.

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.

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royalmarsden.org/support
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royalmarsden.org/donate
020 7808 2233

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