

# Annual Report and Financial Statements 2019/20



A nurse giving treatment to a patient on the West Wing Clinical Research Centre.



# Annual Report and Financial Statements 2019/20

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Managing Director

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# Introduction

## A letter from our Chairman and Managing Director

There was much to celebrate over the last financial year as we continued our fundraising with great success, raising £31.7 million from donations and legacies alone thanks to the support of our wonderful donors, volunteers and staff. We must also recognise however, that there was a challenging end to the year with the emergence of the Covid-19 pandemic across the world.

Through 2019/20, the Charity continued its support for children with cancer, through a new £3.6 million grant. This will ensure staff at the Oak Centre for Children and Young People can provide paediatric and teenage patients with access to clinical trials, molecular pathology and the latest radiotherapy techniques, as well as vital psychological support and holistic services. This is additional to the Charity's ongoing support for the work of the Oak Paediatric and Adolescent Drug Development Unit which, through the development of breakthrough drugs and treatment, continues to make a life-changing difference to children with cancer all over the world.

The second CyberKnife machine funded by the Charity was installed at The Royal Marsden this year, at our hospital in Sutton, meaning even more patients can benefit from advanced radiotherapy for tumours which move or very small brain tumours. The first CyberKnife machine, funded by the Charity in 2011, has been used to deliver stereotactic body radiotherapy (SBRT) to patients as part of the PACE-B trial which was led by The Royal Marsden. Results of this trial were published in September 2019 and showed that advanced radiotherapy technology can safely deliver curative treatment for patients with prostate cancer in just one or two weeks, rather than months of hospital treatment, which is fantastic news for patients.

Our fundraising for the Oak Cancer Centre, our biggest ever appeal, reached £61.5 million this year, meaning we have less than £10 million to go to reach our target of £70 million. As well as two very generous seven figure pledges this year, we also benefited from a once-in-a-lifetime concert, 'Music for the Marsden', which took place at the O2 Arena in March 2020 (opposite). The event, which saw a line-up of music legends including Eric Clapton, Sir Tom Jones, Van Morrison and Bonnie Tyler perform their biggest hits in front of thousands of fans, raised £1 million for the Oak Cancer Centre appeal.

However, as all of you will know, it has been a challenging end to the year. The coronavirus pandemic has had a considerable national and international impact, including on patient treatment and care at The Royal Marsden. The coming months will likely be very difficult for everyone, and the Charity will be working hard throughout the year to adjust as much of our fundraising activity as possible.

We need support now more than ever, as cancer patients at The Royal Marsden and beyond adapt to a very different healthcare system.

We saw how dedicated and generous our supporters are, even in these difficult times, when we launched our emergency appeal at the end of March 2020 to support Royal Marsden staff and patients, amidst the upheaval and uncertainty brought on by Covid-19. In just a month we raised over £1 million, a fantastic amount of money for which we are truly grateful.

These vital funds had an immediate benefit and were used to invest in digital resources such as purchasing iPads to facilitate remote consultations with patients. We also funded additional mental wellbeing and psychological support for staff and patients, and supported the research teams on a number of urgent research projects that will help develop their knowledge and understanding of how to best protect high risk cancer patients during the coronavirus pandemic.

Covid-19 will pose unprecedented challenges for the third sector, including at The Royal Marsden Cancer Charity. We are confident however that we can continue to support the world-leading work of The Royal Marsden thanks to your generous support, ensuring that throughout the next year The Royal Marsden will continue to deliver the very best research, treatment and care, helping patients not just here, but everywhere.



**Charles Alexander**  
Chairman  
The Royal Marsden Cancer Charity



**Antonia Dalmahoy**  
Managing Director  
The Royal Marsden Cancer Charity

Sir Tom Jones performing at 'Music for the Marsden'.



# Objectives

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## The Royal Marsden NHS Foundation Trust

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

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



A nurse chats to a patient.

## The Royal Marsden Cancer Charity

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

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

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

### Charitable purpose

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

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

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

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

We apply these objectives to grants for funding work and equipment at The Royal Marsden, at the Trustees' discretion, under the four pillars of:

**Research:** Support life-saving research – including leading on the development of new treatments and funding clinical trials that give patients at the hospital, across the UK and around the world access to the latest breakthrough drugs.

**Equipment:** Invest in state-of-the-art equipment – from the most advanced robotic surgery machines, to the latest scanners and diagnostic technology to ensure the very best imaging of patients resulting in more personalised treatment.

**Patient environments:** Fund modern patient environments – allowing the hospital to build new facilities and refurbish existing ones, so that patients are cared for in the most welcoming, dignified and peaceful environments.

**Treatment and care:** Enable The Royal Marsden to offer patients world-leading treatment and care – delivering tailored and personalised treatment, which cares for the whole person, not just their illness.

### Public benefit

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

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

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

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

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## Wider reach

The research, staff, and equipment supported by The Royal Marsden Cancer Charity benefits patients not just at The Royal Marsden, but those diagnosed with cancer across the UK and around the world. It enables advancements in research through collaboration and information sharing, which improves treatment and care for patients.

Genomic testing has revolutionised the study of cancer genomes and dramatically increased our understanding of how cancers evolve and develop. Genomic medicine opens up better diagnoses for patients, more effective and safer, personalised, treatments with fewer side-effects, opportunities for screening and possibilities for prevention.

Thanks to a very generous donation from the Denise Coates Foundation to The Royal Marsden Cancer Charity, The Royal Marsden acquired NovaSeq 6000 in early 2018. Using the NovaSeq, which is capable of sequencing six trillion bases of DNA in a single run, we recently became the first hospital in the UK to test all our patients on a comprehensive 200 gene panel to find potentially diagnostic or predictive cancer variants to help with treatment. Over 200 patients a week now benefit from these tests as standard of care.

In 2019, the NHS Long Term Plan also set the goal of giving every child diagnosed with cancer access to comprehensive genomic testing and The Royal Marsden is leading the way in this field. Determining the molecular profile of a patient's tumour is key to helping our paediatric oncologists select targeted treatments. At The Royal Marsden researchers run a bespoke cancer gene panel for our young patients.

The panel, designed by scientists in the Centre for Molecular Pathology (CMP) at The Royal Marsden, looks at 93 genes in paediatric solid tumours that have 'actionable' mutations that can be targeted with standard and experimental treatments. The panel has now become NHS standard of care, with The Royal Marsden currently providing the majority of gene panel testing for children across the country. In the last year, we added an RNA gene panel to detect gene fusions that can be directly targeted by drugs like Crizotinib and Larotrectinib. This testing has led to patients receiving personalised and effective treatments.

Dr Mike Hubank, Head of Clinical Genomics (Research) at The Royal Marsden and The Institute of Cancer Research, whose work is funded by The Royal Marsden Cancer Charity through a generous donation from Her Highness Sheikhah Jawaher Bint Mohammed Al Qasimi of Sharjah, is leading this project. He says: "In the last year we have moved to highly comprehensive genomic testing for children with cancer. We are now able to offer DNA and RNA panel sequencing to paediatric patients with solid tumours across the country. By combining these methods with new developments, including the application of whole genome sequencing and direct analysis of tumours from blood alone, we aim to transform treatment options for children with cancer."



## Grant-making

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

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

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

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

## Charitable Special Purpose Funds

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

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

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

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

## Social investment

The Charity has made a concessionary loan of £226,000 to The Royal Marsden NHS Foundation Trust to be used to finance loans to hospital staff for travel season tickets and bicycle purchases. 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 2019/20.

### 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 2020, we received 36 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.

## Protecting people

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

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



Consultant Dr Rob Dowse with a patient and her family in the Oak Centre for Children and Young People.

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## Our volunteers

The Royal Marsden Cancer Charity is fortunate to be supported by an incredibly committed group of volunteers, who support events and activities both inside the hospital and out in the community.

Over the past year, almost 200 active volunteers gave up over 13,750 hours of their time to support the Charity. At The Banham Marsden March in May 2019, 200 volunteers helped with the marshalling, at the start and finish lines, as well as cheering walkers on along the route. They also assisted in the preparation of the event to help make the event a success.

Mike, one of our volunteers, says: “I have volunteered at The Royal Marsden Cancer Charity for 10 years now, helping at their outside events, including The Banham Marsden March. After being diagnosed with skin cancer some years ago, I was treated at The Royal Marsden. A couple of years later I was diagnosed with prostate cancer and have been living with it for about 10 years. By volunteering I could be involved with the hospital in more ways than one. You get to chat with lots of people, many of whom have been treated by The Royal Marsden over the years or know someone who has. We are all looking after each other. That’s what I enjoy most.”

As the coronavirus pandemic hit, all volunteers were initially stood down as the hospital went into lockdown. Some of our volunteers later took on a new role, delivering medication to patients who are shielding and self-isolating, which provide a fantastic success.

Over the coming year, the events and activities we are able to hold may be very different to what we had planned, and opportunities for volunteering may also be very different.

*“I’d like to say a huge thank you to every Royal Marsden Cancer Charity volunteer, whatever their role, for the difference they’ve made to the patients, and the staff, at The Royal Marsden. It will be a very different road ahead, but I’m confident our dedicated group of volunteers will be incredibly supportive and for that, I can’t thank them enough.”*

**Antonia Dalmahoy**  
Managing Director  
The Royal Marsden Cancer Charity

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## Measuring success

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

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

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## Our strategic priorities

This year marked the second year of the Charity’s three-year strategy which runs from 2018/19 to 2020/21. We continued with our plan to deliver sustainable growth by focusing on the following six strategic priorities:

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



Senior Staff Nurse, Tahmina Ali in the Outpatients Department, Chelsea.

# Activities, achievements and performance in 2019/20

**In this section, we review the progress we made towards achieving our 2019/20 objectives, detailing how we performed against each of these objectives.**

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

In 2019/20 we budgeted to raise £38.4 million from donations and legacies alone, with a cost income ratio of 16%. During the year we raised £31.7 million (see Note 2 on page 40), which is down on budget due to rephasing of a significant Oak Cancer Centre grant that resulted in £6.9 million being moved to 2020/21, following a change in the construction schedule. Though the change in the timing of the Oak Cancer Centre funding has impacted our cost income ratio, through cost savings and reduced fundraising activity due to Covid-19, we ended the year at 17%, only slightly higher than budget.

The growing impact of the international coronavirus pandemic started to affect the work of the Charity at the end of the financial year as well as impacting on plans for 2020/21. The Charity team closed their hospital offices in March 2020 in response to government guidance and worked remotely during lockdown. In late March we launched an emergency appeal to support staff and patients at The Royal Marsden during the crisis. Planning also started to convert many of our fundraising activities to online, or 'virtual' participation. The impact of coronavirus on fundraising activities and donations will last for the entire financial year 2020/21 and beyond, particularly around mass participation events and this is explained further in the 'Plans going forward' section.

You will find a more detailed analysis of our income and expenditure in the 'Financial review' section on pages 18-24.



A supporter at the Ever After Garden in Grosvenor Square, London.

## Fundraising activities and achievements

Aims and objectives	Achievements and performance
<p>Continue to fundraise for the Oak Cancer Centre, realising pledged income and securing additional in-year income, together with supporting the Appeal Board to effectively fundraise for the appeal</p>	<p>By the end of 2019/20 we had raised £61.5 million for the Oak Cancer Centre appeal including two new generous seven figure pledges. We also benefited from a unique concert, 'Music for the Marsden', which took place at The O2 on 3 March 2020. As well as raising over £1 million for the appeal, the concert attracted significant media coverage and raised the profile of the appeal with a large audience of potential new supporters.</p>
<p>Plan a comprehensive fundraising and marketing and communications plan for the Oak Cancer Centre public fundraising appeal</p>	<p>A fundraising plan was developed to raise £5 million for the appeal. New events and fundraising activities have been planned to help gain new supporters and inspire supporters who have donated in the past to engage with the appeal. We also secured pro-bono marketing support. The appeal was due to launch at The Banham Marsden March in May 2020, however the event was delayed due to coronavirus. The public appeal will therefore be launched later in the year, to coincide with the ground breaking of the centre.</p>
<p>Launch a Free Will Service for our supporters that secures new pledges from gifts in Wills</p>	<p>We launched a Free Will Service for patients and supporters, working with National Free Wills Network, in September 2019. The service has been well received and we have seen a 70% inclusion rate for new pledges.</p>
<p>Launch a supporter acquisition campaign delivering vital income from new regular givers and develop a communications programme for these supporters which deepens their engagement with the Charity, and shows how their support makes a difference</p>	<p>In October 2019 we launched our supporter acquisition campaign recruiting over 250 new supporters for the Charity, up until 31 March 2020. We also developed a specific twelve-month stewardship journey for new supporters helping to demonstrate the impact their support will deliver for patients, as well as increasing their knowledge of and engagement with the broader work of the Charity and hospital.</p>
<p>Develop and implement the infrastructure needed for improved data analytics within financial reporting, and improve the efficiency and structure of reports and analysis through investment in new data systems</p>	<p>During the year we selected a new cloud hosted finance system and launched the implementation project. The Covid-19 pandemic has impacted the initial plans and the system implementation has been delayed and is now expected to go-live at the beginning of April 2021.</p>
<p>Develop a robust Grants Management strategy, complementing all areas of fundraising and supporting the strategic needs of The Royal Marsden</p>	<p>A new Grants Strategy was developed following engagement with key stakeholders at the hospital. It details an improved and more strategic method of grant making, which will allow the Charity to continue to play a vital role in helping to deliver the hospital's strategic priorities and in maintaining the hospital's ability to continue to deliver transformative changes in patient outcomes. The strategy was presented to Charity Trustees at the March 2020 meeting and subsequently approved, to come into effect in the 2020/21 financial year.</p>

## Charitable activities and achievements

Aims and objectives	Achievements and performance
<b>Research</b>	
<p>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.</p>	<p>Through the Charity's funding of the NovaSeq 6000 which was installed in the NIHR Centre for Molecular Pathology in 2019, researchers have been taking the lead for genomic cancer testing in London and The Royal Marsden is now one of seven NHS England genomics hubs. The team are also using a new 170 gene panel for screening lung cancer samples as The Royal Marsden is one of three national hubs for sequencing in the Matrix trial which looks at a number of new drugs to treat non-small-cell lung carcinoma.</p>
<p>We will continue to fund clinical trials and research posts at The Royal Marsden including in the area of early diagnosis, ensuring support for innovative research and clinical projects.</p>	<p>Through a five-year £15 million grant committed in December 2016 to support translational research at The Royal Marsden, the Charity fund a number of research and scientist posts across the hospital. These include a Senior Cellular Scientist and Research Nurse who have been involved in The Royal Marsden's first trial for CAR-T therapy, a new type of immunotherapy. Following the Trust's accreditation as an NHS England commissioned centre for CAR-T treatment, the first patient was treated as part of the Zuma 7 trial in December 2019. The patient had become resistant to standard first-line chemotherapy for his non-Hodgkin lymphoma, but is so far in complete remission following CAR-T therapy. This demonstrates the potential life-changing benefits of this treatment and the important impact Charity funding is having on lymphoma patients with refractory disease and limited treatment options.</p>
<b>Equipment</b>	
<p>We will enable The Royal Marsden to purchase and develop the latest equipment, giving patients access to leading-edge cancer treatments.</p>	<p>In November 2017, we committed £14.3 million over five years to purchase pioneering equipment to improve cancer diagnosis, treatment and survival. In October 2019, £2.7 million of equipment was funded across the hospital to benefit the health, welfare and comfort of patients and ensure they are receiving the very best treatment and care. The equipment included a number of ultrasounds for both the Radiology and Theatres departments to enhance diagnosis and treatment, and 'FISH' machines in the NIHR Centre for Molecular Pathology at The Royal Marsden in Sutton. FISH (Fluorescence in-situ hybridisation) is a method of examining the cell's genes under a microscope and highlighting the changes that cause cancer. This highly specialised technique can enable the identification of genetic changes which lead to more targeted treatments for the patient.</p>
<p>We will continue to support funding across radiotherapy and imaging through an equipment grant aimed at improving patients' experience and treatment.</p>	<p>The second CyberKnife at The Royal Marsden was installed in Sutton in early 2020, following a £2.7 million funding commitment from The Royal Marsden Cancer Charity. This will ensure the Trust has more capacity and scope to deliver advanced stereotactic body radiotherapy (SBRT). The CyberKnife can deliver larger doses of precisely targeted SBRT to moving tumours and very small brain tumours. The non-invasive treatment minimises damage to healthy tissue and is delivered with such accuracy that fewer treatment sessions are required, offering improved quality of life for all patients. The Trust expected to start treating patients in April 2020 on the CyberKnife in Sutton however, due to the coronavirus pandemic, this was delayed to July 2020. This is the second CyberKnife to be funded by supporters of The Royal Marsden Cancer Charity, after the first was installed in Chelsea in 2011.</p>



Aims and objectives	Achievements and performance
<b>Treatment and care</b>	
<p>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.</p>	<p>In October 2019, the Charity granted £5.9 million to continue its funding of staff roles which provide exceptional quality of care to patients. Through this grant, the Charity will, for example, continue to fund the 'Triggers' service which is an innovative service which extends the role of palliative care. Triggers is a service that can offer value at all stages of a cancer patient's journey, demonstrating that advance care planning and referral to the specialist team can have a positive impact on quality of life, and in some circumstances, extend expected prognosis. The service was initially piloted in lung cancer, but after positive staff and patient feedback and data, it was rolled out to upper GI, kidney and gynaecology cancer patients. With the continued funding, it will now develop even further to include more tumour groups and benefit even more patients and their families.</p>
<p>We will continue to support the hospital in providing treatment and care for patients at the Oak Centre for Children and Young People to ensure they have the most age-appropriate care, suited to their clinical, emotional and psychological needs.</p>	<p>In December 2019, the Charity granted £3.6 million to ensure staff at the Oak Centre for Children and Young People can provide paediatric and teenage patients with access to clinical trials, molecular pathology and the latest radiotherapy techniques, as well as vital psychological support and holistic services, all taking place in age-appropriate facilities for both teenagers and children. The grant includes funding for the psychological support service for both the patient and their family, occupational and physical therapy, and a paediatrics dietetics service in order to ensure the hospital can provide the very best treatment and care for young people with cancer.</p>
<b>Patient environments</b>	
<p>We will continue to deliver our largest-ever appeal to build the Oak Cancer Centre and support the hospital through the planning application.</p>	<p>The Oak Cancer Centre Appeal Board met four times during 2019/20, continuing their work to lead fundraising for the new building. The Royal Marsden was awarded planning permission for the centre in November 2019. Enabling works started in early 2019 to prepare the site for construction which is due to start in summer 2020 and we appointed ISG as the main contractors in March. The project was also shortlisted for 'Planning application of the year' in the Planning Awards.</p>
<p>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.</p>	<p>Thanks to the generous support of Her Highness Sheikha Jawaher Bint Mohammed Al Qasimi of Sharjah, work was carried out this year to transform labs within the NIHR Centre for Molecular Pathology at The Royal Marsden, Sutton. The changes to the labs, now known as the Sharjah Clinical Genomics Laboratory, will ensure scientists and researchers can carry out the most efficient cancer testing and maximise the number of tests that can be run in one day. The modernisation also ensured that the laboratory was fit-for-purpose for the highly ambitious programme the research team has to provide the very best genomic cancer testing alongside a reduction in costs to a level where it can be provided to all throughout the NHS, benefiting patients across the UK.</p>

# Plans for future periods

## Future direction

The coronavirus pandemic has had a considerable national and international impact, including on the charity sector. Due to this, we have revised our plans for 2019/20. We had originally planned to raise nearly £38 million but this has been revised to £27.8 million. This represents a 27% fall in fundraised income from the original budget, similar to other charities of our size, and highlights the severity of the impact of the pandemic on fundraising.

With a successful two years behind us, the Charity was on target to overachieve against our three-year vision of raising £100 million, but the pandemic and global recession has changed our plans dramatically. We are now aiming to deliver £96 million over the three-year period, which is over 60% growth on the previous three years and will still deliver transformative changes in cancer patients' outcomes.

## Fundraising activities

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

1. Continue to fundraise for the Oak Cancer Centre, realising pledged income, securing additional in-year income and supporting the board to effectively fundraise for the appeal
2. Fundraise for hospital priority projects, working collaboratively with the hospital to develop cases for support for new grants
3. Launch and successfully deliver the start of the Oak Cancer Centre public fundraising appeal, implementing an effective marketing and communications plan to engage supporters and staff in the appeal
4. Continue to raise awareness of legacy giving, including the Free Will Service, through social media, advertising and in hospital promotion, to increase our number of legacy supporters
5. Further develop our welcome programme for new supporters which deepens their engagement with the Charity, and shows how their support makes a difference
6. Prepare for the implementation of a new finance system next financial year which will improve both our budgeting and reporting processes.

## Charitable activities

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

### Research

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

We will continue to fund clinical trials and research posts at The Royal Marsden including in the area of paediatric cancer and the impact of Covid-19 on cancer treatment support, ensuring support for innovative research and clinical projects.

### Equipment

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

We will continue to support funding across surgery and critical care through an equipment grant aimed at improving patients' treatment and care.

### Treatment and care

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

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

### Patient environments

We will continue to deliver our largest-ever appeal to build the Oak Cancer Centre, launching the public appeal to raise the final millions.

We will provide funding for wards and facilities across The Royal Marsden, during the coronavirus pandemic and after, as the impact of the pandemic continues to affect both patients and staff.



Radiographers position a patient on an MRI scanner in the Reuben Foundation Imaging Centre.

# Financial review

## Financial performance

### Income

2019/20 was a good year for income for the Charity with total income of £33.2 million (2018/19: £37.3 million). The total income included donations for the year of £27.5 million (2018/19: £26.3 million), an increase of 4.6%. Following an exceptional year for legacies in 2018/19 (£8.3 million), this year we received a significantly lower total of £4.2 million. Grants receivable remained at £0.3 million (2018/19: £0.3 million) and investment income was £0.5 million (2018/19: £0.9 million). The remaining income of £0.7 million (2018/19: £0.5 million) relates to the Charity's trading activities and other miscellaneous income.

### Expenditure

Expenditure during the year totalled £42.6 million (2018/19: £31.4 million). This includes a significant increase of £11.3 million versus 2018/19, in support committed or paid directly to The Royal Marsden. Grants of note for 2019/20 include:

- £25.0 million toward the construction of the Oak Cancer Centre
- £5.7 million for improved quality and services for patients
- £3.6 million for children and young people.

The full breakdown of our grants can be found in Note 6 to the accounts on page 42.

The Royal Marsden Cancer Charity Trustees ensure that expenditure on raising funds and support costs is carefully monitored and controlled. Expenditure on raising funds in the year was 17% of income from donations and legacies (2018/19: 13%).

### Financial position

Investment losses for the year, following the sudden decline in the global markets as a consequence of the Covid-19 pandemic, totalled £10.1 million (2018/19: £2.4 million gain). Together with the significant grant commitments to the hospital, the net expenditure for the year and therefore net movement in funds was down £19.6 million (2018/19: total surplus of £8.3 million).

The Royal Marsden Cancer Campaign Trading Company Limited, the Charity's trading subsidiary, had a turnover of £355,000 for the year (2018/19: £247,000), an increase of 43.7%. With cost of sales and other expenditure totalling £165,000 (2018/19: £81,000), the profits from the trading activities were £190,000 (2018/19: £166,000). These will be paid to the Charity under the Gift Aid scheme. Further details can be found in note 15 to the financial statements on page 48.

## Funds

Overall, the Charity ended the year with total funds of £85.8 million (2018/19: £105.3 million), of which £49.6 million (2018/19: £56.7 million) is restricted and £36.2 million (2018/19: £48.7 million) is unrestricted.

### Restricted Funds

The Charity holds restricted funds for specific purposes which fall within the objectives of the Charity. At 31 March 2020 there was £49.6 million (2018/19: £56.7 million) in funds restricted for specific areas of work as set out in note 22 to the financial statements on page 54.

### Unrestricted Funds

Unrestricted funds are allocated at the discretion of the Trustees to further the Charity's objectives. The Charity's unrestricted funds at 31 March 2020 were £36.2 million (2018/19: £48.7 million) and included £28.0 million of designated funds (2018/19: £29.0 million).

Periodically Trustees review the need to designate unrestricted funds raised to provide for existing assets, for investment properties or for other specific projects, to be committed and spent in future years. This supports the Charity's financial stability and supports the vital work of the hospital.

At 31 March 2020 the balance of unrestricted funds designated by Trustees is as follows:

- Tangible fixed assets fund  
£11.9 million  
(2018/19: £11.8 million)
- Investment properties fund  
£2.0 million  
(2018/19: £2.9 million)
- Sutton Hospital  
£0.8 million  
(2018/19: £0.8 million)
- Oak Cancer Centre  
£13.4 million  
(2018/19: £13.5 million)

After recognising the designated funds the remaining unrestricted funds are general funds or free reserves and at 31 March 2020 these were £8.2 million (2018/19: £19.6 million).



Rebecca Martin, Advanced Nurse Practitioner, in the Endoscopy Unit.

## Reserves policy

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

The Trustees reviewed the Charity's Free Reserves Policy during the year as part of their regular policy review cycle. Given the Charity's successful fundraising performance in recent years Trustees considered it appropriate to lower the policy level of free reserves and agreed a change to set a target level of free reserves of £6 million with a minimum of £3 million, equivalent to support six months of direct fundraising expenditure. These reserves are to be held in cash or in funds invested in cash and cash equivalents.

Any free reserves held at any time that are above £6 million are considered by Trustees to be available for grants to The Royal Marsden.

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

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

At 31 March 2020 free reserves were £8.2 million, £2.2 million above the target policy level of free reserves. This excess amount is therefore considered immediately available for grants to The Royal Marsden and proposals for grant funding will be prepared for Trustees' consideration.



Poonam Madhale, Therapy Radiographer in Radiotherapy, Sutton.

## 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 members. The members appoint a Chair who reports to the Board of Trustees after each Committee meeting. The Investment Committee ensures that any conflicts of interest are identified, adequately recorded and addressed.

The Investment Committee meets formally twice a year and in between meetings maintains informal contact with managers to monitor investment performance, and to take such actions as are deemed desirable. It is responsible for appointing and monitoring the performance of investment managers, for meeting them formally at least annually and reviewing their performance.

The level of investment funds held by the Charity takes into account income requirements and risk profile. Though the funds are held under the expectation that they will be held for the foreseeable future, they will vary in size depending on:

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

The Charity must not hold, directly or indirectly, investments in tobacco shares. If any fund 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 overall investment objective is to maximise total return to the extent compatible with the approved risk profile, through a diversified portfolio. The portfolio should be invested in a variety of investment funds. Such funds, and other securities held, should be liquid. Funds should be tradeable at least monthly and invested in assets which are themselves highly liquid in normal market conditions. Given the fundraising pattern of the Charity, the portfolio may consist, for the most part, of equities requiring a long-term view together with a portion in assets with low market risk and immediately available should the Charity require them at short notice. The possibility of external events affecting the fundraising climate, as well as the Investment Committee's view of market prospects, will be taken into account by the Investment Committee in its annual (or ad hoc) review of this Investment Policy. Currency exposure should take into account the likely disposition of funding needs, with a minimum of 50% held in sterling. The return benchmark for the overall portfolio should be agreed from time to time by the Investment Committee to reflect current market conditions and its risk appetite.

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 a property gifted to the Charity in February 2015. Investment properties are those not considered to be of strategic importance to The Royal Marsden. These are properties that are not occupied by either The Royal Marsden NHS Foundation Trust or the Charity, which are classified as tangible fixed assets.

During the year the Trustees agreed the sale of one of the investment properties realising a small gain of £0.4 million.

A desktop valuation was carried out on the two remaining investment properties in the portfolio by qualified and independent surveyors in April 2020, assessing the value of the portfolio as at 31 March 2020. This was in place of the scheduled, full valuation, which should have taken place in September 2020. This valuation concluded a small increase of £0.1 million. In accordance with the RICS guidance the valuations were issued with a material valuation uncertainty due to the uncertainties in the property market from the Covid-19 pandemic. As a consequence, Trustees took a prudent approach in not recognising the small increase in value, satisfied that the overall market value of the remaining portfolio properties at 31 March 2020 has not moved materially since the previous valuation, which took place in September 2017. However, recognising the possible uncertainty in valuations during the Covid-19 pandemic a further valuation will be carried out in March 2021.

## Investment performance

During the year the majority of the investment portfolio was held in four funds managed by Egerton Capital (UK) LLP, Lansdowne Partners Ltd, Kiltearn Partners LLP and BlackRock Investment Management (UK) Ltd. In January 2020, pursuant to our policy requiring disinvestment from funds which have invested in tobacco shares, the Investment Committee disinvested its holding in the Egerton Capital Fund realising a gain of £8.7 million. The funds were immediately invested in a BlackRock ESG fund.

These funds 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.

At year-end, the value of the investment portfolio was £85.9 million. The total return (including dividends) of the investment portfolio (including properties) for the year was -12.2%. The total return of the securities portfolio (which is the investment portfolio, excluding properties) was -12.6%. The securities portfolio was significantly impacted by the global falls in markets due to the Covid-19 pandemic. Investment performance is routinely monitored, and on 30 June 2020 the investment portfolio value was £97.8m, an increase of 14% since 31 March 2020. Further investment information is provided in note 17 on page 49.



## Remuneration

The Board of Trustees has appointed a sub-committee, the Remuneration Committee, responsible for ensuring the Charity has a pay framework that enables it to recruit and retain the high quality staff required to realise its strategic ambition, whilst ensuring best value. The members appoint a Chair who reports to the Board of Trustees after each Committee meeting and they meet at least once a year.

The Remuneration Committee agree the Pay Policy, determine any annual pay award and set pay for senior management roles. Annual pay awards reflect relevant internal and external factors including the Charity's financial position, relevant factors in the voluntary sector, value for money and accordance with equality legislation. Key management personnel including senior management, and Trustees are detailed on page 30. Trustees are volunteers and are not remunerated for their role. An analysis of staff costs, including senior management, is detailed in note 11 on page 45.



A scientist in the Tissue Bank at the NIHR Centre for Molecular Pathology.

## Principal risks and uncertainties

During the year the Trustees reviewed the Risk Policy and have given consideration to the major risks to which the Charity is exposed.

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

### Widespread outbreak of Covid-19

The widespread outbreak of Covid-19 introduced new risks while also increasing both the likelihood and impact of existing risks. The most significant impact is the resulting loss of income from our inability to deliver and participate in large fundraising events such as The Banham Marsden March, Virgin Money London Marathon and numerous challenge events. There has also been a decline in the value of our investment portfolio. The overall global market losses and any global recession are also having a significant impact on the value of our legacies and all other fundraised income. We have developed virtual fundraising products to replace some of this lost income, and adapted established events to ensure they can continue in some capacity, while also encouraging our supporters to find new and creative ways of fundraising from home. The Reserves Policy, detailed on page 20, covers six months of operating costs and sufficient availability of accessible cash.

### Political and economic uncertainty

The Charity's senior management team continually assess the impact and possible mitigations of a number of national and international issues, including uncertainty surrounding Brexit, Covid-19 and detrimental changes to tax legislation including gift aid and the probate fee structure. Although the risk factors are all external and therefore difficult to mitigate, the Charity will continue to diversify its income streams to minimise the impact of the current risks on overall income generation and continue regular communication with the hospital in particular in relation to Brexit strategies and impact.

### Inadequate IT systems and infrastructure

The Charity relies on the hospital's IT systems and infrastructure, some of which lack the ability to evolve to meet the business needs of the Charity, particularly when considering increased agile working. The Charity works closely with the hospital to ensure issues are raised and resolved in a timely manner, and prioritisation of resources, for example piloting the Office 365 system within the Charity and ensuring that there is a Charity representative on the hospital's Digital Workplace Programme Board.

### Risk to the value of investments

There is always a risk of poor performance on our investments, particularly given the current economic climate. The work of the Investment Committee, whose members comprises those with significant, proven and current professional financial investment expertise and experience, helps to mitigate this risk. The Investment Committee undertakes to:

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

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

# Structure, governance and management

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## Structure and governance

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

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

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

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

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## Board of Trustees

The Board of Trustees shall not be less than four and (unless otherwise determined by Special Resolution) no more than ten.

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

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

At 31 March 2020 the Board of Trustees comprise nine Trustees, six of whom are independent, from a range of sectors and industries, all of whom are Members of the Charity and Directors of the charitable company.

The skills mix of the Trustees is regularly reviewed to ensure that the Board of Trustees has all the necessary skills required to contribute fully to the Charity's development.

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

All decisions must be made by a quorum of Trustees that includes a majority of independent Trustees. During the year ended 31 March 2020, Trustees met as a body four times, and additionally considered specific items via email.

No Trustee received any remuneration from the Charity during the period (2018/19: £nil).

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## 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. The plan lays out the operational and financial objectives for the financial year ahead.

### Identification and approval of projects for funding

The Charity achieves its objectives by fundraising for key projects in support of the hospital (see 'Objectives' and 'Activities, achievements and performance in 2019/20' sections on pages 4-15).

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

### Finance and administration

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

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

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

### 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. More information in regard to this is detailed in the 'Our fundraising practices' section on pages 8-9.

## Relationships with related parties

### The Royal Marsden NHS Foundation Trust (The Royal Marsden)

The Royal Marsden provides a number of services to the Charity, which are recharged under a contractual service level agreement. The total amount payable to The Royal Marsden for its staff under the service level agreement for the year was £416,048 (2018/19: £1,480,760), with an additional £9,312 (2018/19: £50,100) in relation to other ancillary services.

In addition, The Royal Marsden pays other expenses on behalf of the Charity and at 31 March 2020, these amounts totalled £290,927 (2018/19: £972,355), excluding grants payable, and are reflected in note 20 on page 53.

The Charity makes grants to The Royal Marsden in accordance with its objects. Grant and revenue funding awarded to The Royal Marsden during the year was £33.5 million (2018/19: £22.5 million). Grants payable owed to The Royal Marsden at 31 March 2020 totalled £71.9 million (31 March 2019: £43.3 million).

The Charity has provided an interest-free loan of £226,000 (2018/19: £226,000) to The Royal Marsden to offer support to staff for season tickets and bicycle purchases. The amount and terms of the loan are reviewed and renewed annually.

At 31 March 2020, three of the Trustees of the Charity – the Chair, the Chief Executive and the Medical Director also serve on the Board of The Royal Marsden NHS Foundation Trust. All decisions of the Charity must be made by a quorum of Trustees that includes a majority of Trustees independent of The Royal Marsden (see list of Trustees on page 30).

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

### The Royal Marsden Hospital Charity

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

All the assets and activities of The Royal Marsden Hospital Charity, excluding the endowment funds, were transferred to The Royal Marsden Cancer Charity. This took place between 2011 and 2013 to allow The Royal Marsden Cancer Charity to manage the application of these funds in accordance with the terms of the original endowments. The Royal Marsden Cancer Charity now manages the assets, liabilities and functions of The Royal Marsden Hospital Charity as detailed in note 17 on page 49.

The Royal Marsden Cancer Charity holds listed investments on behalf of The Royal Marsden Hospital Charity in relation to these funds. The amount due to The Royal Marsden Hospital Charity at 31 March 2020 totalled £78,390 (2018/19: £78,390).

### Royal Marsden Cancer Campaign Trading Company Limited

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

### The Institute of Cancer Research, London (ICR)

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

### Donations to the Charity from a Trustee or a related party

Donations without conditions attached received during the year from a Trustee or related party totalled £300 (2018/19: £14,723).

Restricted donations of £10,947 were received by the Charity from its Trustees in 2019/20 (2018/19: £58,775).

# Statement of Trustees' responsibilities

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

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

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

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

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

Each of the Trustees confirms that:

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

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

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

The Charity purchased insurance to protect it from any loss arising from the neglect or default of its Trustees, employees and agents, and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the Charity during the year totalled £5,250 (2018/19: £5,040) and provides cover of up to a maximum of £5.0 million (2018/19: £5.0 million).

Approved by the Trustees on 8 September 2020 and signed on their behalf by Charles Alexander:



**Charles Alexander**  
Chairman  
The Royal Marsden Cancer Charity

# Reference and administrative information

<b>Charity name</b>	The Royal Marsden Cancer Charity	
<b>Charity registration number</b>	1095197	
<b>Company registration number</b>	04615761	
<b>Registered office and operational address</b>	The Royal Marsden 203 Fulham Road London SW3 6JJ	
<b>Website</b>	<a href="http://www.royalmarsden.org">www.royalmarsden.org</a>	
<b>Banker</b>	Lloyds Bank plc 25 Gresham Street London EC2V 7HN	
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL	
<b>Investment managers</b>	Lansdowne Partners Ltd 15 Davies Street London W1K 3AG	Charles Stanley 55 Bishopsgate London ECN 3AS
	Kiltearn Partners LLP 3 Exchange Street 3 Semple Street Edinburgh EH3 8BL	Blackrock Investment Management (UK) Ltd 12 Throgmorton Avenue London EC2N 2DL
<b>Solicitors</b>	Slaughter and May One Bunhill Row London EC1Y 8YY	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT
	DAC Beachcroft The Walbrook Building 25 Walbrook London EC4N 8AF	

## Trustees

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

Trustee	Capacity
Charles Alexander	Chairman, The Royal Marsden NHS Foundation Trust <i>Ex-officio Trustee</i>
Sir Douglas Flint	<i>Elected Trustee</i>
Sir Terry Leahy	<i>Elected Trustee</i>
Richard Oldfield OBE	<i>Elected Trustee</i>
Dame Cally Palmer	Chief Executive, The Royal Marsden NHS Foundation Trust <i>Ex-officio Trustee</i>
Lady Helen Taylor	<i>Elected Trustee</i>
Brenda Trenowden CBE	<i>Elected Trustee</i> – From 1 October 2019
Richard Turnor	<i>Elected Trustee</i>
Dr Nicholas van As	Medical Director, The Royal Marsden NHS Foundation Trust <i>Appointed Trustee</i> – From 11 June 2019

## Investment Committee

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

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

\*Trustees of the Charity

## Remuneration Committee

The following individuals are members of the Remuneration Committee and served as such throughout the year:

- Sir Terry Leahy, Chair\*
- Charles Alexander\*
- Dame Cally Palmer\*
- Richard Turnor\*

\*Trustees of the Charity

## Company Secretary

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

## Senior management

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

Senior manager	Capacity
Antonia Dalmahoy	Managing Director
Peter Robson	Associate Director, Finance (to 31 July 2020)
Patrick Barker	Associate Director, Finance (from 3 August 2020)
Antonia Newman	Associate Director, Philanthropy and Partnerships

## 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.



Mr Declan Cahill, Consultant Urological Surgeon, and surgical colleagues, using the da Vinci Xi robot in Theatres.



# 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 2020 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 2020 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

## Other information

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

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

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

## Matters on which we are required to report by exception

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

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

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

## Responsibilities of trustees

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

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

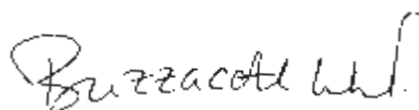
## Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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

9 September 2020

# Consolidated statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 March 2020

	Note	2020			2019		
		Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Income from:</b>							
Donations and legacies	2	6,258	25,878	<b>32,136</b>	12,546	23,334	35,880
Trading activities	3	355	–	<b>355</b>	247	–	247
Investments	4	454	–	<b>454</b>	864	1	865
Other		9	203	<b>212</b>	97	172	269
<b>Total income</b>		<b>7,076</b>	<b>26,081</b>	<b>33,157</b>	<b>13,754</b>	<b>23,507</b>	<b>37,261</b>
<b>Expenditure on:</b>							
Raising funds	5	5,375	72	<b>5,447</b>	4,507	–	4,507
Investment management costs	5	121	–	<b>121</b>	197	–	197
Trading activities	5	165	–	<b>165</b>	81	–	81
Charitable activities							
Charitable support of the hospital	6	8,987	25,329	<b>34,316</b>	22,701	329	23,030
Research	7	114	1,844	<b>1,958</b>	91	2,921	3,012
Patient Amenities	8	11	512	<b>523</b>	9	382	391
Staff Amenities	9	2	93	<b>95</b>	4	191	195
		<b>9,114</b>	<b>27,778</b>	<b>36,892</b>	<b>22,805</b>	<b>3,823</b>	<b>26,628</b>
<b>Total expenditure</b>		<b>14,775</b>	<b>27,850</b>	<b>42,626</b>	<b>27,590</b>	<b>3,823</b>	<b>31,413</b>
<b>Net (losses)/gains on investments</b>	17	(10,074)	(33)	<b>(10,107)</b>	2,436	8	2,444
<b>Net (expenditure)/income</b>	14	(17,773)	(1,802)	<b>(19,575)</b>	(11,400)	19,692	8,292
<b>Transfers between funds</b>	22	5,309	(5,309)	–	2,361	(2,361)	–
<b>Net movement in funds</b>		(12,464)	(7,111)	<b>(19,575)</b>	(9,039)	17,331	8,292
<b>Reconciliation of funds</b>							
Total funds brought forward at 1 April	22	48,662	56,671	<b>105,333</b>	57,701	39,340	97,041
<b>Total funds carried forward at 31 March</b>	22	<b>36,198</b>	<b>49,560</b>	<b>85,758</b>	<b>48,662</b>	<b>56,671</b>	<b>105,333</b>

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

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.

## Balance sheets

As at 31 March 2020

	Note	The Group		The Charity	
		2020	2019	2020	2019
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible fixed assets	16	11,869	11,956	11,869	11,956
Investments	17	85,877	92,346	85,877	92,346
		<b>97,746</b>	104,302	<b>97,746</b>	104,302
<b>Current assets</b>					
Stocks	18	36	41	–	–
Debtors	19	7,706	9,692	8,007	9,993
Short-term cash deposits		20,303	20,000	20,303	20,000
Cash at bank and in hand		33,197	15,613	32,927	15,334
<b>Total Current Assets</b>		<b>61,242</b>	45,346	<b>61,237</b>	45,327
<b>Liabilities</b>					
Creditors: amounts falling due within 1 year	20	(63,696)	(34,818)	(63,691)	(34,799)
<b>Net current assets</b>		<b>(2,454)</b>	10,528	<b>(2,454)</b>	10,528
<b>Total assets less current liabilities</b>		<b>95,292</b>	114,830	<b>95,292</b>	114,830
Creditors: amounts falling due after 1 year	21	(9,534)	(9,497)	(9,534)	(9,497)
<b>Total net assets</b>		<b>85,758</b>	105,333	<b>85,758</b>	105,333
<b>The funds of the Charity</b>					
<b>Restricted income funds</b>					
Restricted funds		49,630	56,755	49,630	56,755
Restricted funds in deficit		(70)	(84)	(70)	(84)
<b>Unrestricted income funds</b>					
General funds/free reserves		8,181	19,620	8,181	19,620
Designated funds:					
Tangible fixed assets fund		11,869	11,803	11,869	11,803
Investment properties fund		1,980	2,900	1,980	2,900
Other designated funds		14,168	14,339	14,168	14,339
<b>Total Charity funds</b>	22	<b>85,758</b>	105,333	<b>85,758</b>	105,333

The financial statements on pages 34-59 were approved and authorised for issue by the Board of Trustees on 8 September 2020, and were signed on its behalf by:



**Charles Alexander**  
Chairman  
Company no. 04615761  
Charity no. 1095197

## Consolidated cash flow statement

For the year ended 31 March 2020

	Notes	2020	2019
		£'000	£'000
<b>Cash flows from operating activities</b>			
<b>Net cash provided by operating activities</b>	A	<b>21,156</b>	12,854
<b>Cash flows from investing activities</b>			
Dividends, interest and rent from investments		454	865
Proceeds from sale of investments		53,585	–
Payments to acquire tangible fixed assets		(85)	(534)
Purchase of investments		(57,223)	–
<b>Net cash used in/(provided by) investing activities</b>		<b>(3,269)</b>	331
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents at 1 April	B	35,613	22,428
<b>Cash and cash equivalents at 31 March</b>	B	<b>53,500</b>	35,613

### A. Reconciliation of net expenditure/(income) to net cash flow from operating activities

<b>Net expenditure/(income) for the reporting period (as per the Statement of Financial Activities)</b>		<b>(19,575)</b>	8,292
<b>Adjustments for:</b>			
Depreciation charges		172	157
Gains on investments and revaluation of fixed assets		10,107	79
Dividends, interest and rents from investments		(454)	(865)
Decrease/(increase) in stocks		5	(2)
Decrease/(increase) in debtors		1,987	(6,801)
Increase in creditors		28,915	11,994
<b>Net cash provided by operating activities</b>		<b>21,156</b>	12,854

### B. Analysis of cash and cash equivalents

Short-term cash deposits		20,303	20,000
Cash in hand		33,197	15,613
<b>Total cash and cash equivalents at 31 March</b>		<b>53,500</b>	35,613

# Notes to the financial statements for the year ended 31 March 2020

## 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.

As set out in the Trustees' report, the Trustees have considered the impact of the pandemic on the group and the charity and have concluded that although there may be some negative consequences, it is appropriate for the Group and charity to continue to prepare its financial statements on the going concern basis.

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 20 and 24 of the annual report for more information).

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

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the useful economic life of tangible fixed assets for the purposes of determining the depreciation charge and residuary legacy income recognition.

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, funders, suppliers and the wider economy. Estimates used in the financial statements, particularly with respect to the value of investment properties and listed investments are subject to a greater degree of uncertainty and volatility.

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

### b) Income

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

### Legacies

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

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

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

## Donated goods, services and facilities

Donated goods for resale are recognised when they are sold.

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

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

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

## Investment income

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

### c) Expenditure and irrecoverable VAT

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

#### The costs of raising funds

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

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

Charitable activities costs are categorised under the headings of the Charity's objects.

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

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

## Grants payable

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

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

## Support costs

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

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

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

### d) Tangible fixed assets and intangible fixed assets

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

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



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

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

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

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

#### e) Fixed asset investments

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

Investment properties are revalued to market value every three years unless there is a possibility of a material movement in the valuation. The last full valuation took place in September 2017. Due to Covid-19 a desktop valuation was carried out by independent qualified surveyors, however the valuation reports include a material valuation uncertainty statement. The valuations from this review do not give rise to any material changes in values and Trustees have decided that the value of investment properties has not moved materially since the full valuation in September 2017. However, recognising the possible uncertainty in valuations during to the Covid-19 pandemic a further valuation will be carried out in March 2021. Realised and unrealised gains (or losses) are credited (or debited) to the statement of financial activities in the year in which they arise. The Charity's investment in the subsidiary company is valued at cost.

The main form of financial risk faced by the Charity is that of volatility in equity markets and other investment markets due to wider economic conditions, and changes in sentiment concerning equities and within particular sectors or subsectors. Further information on the Charity's investments can be found in note 17 on page 49.

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

#### f) Stocks

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

#### g) Debtors

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

#### h) Cash and cash equivalents

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

#### i) Creditors

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

#### j) Realised gains and losses

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

#### k) Restricted funds

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

#### l) Designated funds

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

#### m) General funds

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

## 2. Donations and legacies

	2020			2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Donations	4,418	23,064	<b>27,482</b>	5,555	20,757	26,312
The Friends of The Royal Marsden Surrey*	–	–	–	821	–	821
Legacies	1,740	2,485	<b>4,225</b>	6,071	2,248	8,319
Grants receivable	–	329	<b>329</b>	–	329	329
Donated goods and services	100	–	<b>100</b>	99	–	99
	6,258	25,878	<b>32,136</b>	12,546	23,334	35,880

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

## 3. Trading activities

	2020			2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Activities of the trading company	355	–	<b>355</b>	247	–	247

## 4. Investments

	2020			2019		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Income from listed investments	–	–	–	544	1	545
Rental income from investment properties	67	–	<b>67</b>	121	–	121
Interest receivable	387	–	<b>387</b>	199	–	199
	454	–	<b>454</b>	864	1	865

Listed investments for 2020 have been made based on accumulation and not dividend payments, therefore no income has been received in 2020.

## 5. Raising funds and investment management costs

	Note	2020			2019		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Raising funds</b>							
Fundraising costs		982	72	<b>1,054</b>	1,139	–	1,139
Outsourced fundraising costs		245	–	<b>245</b>	73	–	73
Marketing and consultancy		981	–	<b>981</b>	635	–	635
Donated goods and services		100	–	<b>100</b>	99	–	99
Support costs	10	3,067	–	<b>3,067</b>	2,561	–	2,561
		5,375	72	<b>5,447</b>	4,507	–	4,507
<b>Trading activities</b>							
		165	–	<b>165</b>	81	–	81
		5,540	72	<b>5,612</b>	4,588	–	4,588
<b>Investment management costs</b>							
Investment managers' fees		–	–	–	21	–	21
Investment properties' management costs		119	–	<b>119</b>	172	–	172
Support costs	10	2	–	<b>2</b>	4	–	4
		121	–	<b>121</b>	197	–	197

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

## 6. Charitable support of the hospital

Capital projects	Note	2020			2019		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Equipment grants:</b>							
CyberKnife, MRI and equipment*		(1,228)	–	<b>(1,228)</b>	7,090	–	7,090
<b>Capital building grants:</b>							
Oak Cancer Centre		–	25,000	<b>25,000</b>	–	–	–
		(1,228)	25,000	<b>23,772</b>	7,090	–	7,090
<b>Other grants</b>							
LIBOR grant		–	329	<b>329</b>	–	329	329
Innovation and Education		–	–	–	2,640	–	2,640
Workforce Excellence		–	–	–	4,409	–	4,409
Sutton Hospital Enabling Works		118	–	<b>118</b>	7,982	–	7,982
Improving Quality and Services for Patients		5,698	–	<b>5,698</b>	–	–	–
Oak Centre for Children and Young People		3,633	–	<b>3,633</b>	–	–	–
		9,449	329	<b>9,778</b>	15,031	329	15,360
Depreciation of properties used in furtherance of charitable activity		59	–	<b>59</b>	59	–	59
Support costs	10	707	–	<b>707</b>	521	–	521
		8,987	25,329	<b>34,316</b>	22,701	329	23,030

\*Reduction in grants committed in previous financial years as equipment procured by the Trust was significantly cheaper than the original quotes. These monies will be re-granted back to the Trust to fund other projects.

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	2020			2019		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Revenue funding to the hospital		–	(31)	<b>(31)</b>	–	658	658
<b>Other expenditure:</b>							
Recharged staff costs		74	891	<b>965</b>	21	1,901	1,922
Laboratory and consumables costs		–	320	<b>320</b>	–	22	22
Research support and facilities		–	664	<b>664</b>	–	340	340
Support costs	10	40	–	<b>40</b>	70	–	70
		114	1,844	<b>1,958</b>	91	2,921	3,012

## 8. Patient amenities

	Note	2020			2019		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Patient support and facilities		–	512	<b>512</b>	–	382	382
Support costs	10	11	–	<b>11</b>	9	–	9
		11	512	<b>523</b>	9	382	391

## 9. Staff amenities

	Note	2020			2019		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Staff support and facilities		–	93	<b>93</b>	–	191	191
Support costs	10	2	–	<b>2</b>	4	–	4
		2	93	<b>95</b>	4	191	195

## 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	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Note	5	5	6	7	8	9	
Finance and administration	1,882	2	434	25	7	2	<b>2,352</b>
Management support	139	–	32	2	–	–	<b>173</b>
IT support	112	–	26	1	1	–	<b>140</b>
HR support	226	–	52	3	1	–	<b>282</b>
Marketing and PR support	708	–	163	9	2	–	<b>882</b>
	<b>3,067</b>	<b>2</b>	<b>707</b>	<b>40</b>	<b>11</b>	<b>2</b>	<b>3,829</b>

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

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

## 11. Staff costs and Trustees' remuneration

### 11a. Staff costs

Until 31 March 2018 all staff working for the Charity were employed by The Royal Marsden NHS Foundation Trust and supplied to the Charity under a service-level agreement. On 1 September 2018 Charity staff previously employed by The Royal Marsden NHS Foundation Trust, were transferred under TUPE to the Charity. All new employees working for the Charity from 1 April 2018 were employed directly by the Charity.

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

	2020	2019
	£'000	£'000
<b>The Group and the Charity</b>		
Wages and salaries	<b>2,752</b>	2,288
Social security costs	<b>295</b>	241
Other pension costs	<b>230</b>	229
	<b>3,277</b>	2,758
Agency costs	<b>275</b>	184
	<b>3,552</b>	2,942

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	
	2020	2019	2020	2019
Fundraising	<b>73</b>	62	<b>65</b>	55
Charitable activities	<b>6</b>	1	<b>4</b>	1
Support	<b>2</b>	5	<b>2</b>	3
	<b>81</b>	68	<b>71</b>	59

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

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

	2020	2019
	£'000	£'000
<b>The Group and the charity</b>		
£60,001 – £70,000	4	5
£70,001 – £80,000	2	–
£80,001 – £90,000	1	1
£90,001 – £100,000	–	–
£100,001 – £110,000	–	–
£110,001 – £120,000	–	–
£120,001 – £130,000	1	1
	<b>8</b>	<b>7</b>

The above employees accrued benefits under the defined contributions pension schemes and payments to defined contributions schemes totalled £65,456 (2018/19: £70,264).

The total amount of employee benefits, being gross salary and employer's pension contribution, received by the key management personnel listed on page 30 was £368,118 (2018/19: £353,730).

The salary of the Managing Director, being the highest paid employee, and other senior management posts is set by the Remuneration Committee. Salaries of other staff working for the Charity are set by the Senior Management Team within the Pay Policy approved by the Remuneration Committee and the approved budget. The Managing Director's basic salary was £127,500 in 2019/20 (£125,000 in 2018/19) and no pay award has been made for 2020/21.

The Charity makes payments to agency staff where additional temporary staff are required. For the year ended 31 March 2020, the total payments made by the Charity in respect of agency staff totalled £275,503 (2018/19: £183,935).

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

### 11b. Pension costs

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

#### NHS Pensions Scheme

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



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

### **a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

### **b) Full actuarial (funding) valuation**

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process. Pension payments to NHS Pensions Scheme recognised in the operating surplus during the year amount to £185,039 (2018/19: £219,973).

### **Workplace pension**

The Charity has put in place a workplace pension scheme for all new employees from 1 April 2018. Pension payments to the Workplace Pension Scheme recognised in the operating surplus during the year amount to £44,729 (2018/19 £9,335).

### **11c. Trustee expenses**

The Charity Trustees neither received nor waived any emoluments during the year (2018/19: £nil). Trustees also were not reimbursed for any out-of-pocket expenses (2018/19: £nil). Trustee indemnity insurance is held at a cost of £5,880 (2018/19: £5,040).

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## **12. Related party transactions**

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

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## **13. Taxation**

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

## 14. Net income

This is stated after charging:	Unrestricted	Restricted	2020 Total	Unrestricted	Restricted	2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Auditor's remuneration</b>						
Statutory audit services	19	–	19	19	–	19
Non audit services	6	–	6	3	–	3

## 15. Results of the subsidiary company

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

Audited financial statements are filed with Companies House. Below is a summary of the trading results for the year ended 31 March 2020:

Results of the subsidiary company	2020	2019
	£'000	£'000
<b>Profit and loss account</b>		
<b>Turnover</b>	355	247
Cost of sales	(152)	(71)
<b>Gross profit</b>	203	176
Administrative expenses	(13)	(10)
Operating profit	190	166
Interest payable	–	–
<b>Profit before taxation</b>	190	166
Taxation	–	–
<b>Profit for financial year</b>	190	166
<b>Retained earnings</b>		
Retained earnings at 1 April	–	–
Profit for the year	190	166
Gift Aid payable to parent undertaking	(190)	(166)
<b>Retained earnings at 31 March</b>	–	–
<b>The Company's assets and liabilities were as follows:</b>		
Assets	352	364
Liabilities	(352)	(364)
<b>Net assets</b>	–	–

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

## 16. Tangible and intangible fixed assets

	The Group			The Charity		
	Other assets	Land and buildings		Other assets	Land and buildings	
	2020 Total	2020 Total	2020 Total	2020 Total	2020 Total	2020 Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
Cost as at 1 April	244	12,172	12,416	244	12,172	12,416
Additions	–	85	85	–	85	85
At 31 March	244	12,257	12,501	244	12,257	12,501
<b>Accumulated depreciation</b>						
Depreciation as at 1 April	(132)	(328)	(460)	(132)	(328)	(460)
Depreciation for the current year	(82)	(90)	(172)	(82)	(90)	(172)
At 31 March	(214)	(418)	(632)	(214)	(418)	(632)
<b>Net book value</b>						
At 31 March 2019	112	11,844	11,956	112	11,844	11,956
At 31 March 2020	30	11,839	11,869	30	11,839	11,869

Tangible fixed assets include properties owned by the Charity that have been and will, for the foreseeable future, be required for use by the hospital at the Chelsea site for essential purposes and/or by the Charity for its own purposes. Other assets with the net book value of £30,000 comprise website costs and reflect the total value of intangible assets held by the Group and Charity.

## 17. Investments

	The Group		The Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Freehold investment properties	1,980	2,900	1,980	2,900
Listed investments and cash held for investments	83,897	89,446	83,897	89,446
	85,877	92,346	85,877	92,346

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

	Listed Investments £'000	Investment properties £'000	2020 Total £'000	Listed Investments £'000	Investment properties £'000	2019 Total £'000
Market value at the beginning of the year	89,446	2,900	<b>92,346</b>	86,271	6,154	92,425
Add: purchases at cost during the year	57,223	–	<b>57,223</b>	–	–	–
Less: disposal proceeds	(52,223)	(1,362)	<b>(53,585)</b>	–	(2,299)	(2,299)
Less: transfers	–	–	–	–	(224)	(224)
Realised gains/(losses)*	8,738	442	<b>9,180</b>	–	(731)	(731)
Unrealised (losses)/gains*	(19,287)	–	<b>(19,287)</b>	3,175	–	3,175
<b>Total market value at the end of the year</b>	<b>83,897</b>	<b>1,980</b>	<b>85,877</b>	<b>89,446</b>	<b>2,900</b>	<b>92,346</b>
Historic cost (excluding cash held with investment managers)	101,822	557	<b>102,379</b>	69,659	849	70,508

\*£78,390 (2018/19: £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 losses are losses of £59,062 (2018/19: £nil) and gains of £27,003 (2018/19: £7,719) relating to investments held on behalf of the endowment funds of The Royal Marsden Hospital Charity. These gains and losses are restricted funds held for distribution in accordance with the original endowment's terms.

The freehold investment properties are subject to a programme of periodic revaluation and were last professionally fully revalued by Gerald Eve chartered surveyors in September 2017 on the basis of open-market value as at that date (see page 22). Following a desktop revaluation by Gerald Eve chartered surveyors in April 2020 the Trustees are satisfied that the market value as at 31 March 2020 has not moved materially since the September 2017 valuation.

	2020 Total £'000	2019 Total £'000
<b>Unrealised (losses)/gains included above:</b>		
On listed investments	<b>(17,925)</b>	19,787
On investment properties	<b>1,423</b>	2,173
On tangible fixed assets	–	–
<b>Total unrealised (losses)/gains at 31 March</b>	<b>(16,502)</b>	21,960
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 April	<b>21,960</b>	21,915
Less: in respect to disposals in the year	<b>(28,355)</b>	(2,399)
	<b>(6,395)</b>	19,516
Less: net investment loss in the year/add: net investment gains in the year	<b>(10,107)</b>	2,444
<b>Total unrealised (losses)/gains at 31 March</b>	<b>(16,502)</b>	21,960

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

Listed investments held at 31 March 2020 comprised the following:

	2020	2019
	£'000	£'000
Funds	<b>83,897</b>	89,446
	<b>83,897</b>	89,446
Investments assets in the UK	<b>83,897</b>	89,446
Investments assets outside the UK	-	-
	<b>83,897</b>	89,446

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

	2020	2019
	£'000	£'000
Egerton Capital Equity Fund	-	43,485
Lansdowne Developed Markets Long Only Fund	<b>16,558</b>	19,020
Kiltearn Global Equity (IRE) Fund	<b>13,245</b>	16,871
BlackRock ICS Sterling Liquidity Fund	<b>10,140</b>	10,070
iShares MSCI World ESG Screened UCITS ETF	<b>43,954</b>	-

The Charity's investments consist for the most part of holdings in funds. Investment management and other fees are charged within the net asset values of those funds, and no investment management fees are charged directly to the Charity.

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

## 18. Stocks

	The Group		The Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Merchandise	36	41	-	-

## 19. Debtors

	The Group		The Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Prepayments and accrued income	7,140	9,311	7,097	9,267
<b>Amounts owed by subsidiary company:</b>				
Secured loan	-	-	50	50
Gift Aid	-	-	190	166
Other	-	-	104	129
Loan to The Royal Marsden NHS Foundation Trust	226	226	226	226
Other debtors	340	155	340	155
	<b>7,706</b>	<b>9,692</b>	<b>8,007</b>	<b>9,993</b>

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 and bicycle purchases. The Royal Marsden NHS Foundation Trust is responsible for the administration, any defaults, tax liabilities and other costs relating to them. The terms and amount of this loan is reviewed annually prior to renewal.

## 20. Creditors: amounts falling due within one year

	The Group		The Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
The Royal Marsden NHS Foundation Trust	291	972	291	972
The Royal Marsden Hospital Charity	78	78	78	78
Grants payable – The Royal Marsden NHS Foundation Trust	62,382	32,809	62,382	32,809
Amounts owed to subsidiary company	–	–	–	–
Accruals and deferred income	945	959	940	940
	<b>63,696</b>	<b>34,818</b>	<b>63,691</b>	<b>34,799</b>

## 21. Creditors: amounts falling due after one year

	2020	2019
	£'000	£'000
<b>The Group and the Charity</b>		
Grants payable – The Royal Marsden NHS Foundation Trust	<b>9,534</b>	9,497

## 22. Movement in funds

The Group and the Charity	2019						2020
	At 1 April	Income	Expenditure	Realised/ unrealised gains and losses	Fund transfers	At 31 March	
	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Restricted Funds</b>							
The Royal Marsden Hospital General Research Charity	24,647	5,075	(1,584)	–	(1,311)	<b>26,827</b>	
The Royal Marsden Hospital Patient Amenity Charity	3,269	2,071	(571)	–	(1,557)	<b>3,212</b>	
The Royal Marsden Hospital Staff Amenity Charity	414	118	(91)	–	(16)	<b>425</b>	
Gottesmann Will and Ronald Raven funds	266	–	–	(33)	–	<b>233</b>	
Children's Drug Development Unit	–	512	–	–	(512)	<b>–</b>	
Ellis Ward	(84)	14	–	–	–	<b>(70)</b>	
Robotic surgical fellowships	401	71	(72)	–	–	<b>400</b>	
Oak Cancer Centre	27,538	15,606	(25,000)	–	171	<b>18,315</b>	
LIBOR Fund	–	329	(329)	–	–	<b>–</b>	
Equipment Fund	11	1,822	–	–	(1,833)	<b>–</b>	
Location specific – Sutton	209	168	–	–	(251)	<b>126</b>	
Covid-19 Emergency Appeal	–	295	(203)	–	–	<b>92</b>	
<b>Total restricted funds</b>	<b>56,671</b>	<b>26,081</b>	<b>(27,580)</b>	<b>(33)</b>	<b>(5,309)</b>	<b>49,560</b>	
<b>Unrestricted funds</b>							
<b>Designated funds</b>							
Tangible fixed assets fund	11,803	–	–	–	66	<b>11,869</b>	
Investment properties fund	2,900	–	–	–	(920)	<b>1,980</b>	
Grants fund	–	–	–	–	–	<b>–</b>	
Sutton Hospital	821	–	(53)	–	–	<b>768</b>	
Oak Cancer Centre	13,518	–	(118)	–	–	<b>13,400</b>	
<b>Total designated funds</b>	<b>29,042</b>	<b>–</b>	<b>(171)</b>	<b>–</b>	<b>(854)</b>	<b>28,017</b>	
<b>General funds/free reserves</b>	<b>19,620</b>	<b>7,076</b>	<b>(14,604)</b>	<b>(10,074)</b>	<b>6,163</b>	<b>8,181</b>	
<b>Total unrestricted funds</b>	<b>48,662</b>	<b>7,076</b>	<b>(14,775)</b>	<b>(10,074)</b>	<b>5,309</b>	<b>36,198</b>	
<b>Total funds</b>	<b>105,333</b>	<b>33,157</b>	<b>(42,625)</b>	<b>(10,107)</b>	<b>–</b>	<b>85,758</b>	



## 22. Movement in funds (continued)

The Group and the Charity	2018		2019			
	At 1 April	Income	Expenditure	Realised/ unrealised gains and losses	Fund transfers	At 31 March
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Restricted Funds</b>						
The Royal Marsden Hospital General Research Charity	23,737	4,718	(2,561)	–	(1,247)	24,647
The Royal Marsden Hospital Patient Amenity Charity	2,801	1,007	(543)	–	4	3,269
The Royal Marsden Hospital Staff Amenity Charity	524	103	(248)	–	35	414
Gottesmann Will and Ronald Raven funds	257	1	–	8	–	266
Children's Drug Development Unit	–	114	–	–	(114)	(0)
Ellis Ward	(100)	16	–	–	–	(84)
Robotic surgical fellowships	393	191	(142)	–	(41)	401
Oak Cancer Centre	11,728	15,647	–	–	163	27,538
LIBOR Fund	–	329	(329)	–	–	–
Equipment Fund	–	1,172	–	–	(1,161)	11
Location specific – Sutton	–	209	–	–	–	209
Covid Emergency Fund	–	–	–	–	–	–
<b>Total restricted funds</b>	<b>39,340</b>	<b>23,507</b>	<b>(3,823)</b>	<b>8</b>	<b>(2,362)</b>	<b>56,671</b>
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Tangible fixed assets fund	11,579	–	–	–	224	11,803
Investment properties fund	6,154	–	–	(731)	(2,523)	2,900
Grants fund	3,000	–	(2,640)	–	(360)	–
Sutton Hospital	–	–	–	–	821	821
Oak Cancer Centre	21,500	–	(7,982)	–	–	13,518
<b>Total designated funds</b>	<b>42,233</b>	<b>–</b>	<b>(10,622)</b>	<b>(731)</b>	<b>(1,838)</b>	<b>29,042</b>
<b>General funds/free reserves</b>	<b>15,468</b>	<b>13,754</b>	<b>(16,968)</b>	<b>3,167</b>	<b>4,199</b>	<b>19,620</b>
<b>Total unrestricted funds</b>	<b>57,701</b>	<b>13,754</b>	<b>(27,590)</b>	<b>2,436</b>	<b>2,361</b>	<b>48,662</b>
<b>Total funds</b>	<b>97,041</b>	<b>37,261</b>	<b>(31,413)</b>	<b>2,444</b>	<b>–</b>	<b>105,333</b>

## 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.

During the year, there was a net transfer of £2.9 million from these restricted funds to general funds. This represents funds already committed/spent out of general funds as the charity pre-funds some of its grant making activities.

### **Gottesmann Will and Ronald Raven funds**

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

### **Children's Drug Development Unit**

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

### **Ellis Ward**

This fund represents donations made specifically for the Ellis Ward refurbishment. The deficit arose as a result of the Trustees agreeing the full grant commitment during 2011/12 of £2.65 million. A major donor has pledged, under a memorandum of understanding, to donate the balance of the commitment, shown as a deficit of £70,000 (2018/19 £84,000) under the restricted fund.

### **da Vinci Xi Robotic Surgery Fellowships**

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

### **Oak Cancer Centre (including public appeal)**

This fund represents donations made specifically for the Oak Cancer Centre in Sutton (previously known as the Clinical Care and Research Centre). A fundraising appeal to raise £50 million to enable The Royal Marsden to open the building in 2022 was launched in November 2015; the fundraising target has subsequently been increased to £70 million. The fund balance of £18.2 million represents donations received for this project to date, less grants made to the hospital.

### **LIBOR fund**

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

## Equipment fund

This fund represents donations made to the Charity specifically to enable the Trust to purchase state-of-the-art equipment to support research, innovation and improved patient outcomes. The fund balance of £1.8 million was transferred to general funds and represents funds that had already been committed/spent out of general funds as the Charity pre-funds some of its grant making activities.

## Covid-19 Emergency Appeal

This new fund represents donations made specifically to support the Trust during the Covid-19 pandemic. Donations from the appeal are making a huge difference to staff and patients, funding mental wellbeing and psychological support for staff so that they had the help they needed to deal with the impact of the pandemic while continuing to provide the best possible care for cancer patients.

Money raised has also been invested in digital resources such as purchasing iPads so that doctors are able to carry out remote consultations with patients who can stay safely at home, and WiFi upgrades on hospital wards, enabling patients to keep in touch with their loved ones while visitors are restricted, and stay connected when they most need to.

The fund is also supporting a number of critical research studies to investigate the impact of Covid-19 on cancer patients. The Royal Marsden launched several critical studies at an unprecedented pace to investigate how the virus interacts with cancer treatments.

## Other transfers

Other transfers, excluding those previously identified, relate to funds previously committed/spent out of general funds as the Charity pre-funds some of its grant making activities.

## Purposes of designated funds

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

### Tangible fixed assets fund

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

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

### Investment properties fund

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

### Sutton Hospital

This fund represents the balance of net assets transferred following the merger with the Friends of the Royal Marsden Surrey on 17 December 2018 and are used to provide support at the Sutton hospital.

### Oak Cancer Centre fund

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

## 23. Analysis of Group net assets between funds

	2020				2019
	General funds	Designated funds	Restricted funds	Total funds	Total funds
	£'000	£'000	£'000	£'000	£'000

### The Group

Tangible fixed assets	–	11,869	–	<b>11,869</b>	11,956
Fixed asset investments	39,032	16,148	30,697	<b>85,877</b>	92,346
Current assets	(248)	–	61,490	<b>61,242</b>	45,346
Creditors: amounts falling due within 1 year	(23,593)	–	(40,103)	<b>(63,696)</b>	(34,818)
Creditors: amounts falling due after 1 year	(7,010)	–	(2,524)	<b>(9,534)</b>	(9,497)
<b>Net assets at the end of the year</b>	<b>8,181</b>	<b>28,017</b>	<b>49,560</b>	<b>85,758</b>	<b>105,333</b>

### The Charity

Tangible fixed assets	–	11,869	–	<b>11,869</b>	11,956
Fixed asset investments	39,032	16,148	30,697	<b>85,877</b>	92,346
Current assets	(253)	–	61,490	<b>61,237</b>	45,327
Creditors: Amounts falling due within 1 year	(23,588)	–	(40,103)	<b>(63,691)</b>	(34,799)
Creditors: Amounts falling due after 1 year	(7,010)	–	(2,524)	<b>(9,534)</b>	(9,497)
<b>Net assets at the end of the year</b>	<b>8,181</b>	<b>28,017</b>	<b>49,560</b>	<b>85,758</b>	<b>105,333</b>

	2019				2018
	General funds	Designated funds	Restricted funds	Total funds	Total funds
	£'000	£'000	£'000	£'000	£'000

### The Group

Tangible fixed assets	–	11,956	–	11,956	11,579
Fixed asset investments	46,512	17,239	28,595	92,346	92,800
Current assets	3,220	–	42,126	45,346	24,983
Creditors: amounts falling due within 1 year	(23,290)	–	(11,528)	(34,818)	(16,252)
Creditors: amounts falling due after 1 year	(6,974)	–	(2,523)	(9,497)	(16,069)
<b>Net assets at the end of the year</b>	<b>19,468</b>	<b>29,195</b>	<b>56,670</b>	<b>105,333</b>	<b>97,041</b>

### The Charity

Tangible fixed assets	–	11,956	–	11,956	11,579
Fixed asset investments	46,512	17,239	28,595	92,346	92,800
Current assets	3,201	–	42,126	45,327	25,000
Creditors: Amounts falling due within 1 year	(23,271)	–	(11,528)	(34,799)	(16,269)
Creditors: Amounts falling due after 1 year	(6,974)	–	(2,523)	(9,497)	(16,069)
<b>Net assets at the end of the year</b>	<b>19,468</b>	<b>29,195</b>	<b>56,670</b>	<b>105,333</b>	<b>97,041</b>

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## 24. Liability of members

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

## Thank you

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



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# Get in touch

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

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

The Royal Marsden Cancer Charity  
For a future beyond cancer.

## Find out more

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

## Fundraise

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

## Volunteer

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

## Donate

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

## Gifts in Wills

[royalmarsden.org/giftsinwills](http://royalmarsden.org/giftsinwills)  
020 7811 8032

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