ICR The Institute of Cancer Research

The Institute of Cancer Research:
Royal Cancer Hospital

Annual Report and Financial Statements for the year ended 31 July 2014

2014

Company Number 534147

Contents

Executive summary

The Board of Trustees of The Institute of Cancer Research presents its Annual Report and Financial Statements for the year ended 31 July 2014.

About us
The Institute of Cancer Research, London, is one of the world's most influential cancer research institutes, with a mission to make the discoveries that defeat cancer. We are also a College of the University of London and an exempt charity.

Our strategy
Our strategy at The Institute of Cancer Research (ICR) aims to deliver excellent research for the benefit of patients, high-quality training for the next generation of cancer researchers and clinicians, and a sustainable organisation.

Our scientific strategy focuses on the genetics and epidemiology of cancer risk, the biology of tumours and the discovery of new therapeutics, as key elements of an overall quest for new personalised treatments for cancer.

£103.9m
of income in 2013/2014

Our finances
Total incoming resources for 2013/14 were £103.9 million, compared with £96.4 million in 2012/13. Some 49% of the ICR's income came from peer-reviewed research grant income, 19% from the Higher Education Funding Council for England, and 18% from royalty income.

Total resources expended in 2013/14 were £89.4 million, compared with £90.3 million 2012/13, a decrease of 1%. This is largely due to a reduction in expenditure on research, which decreased by £1.7 million as several multi-year projects were completed.

In 2013/14, the net incoming resources of the ICR were £14.5 million, an increase of £8.4 million from 2012/13. Income has grown substantially, largely because of royalties arising from sales of the drug abiraterone and an increase in our voluntary income.

£8.4m
increase in net incoming resources from last year

2%

of the population have a particular *BRCA2* defect which has been linked to lung cancer risk

Initiatives and achievements

We launched a number of initiatives during 2013/14 aimed at achieving our strategic goals:

- We launched a pioneering new Centre for Evolution and Cancer to explore the evolutionary principles underpinning the development of cancer.
- The construction of ICR's new Centre for Cancer Imaging is now almost complete. This is a new leading-edge research facility and it will provide state-of-the-art facilities for non-invasive imaging to improve cancer diagnosis and treatment.
- The Cancer Research UK Centre at the ICR and The Royal Marsden had its funding renewed for a further three years in April 2014. It is part of a national network of centres funded by Cancer Research UK to deliver world-leading translational research and improved patient care.
- A London consortium comprising the ICR, The Royal Marsden, Imperial College London and University College London was designated a Movember Centre of Excellence.
- We became an academic partner, in collaboration with The Royal Marsden, in an international consortium of leading research organisations gaining access to a state-of-the-art radiotherapy system called MR Linac.

We published a series of major papers improving our understanding of cancer and setting out potential new treatments for different tumour types. Our top discoveries of the year included:

- The drug enzalutamide improves patient survival in patients with castration-resistant prostate cancer who had not received previous chemotherapy.
- The enzyme Cullin-5 plays a role in the anti-cancer effects of Hsp90 inhibitors, and depleting its levels can reduce the effectiveness of Hsp90 inhibitors in several tumour types.
- A rare genetic flaw links a quarter of biopsy samples from a type of childhood brain tumour called diffuse intrinsic pontine glioma and a childhood development disorder known as Stone Man Syndrome.
- A particular defect in the *BRCA2* gene that occurs in around 2% of the population is linked to a risk of lung cancer.

Report of the Board of Trustees

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Objectives and activities

Our mission is to make the discoveries that defeat cancer.

300

patients treated in the Drug Development Unit each year

The Board of Trustees of The Institute of Cancer Research presents its Annual Report and Financial Statements for the year ended 31 July 2014.

The ICR is one of the world's most influential cancer research organisations, with a mission to make the discoveries that defeat cancer. We are a College of the University of London and an exempt charity.

Our vision is a world where people can live their lives free of cancer as a life-threatening disease. Our mission is to make the discoveries that defeat cancer.

It is estimated that one in three people will be diagnosed with cancer at some point in their life. Even for those who have not been personally affected it is likely that someone they know has gone through their own cancer experience. Our goal is to be a world leader in research into cancer and the translation of discoveries into improved outcomes for cancer patients.

The ICR's 2011–16 strategic plan focuses on undertaking high-quality research which delivers significant benefits for cancer patients. It sets out three main strategic goals:

RESEARCH EXCELLENCE

We aim to be a world leader in fundamental research into cancer and the translation of research discoveries into improved outcomes for cancer patients.

We will achieve this through four inter-linked themes:

Research
To undertake excellent basic, translational and clinical research throughout the ICR as defined by international peer review.

Transforming patient outcomes
To transform outcomes for cancer patients through linking personalised treatment regimes to the genetic make-up of the patient and tumour with our partner The Royal Marsden NHS Foundation Trust.

Partnership and collaboration
To form strategic alliances and collaborations which enhance opportunities to conduct research aimed at improving outcomes for cancer patients.

Enterprise
To ensure appropriate and effective exploitation of the ICR's intellectual property and research outputs to maximise patient benefit.

Our scientific strategy

The ICR's scientific strategy sets out how this goal will be achieved. It aims to achieve a balance between basic, translational and clinical research, with an overall focus on personalised medicine for cancer. This is supported through three research themes – genetics and epidemiology, molecular pathology and therapeutic development. Together these themes are designed to increase our understanding of the causes and underlying biology of cancers, and to use this information to tailor treatments to the genetic make-up of patients and tumours.

Genetics and epidemiology

Our researchers are exploring how genetics and environmental factors contribute to people's risk that they will develop cancer. Understanding more about the causes of cancer should allow researchers to deliver personalised strategies for cancer prevention and treatment. Our research includes a range of studies into common gene variants that contribute to cancer risk, as well as others on rarer gene mutations that play an important role in how cancers run in some families. We also host the Breakthrough Generations Study – the world's largest, most comprehensive study into the causes of breast cancer – which involves more than 100,000 women from the UK.

Molecular pathology

Our researchers are unravelling the complex biology of cancers, so we can design personalised treatment strategies targeted at the specific molecular features of a tumour, at that particular point in time. ICR researchers are molecularly profiling cancers and relating particular gene faults to cancer's growth and spread – in order to identify new targets for treatment. They are also working to understand the key molecular pathways involved in cancer's response to treatment, and in its development of drug resistance, as a means of designing improved treatment strategies that remain effective for longer.

Therapeutic development

The ICR discovers and develops more cancer drugs than any other academic centre in the world. Our vision is to exploit the addictions, dependencies and vulnerabilities of cancer cells in order to discover innovative small-molecule drugs, and essential biomarkers, that will constitute the personalised cancer medicine of the future. The Drug Development Unit (DDU), run jointly by the ICR and The Royal Marsden, sees over 300 patients per year for new drug treatment, and with more than 20 trials open at any one time is one of the largest such units in the world.

20 clinical trials run at the Drug Development Unit per year

EDUCATING THE NEXT GENERATION

We will educate and train the next generation of cancer researchers and clinicians.

As a College of the University of London, we aim to educate and train the next generation of cancer researchers and clinicians. We provide postgraduate courses for scientists and clinicians. Students work alongside and learn from leaders in the field.

PhD students undertake a world-class four-year research training programme under the guidance of an expert supervisory team. Our PhD students are an integral part of the team. We don't just tell students how to carry out cutting-edge cancer research – we enable and guide them to make their own discoveries in the drive to defeat cancer.

Our MSc in Oncology is a day-release programme for medically qualified candidates who intend to pursue a professional career in the field of clinical or medical oncology. Through the course we teach oncology trainees from across the UK and the majority of London-based medical oncology trainees.

In 2013/2014 we had 180 research degree students and 146 active MSc students.

180

research degree students at the ICR in 2013/14

CREATING A SUSTAINABLE ORGANISATION

We aim to deliver a world-class and sustainable organisation to support cancer research and education for patient benefit.

We need to ensure the ICR has the financial stability and organisational capacity to support our scientific and academic endeavours. The ICR aims to acquire and manage resources to finance cancer research to the highest international standards. We maintain a rolling five-year financial plan and monitor the level of our free reserves in comparison to a target level which is calculated on the basis of financial risk. We plan to increase our fundraising income and will continue to exploit our intellectual property where this will be of benefit to cancer patients.

We aim to remain an employer of choice in a global and competitive market and to attract, develop and retain the very best staff from all disciplines. We will create a culture which encourages research excellence and is supported by high-quality, cost-effective professional services.

The ICR aims to maintain the quality of its estate and to provide further state-of-the-art facilities to support our scientific objectives. We also recognise our responsibility to the environment and have demonstrated our commitment by joining the EcoCampus Scheme to develop our Environmental Management System and through our Carbon Management Plan, developed with the Carbon Trust.

OUR SITES AND STAFF

The ICR operates across two sites in London, which largely consist of laboratory space. Each site is located within close proximity of The Royal Marsden, to ensure our research findings can be rapidly translated into advances in patient care. Our five-year estates strategy and 15-year maintenance plan focus on maintaining the quality and standard of our current provision but also on expansion to provide further state-of-the-art facilities to fulfil our mission.

In 2014 the ICR had around 1,000 employees of whom almost 80% were directly engaged in research. Approximately one-third of our faculty are medically qualified and many of them lead developments in clinical practice through their work in The Royal Marsden as well as leading their research teams.

The ICR is committed to equality of opportunity for all staff and students and works to provide a supportive environment. Particular attention is paid to areas such as recruitment, training, career development and the physical work environment to support individuals. In addition to support provided by line managers and supervisors, the Equality Steering Group champions the interests of disabled staff and students, including surveying them to identify any specific challenges they may face.

The ICR uses a number of methods to keep its staff fully informed of matters of concern to them. These include briefings by the Chief Executive of all staff, Board of Trustees' minutes and regular organisational updates reported through the weekly staff newsletter. The ICR supports active staff and student associations. Each association has its own budget and works closely with the ICR's Learning and Development team to develop bespoke training programmes to promote broader career development. The chairs of these associations meet regularly with the Chief Executive as members of the Chief Executive's Advisory Forum. These forums provide a valuable platform for two-way communication between staff and the Chief Executive.

Formal communications with staff take place every four months through meetings with the Staff Consultative Committee. This consists of an equal number of representatives of the staff and management and is chaired by the Director of Human Resources. It is ICR policy to promote by discussion and consultation the involvement of staff, when appropriate, in the development of personnel policy and practice.

Strategic report

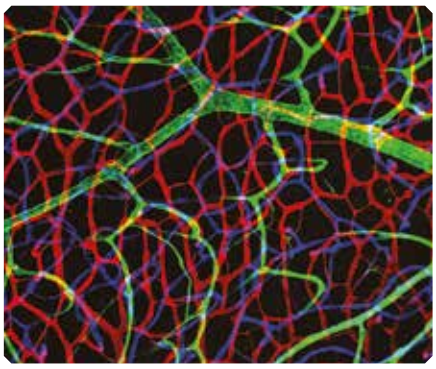
The Institute of Cancer Research is committed to carrying out research to improve cancer patient care and health outcomes, and to maximise patient benefit.

LEADERSHIP

Professor Alan Ashworth stepped down as Chief Executive of the ICR on 30 June 2014. Professor Ashworth has worked at the ICR for 28 years, taking over as Chief Executive in January 2011. He will take up the position of Director of the UCSF Helen Diller Family Comprehensive Cancer Center at the University of California, San Francisco on 1 January 2015. Professor Ashworth will retain a formal research link with the ICR, and his appointment will strengthen the opportunities for collaboration between the two organisations.

Professor Paul Workman, previously Deputy Chief Executive of the ICR, took over as Interim Chief Executive on 1 July 2014 and continued to lead the Cancer Research UK Cancer Therapeutics Unit and Division of Cancer Therapeutics. He is a world-renowned expert in cancer drug discovery. The Board appointed Professor Workman as Chief Executive on 20 November 2014.

Professor Paul Workman
Chief Executive



Key initiatives

New ideas and people to lead the way in cancer research.

Over 2013/14, the ICR has launched a number of initiatives designed to support the delivery of our scientific strategy and the sustainability of the organisation.

Centre for Evolution and Cancer
The ICR launched a pioneering new Centre for Evolution and Cancer to explore the evolutionary principles underpinning the development of cancer. The ability of cancers to evolve and diversify means no two tumours are the same and is the central reason why they so often become resistant to treatment. The centre, led by Professor Mel Greaves as Director, applies Charles Darwin's principle of evolution by natural selection to our understanding of why we develop cancer, and why it is so difficult to treat, in order to uncover new strategies for avoiding or overcoming drug resistance.

Centre for Cancer Imaging
The ICR's new Centre for Cancer Imaging is a new leading-edge research facility at the ICR, led by Professor Uwe Oelfke, Head of the ICR's and The Royal Marsden's Joint Department of Physics. The structural frame of the building is now complete, and research teams are due to move in during the 2014-15 academic year. The centre brings together physicists, biologists and radiochemists to develop state-of-the-art, non-invasive imaging aimed to improve cancer diagnosis and treatment. It will help us to understand cancer in the whole organism, accelerate our research on drug discovery and radiation therapy, and support development of new multi-modality imaging techniques for patients.

1.7b
experimental results within the CanSAR database

World's largest disease knowledgebase
The ICR launched a new, freely available cancer knowledgebase that uses artificial intelligence similar to the technology used to predict the weather to discover the cancer treatments of the future. The system, called CanSAR, is the biggest disease database of its kind anywhere in the world and contains 1.7 billion experimental results – more data than would be generated by 1 million years of use of the Hubble space telescope. The resource, which is led by Dr Bissan Al-Lazikani, Team Leader in Computational Biology and Chemogenomics at the ICR, can perform extraordinarily complex virtual experiments using information from patients, genetics, chemistry and other laboratory research.

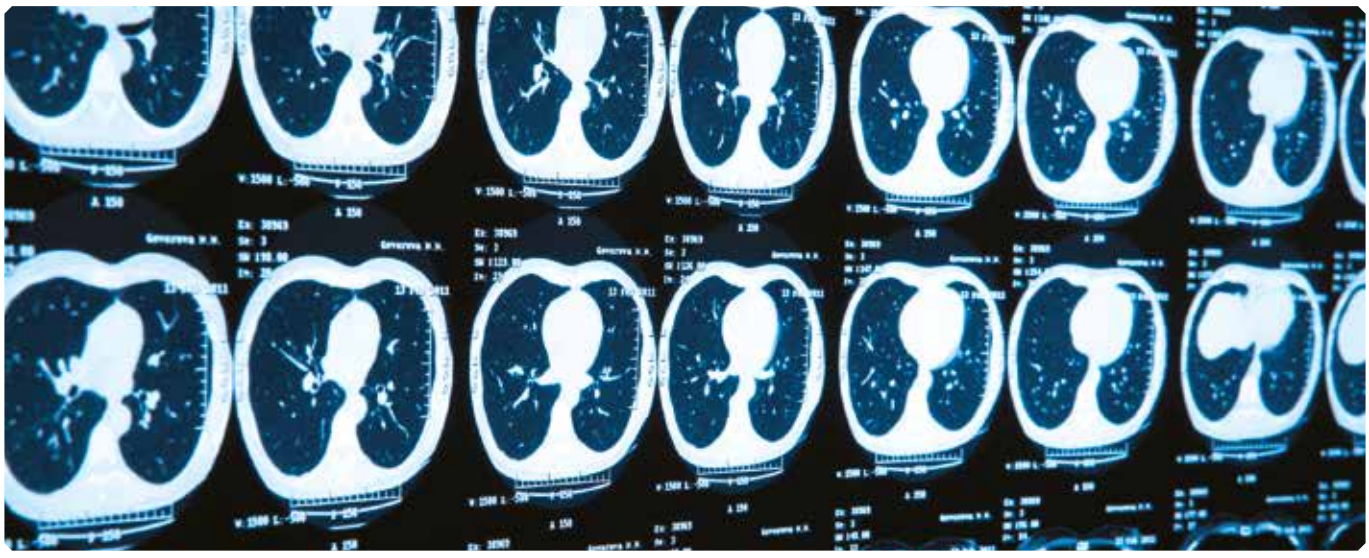
Cancer Research UK Centre
The Cancer Research UK Centre at the ICR and The Royal Marsden had its funding renewed for a further three years in April 2014. It is part of a national network of centres funded by Cancer Research UK to deliver world-leading translational research and improved patient care. The new grant of £8.8 million over 3 years will allow us to expand the number of investigator-initiated trials we undertake and the sequencing analysis of patient samples from these trials in the ICR's and The Royal Marsden's joint Drug Development Unit. The centre also focuses on integrating treatment and imaging technologies, and translating these technologies into clinical practice to develop effective and targeted forms of radiotherapy. The Centre will also include a Bioinformatics facility to build the ICR's capability in this critical aspect of cancer research.

Leading a Movember Centre of Excellence
A London consortium comprising the ICR, The Royal Marsden, Imperial College London and University College London has been designated a Movember Centre of Excellence, headed by Professor Johann de Bono, Professor of Experimental Cancer Medicine at the ICR and an honorary consultant at The Royal Marsden. The charities Prostate Cancer UK and Movember are providing £5 million in funding over five years to accelerate understanding of prostate cancer and provide better treatments for men with this disease. A particular emphasis is on the development of tests that can be used to identify men at high risk of aggressive disease and using genetic information to optimise treatment choices.

Image-guided radiotherapy
We have become an academic partner, in collaboration with The Royal Marsden, in an international consortium of leading research organisations gaining access to a state-of-the-art radiotherapy system called MR Linac. The system will use magnetic resonance imaging to track tumours in real time, and use a linear accelerator to target them accurately with radiation.

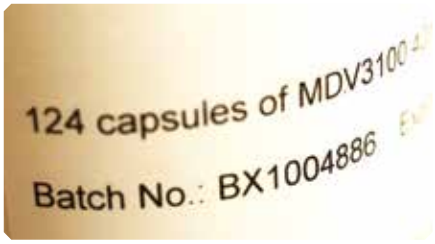
New leaders for our research
The ICR has appointed a series of internationally renowned scientists to senior roles across the organisation, to help deliver our strategy and vision. Professor Andrew Tutt, one of the UK's leading specialists at running clinical trials of targeted therapies for breast cancer, has been appointed as Head of the Division of Breast Cancer Research at the ICR and Director of the Breakthrough Breast Cancer Research Centre. The ICR has also brought in new ideas and expertise through the appointment of 10 new team leaders. These include Dr Marco Gerlinger, who will study the evolution of cancer cells within a tumour, Dr Gabriela Kramer-Marek, who is investigating new molecular imaging techniques to predict a patient's response to treatment, and Dr Nicola Valeri, who works on the discovery of therapeutic targets and biomarkers for gastrointestinal cancers.

Research quality
We made our submission to the Research Excellence Framework (previously the Research Assessment Exercise) in November 2013. This exercise assesses the quality of research in UK higher education institutions and informs the selective allocation of public-sector research funding with effect from 2015. The outcome, which is crucial to the ICR, will be known in December 2014.



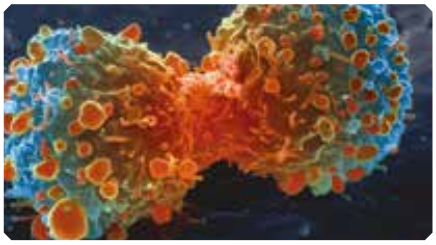
Scientific achievements

Our Research Directorate judges the following 10 discoveries the most significant in 2013/14:



Enzalutamide used before chemotherapy extends life for men with prostate cancer
Professor Johann de Bono at the ICR and The Royal Marsden helped lead a phase III clinical trial which demonstrated that the androgen receptor inhibitor enzalutamide improves patient survival in men with castration-resistant prostate cancer who have not received previous chemotherapy. It paved the way for men to be treated with enzalutamide earlier in the course of their disease, delaying treatment with chemotherapy.

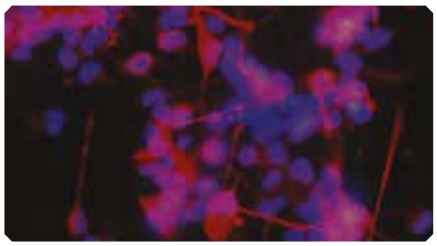
Structure of a critical protein for cell division is imaged
Professor David Barford's team produced the first detailed images of the anaphase-promoting complex using a combination of electron microscopy and imaging software to visualise the protein's secondary structure. The complex performs a wide range of tasks associated with cell division – a process often hijacked in cancer. The new structural information will transform our understanding of how cells copy their chromosomes and divide, and could reveal binding sites for future cancer drugs.



Smokers with gene defect have one in four chance of developing lung cancer
Professor Richard Houlston and colleagues discovered a previously unknown link between lung cancer and a particular defect in the *BRCA2* gene (known as *BRCA2 c.9976T*) which occurs in around 2% of the population. The *BRCA2* gene is best known for its role in breast cancer, but the large, international study revealed that this defect also increases the risk of developing lung cancer in smokers by about 1.8 times. The study suggests around one in four smokers with the *BRCA2* defect will develop lung cancer.

Cullin-5 enzyme plays role in response to key class of cancer drugs
Professor Paul Workman's team found that the enzyme Cullin-5 (CUL5) plays a key role in the anticancer effects of Hsp90 inhibitors, and that depleting CUL5 can reduce the effectiveness of Hsp90 inhibitors in several tumour types. A test for CUL5 could potentially help identify the patients most likely to respond to treatment with these drugs. The research also suggested potential approaches for designing new drugs against Hsp90.

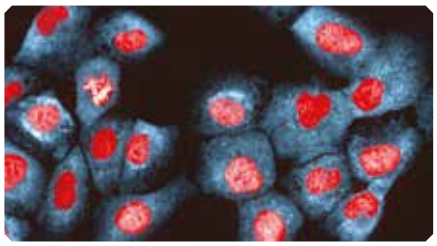
Protein complex helps cancer cells divide with multiple centromeres
Researchers in Dr Spiros Linardopoulos's team discovered a new role for a protein complex involved in controlling cell division. The anaphase-promoting complex/cyclosome (APC/C) was found to be an essential regulator of centrosome clustering within cancer cells, allowing cells to divide successfully even if they have more than two centrosomes. The APC/C could be a target for drugs to selectively kill cancer cells, which often rely on centrosome clustering to successfully divide.



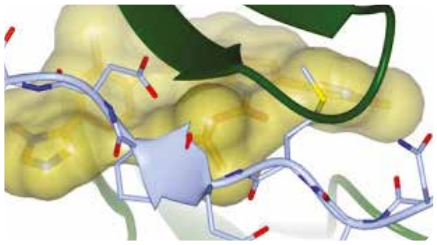
Genetic flaw links childhood brain cancer to stone man syndrome
Dr Chris Jones and colleagues discovered a rare genetic flaw in a quarter of biopsy samples from a type of childhood brain tumour called diffuse intrinsic pontine glioma (DIPG), which is currently untreatable. The defect has not been found in any other type of cancer, but is found in the germline of patients with a childhood development disorder known as stone man syndrome, where muscles turn into bone. The genetic link between two very different diseases provides a potential target for cancer therapies, and drugs are already being developed to treat stone man syndrome which may be relevant to DIPG.

Imaging technique assesses treatment in advanced prostate cancer
Dr Simon Robinson and colleagues developed a new combination of imaging techniques which can test how effective drugs are against prostate cancer that has spread to the bone in mice, in a model that closely resembles how prostate cancer develops in human bone. The imaging technique combines bioluminescence, magnetic resonance imaging, single-photon emission computed tomography and computed tomography, showing clearly how the tumour and the surrounding bone are affected by new drugs such as cabozantinib.

Mutations in leukaemia gene linked to new childhood growth disorder
Researchers led by Professor Nazneen Rahman identified mutations in a gene associated with leukaemia, *DNMT3A*, in 13 children with a new condition which affects growth and intellectual development, which they called *'DNMT3A* overgrowth syndrome'. The *DNMT3A* gene is crucial for development because it adds methylation marks to DNA that determine where and when genes are active.



'Non-stick' gene can prevent breast cancer spread
Professor Clare Isacke and colleagues discovered that a gene can prevent the spread of breast cancer by stopping tumour cells from becoming 'sticky', a trait which allows them to spread and invade new sites in the body. The gene, *ST6GalNAc2,* prevents cancer cells from attaching a protein, galectin-3, to their surface which gives them their stickiness. If the *ST6GalNAc2* gene is silenced some women with breast cancer may be at higher risk, but targeting the galectin-3 protein could slow the spread of these cancers.



Chemical tool can investigate effects of inhibiting key cancer protein
In a collaboration between Professor Julian Blagg and Dr Rob van Montfort, researchers applied structure-based design to discover a small-molecule chemical tool which selectively inhibits MPS1, a key protein involved in spindle assembly during cell division which is overexpressed in many human cancers. The inhibitor stabilises an inactive conformation of MPS1 and is being used to further investigate the effects of MPS1 inhibition on the proliferation and survival of cancer cells. Initial testing in mice transplanted with human tumour cells showed that the compound effectively inhibits MPS1.

Measures of performance

We strive to produce research with impact and inspire cancer researchers of the future.

RESEARCH

The ICR is currently ranked as the top University in the UK for research quality by Times Higher Education, based on our performance in the 2008 national Research Assessment Exercise. Some 79% of our research activity was rated world leading or internationally excellent and the remainder was rated as internationally recognised. We have submitted the data for 2014 exercise, the results of which will be known in December 2014.

The impact of our work is continuing to grow and we are exceeding our target for the impact of our scientific papers, where we measure the ratio of the number of citations to the number of papers published and compare to the world average for biomedical sciences. We have progressively increased our relative citation impact rate since 2009 and this year maintained our position. The five-year rolling average for our relative citation impact rate in 2008 to 2012 was 2.84.

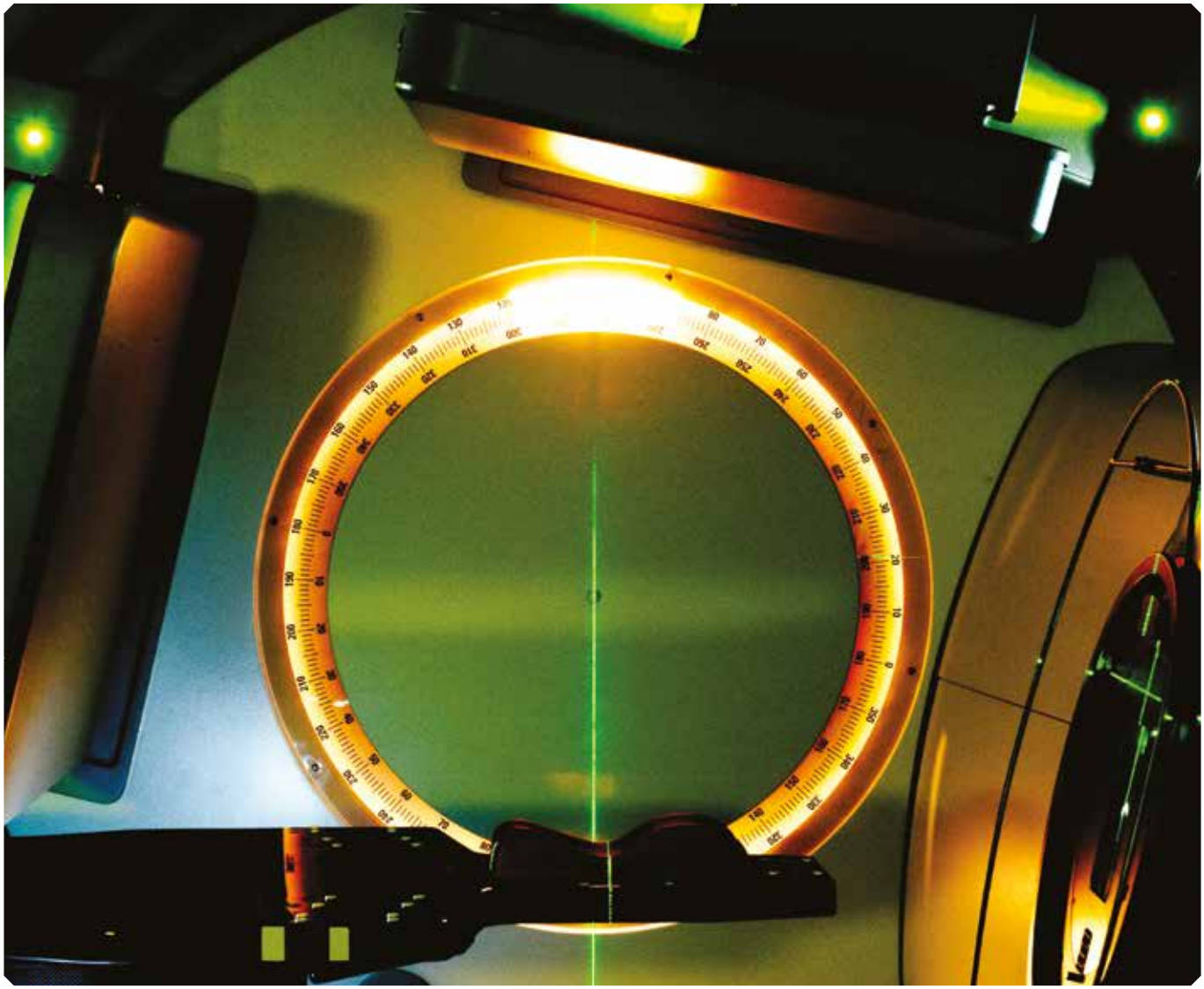
£43.3m
secured through successful grant applications

Over half of our work is funded by peer-reviewed research grant income. The amount of funding reduced slightly in 2014, to £50.2 million from £52.3 million in 2013, as two large projects were completed. But the number of successful research applications increased, both by number (with 48 successful grant applications, compared with 42 in 2013) and by value (with £43.3 million awarded, compared with £30.6 million in 2013).

EDUCATION AND TRAINING

The performance of our students continues to be excellent. Our PhD students consistently achieve a 100% pass rate and over 80% of our MSc students leave with a postgraduate qualification, based on the most recent data for the 2009-10 cohort. Although we have a relatively small number of students, we continue to recruit above our target range, with 146 new and continuing MSc registrations in 2014.

146
MSc students at the ICR



ENVIRONMENT AND INFRASTRUCTURE

We closely monitor our financial sustainability and our free reserves as at 31 July 2014 were £19.0 million, which is in the middle of the range set out in the ICR's reserves policy. We achieved a surplus of £14.5 million in 2014 and our net funds grew by £15.1 million.

In our five-year strategy we set out the need to expand our current estate in order to provide the state-of-the-art facilities required for our research activities. We have made significant progress during 2014 on our major build project, the Centre for Cancer Imaging, which will bring together the ICR's imaging work at a total cost of £20 million. The project is progressing well and the building is due to be completed by the end of 2014.

We are committed to minimising the impact of activities on the environment and we have maintained our Eco Campus Platinum Accreditation. Throughout the year we have continued to implement actions from our Carbon Management Plan, developed in conjunction with the Carbon Trust.

Financial review

Increased income means we channel more funds back into our research.

OUR FUNDING

Total incoming resources 2013-14

OVERALL RESULTS

Total incoming resources for 2013/14 were £103.9 million, compared with £96.4 million in 2012/13, an increase of 8%. Two-thirds of our funding comes from competitively won peer-reviewed grants or through the competitive Research Assessment Exercise of the Higher Education Funding Council for England. These external reviews help to ensure the ICR maintains research excellence.

In 2013/14, the net incoming resources of the ICR were £14.5 million, an increase of £8.4 million from 2012/13. Income has grown substantially, largely because of royalties arising from sales of the drug abiraterone and an increase in our voluntary income. There was a slight reduction in expenditure compared with 2012/13 as several large multi-year grant-funded projects completed.

During the year we made capital investments of £14.7 million, 76% of which has been spent on the ongoing build of our new Centre for Cancer Imaging.

INCOME

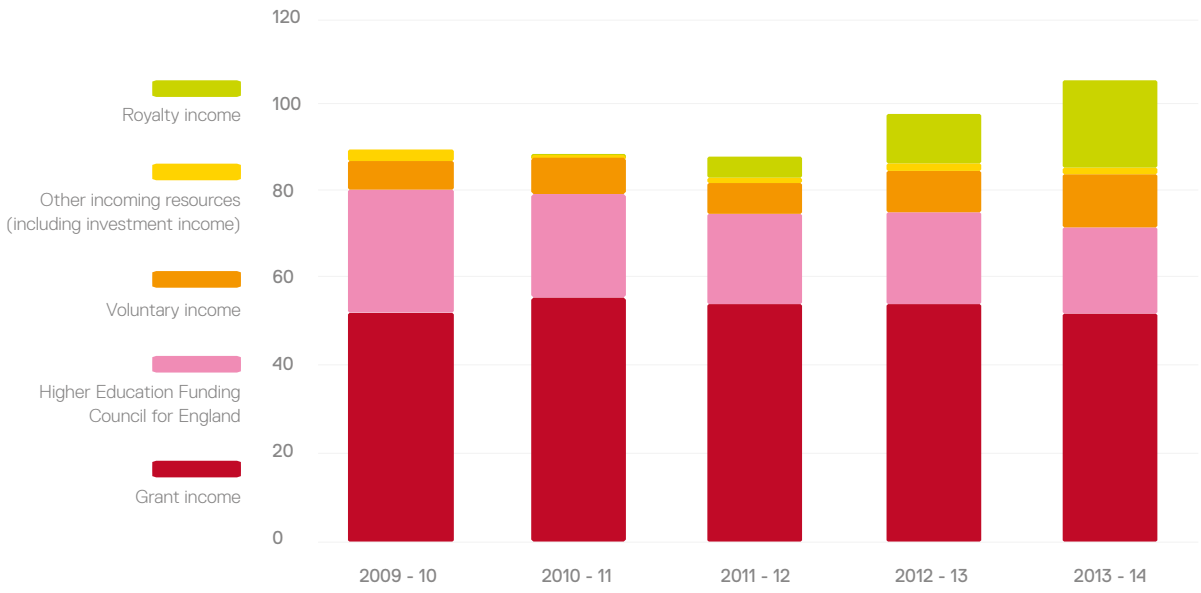
The breakdown of our total income of £103.9 million was as follows:

- 48% peer-reviewed research grant income, with 17% of our income received from Cancer Research UK, 6% from Breakthrough Breast Cancer and 6% from the Wellcome Trust
- 19% Higher Education Funding Council for England, of which £17.7 million funds research, £1.0m million funds capital projects and £0.8 million funds education and teaching
- 18% royalty income
- 12% legacy income and donations raised through our Development Office
- 2% income from investments, student fees and other sources
- 1% teaching and support grants and contracts

The main movements in our income were as follows:

- Royalty income grew by £7.9 million (71%) as a result of income arising from sales of abiraterone as worldwide use of the drug continued to grow rapidly
- Voluntary income has grown by £3.0 million (33%), because of an increase in legacy income and donation income arising from the Battle Against Cancer Investment Trust (BACIT)
- External Grant income declined by £3.4 million, as the funding from Higher Education Funding Council for England fell by £1.0 million and several large grants ended

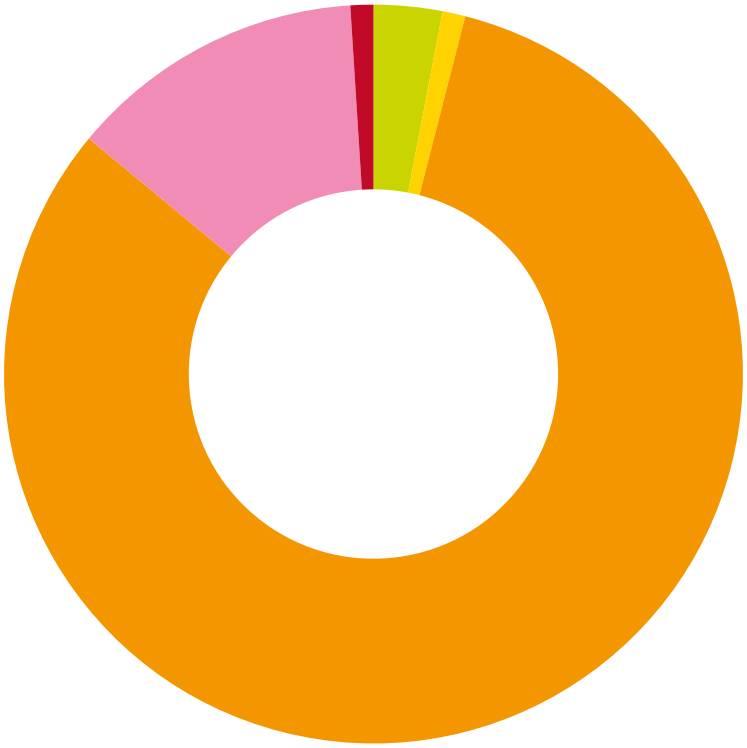
Incoming resources five year history - £m



EXPENDITURE

Total resources expended in 2013/14 were £89.4 million, compared with £90.3 million 2012/13, a decrease of 1%. This is largely due to a reduction in expenditure on research, which has decreased by £1.7 million compared with the prior year as several multi-year projects were completed.

Total resources expended



3%
Costs of generating voluntary income

1%
Governance and investment management

82%
Research expenditure - direct costs

13%
Research expenditure - support costs

1%
Information and education

NET ASSETS

ICR total net assets have increased by £15.1 million since 2013, from £154.0 million to £169.1 million. This occurred because of the surplus achieved in 2013/14, revaluation of our scientific properties and increased accrued income, and despite deterioration in the FRS17 pension deficit.

RESERVES POLICY AND POSITION

The ICR's mission is a long-term undertaking and while the Board of Trustees expends all the funds it receives towards its mission within a reasonable time of receiving them, it also considers it prudent to maintain a reserve of free funds to protect our long-term financial viability. Free reserves are expendable at the Trustees' discretion and not designated for a particular purpose.

The Board of Trustees has decided that the ICR should maintain free reserves in the range of £17.1 million to £20.9 million, which equates to 9-11 weeks of the ICR's budgeted annual expenditure for the next year. In determining the level of free funds to be held in reserve the Board of Trustees considers the ICR's income and expenditure forecasts, and its future needs, opportunities, contingencies and possible risks. The Board reviews its Reserves Policy and the assessment and calculation of the level of free reserves each year.

The closing position of our general funds is £19.0 million, a reduction of £1.5 million compared with 2013 but in the middle of the target range.

General funds five-year history, 31 July - £m

The reduction of the ICR's free reserves since 2010 is in line with the budgeted intention to use unrestricted funds, preserved in recent years during the widespread financial uncertainty, to implement the ICR's scientific strategy. The ICR's financial plan anticipates maintaining the current level of free reserves.

Within our designated funds as at 31 July 2014, £19.9 million is held in a development fund. This is the amount set aside by the ICR for future commitments related to buildings, capital equipment and scientific developments. A new designated fund was established to fund the development of our north site at Sutton.

INVESTMENT POLICY AND PERFORMANCE

Under the Articles of Association the ICR can "invest and deal with any monies not immediately required for its purposes in such a manner as may be thought fit". The ICR does not invest directly in any company perceptibly involved in the sale of tobacco or tobacco products.

The aim of the Investment Policy is to maintain a balance between current income and capital growth commensurate with the ICR's liquidity requirements. The asset distribution is subject to review at regular meetings of the Investments and Building Development Committee and is dependent on the ICR's programme for future development.

A gain on investments of £0.5 million is reported in the consolidated statement of financial activities and the total return on investments in the year was £1.0 million.

PENSIONS

The ICR Pension Scheme (ICRPS) closed to future accrual on 31 July 2008 and active members were able to build future pension within the Universities Superannuation Scheme (USS) after that date.

The last actuarial valuation of the ICRPS was undertaken as at 31 March 2013 and this reported that the scheme deficit had deteriorated from £8.3 million as at 31 July 2010 to a deficit of £25.9 million as at 31 July 2013 calculated on the statutory funding basis.

In common with many defined benefit schemes, the financial statements show that the scheme is in deficit. The deficit calculated under the accounting basis set out in Financial Reporting Standard 17 (FRS17) as at 31 July 2014 is £16.3 million.

The Scheme's and the ICR's Trustees continue to review the options with regard to the future of the closed scheme and how best to secure the funding position. For example, the ICR and the Trustees of the Scheme, in January 2013, purchased a policy with a specialist insurance company to insure the Scheme's pensioners as at 31 July 2012. Entering into the policy helps the Scheme's Trustees to manage the risks inherent in defined benefit pension schemes (in particular investment, inflation and longevity risks).

REVALUATION OF PROPERTY FIXED ASSETS

The ICR's policy is to revalue its scientific properties. A full revaluation as at 31 July 2014 was carried out by Gerald Eve LLP on a depreciated replacement cost basis. As a result, the value of the scientific properties excluding those under construction was increased to £88.1 million.

PRINCIPAL RISKS AND UNCERTAINTIES

To maintain our position at the forefront of cancer research we need to recruit and retain world-leading scientists. Recruiting a new Chief Executive, to direct and implement key strategic initiatives, is of utmost priority.

There is uncertainty around the level of recurrent Government funding to the higher education sector, with a general election due in 2015 and a comprehensive spending review to follow. We also await the funding allocation decisions of the Higher Education Funding Council for England after the results of the Research Excellence Framework 2014, which will be announced in December 2014.

Future capital funding for the ICR is a key risk as we look to expand our world-class facilities and provide the infrastructure to support our activities. There is a scarcity of capital funding from Government bodies and other funders, and our public-sector capital funding has fallen significantly from £17.3 million for the three-year period 2008-2011 to an allocation of £5.9 million for the four - year period 2011-2015. It is also becoming increasingly common for matched funding to be a requirement, making it more difficult to access the available funds.

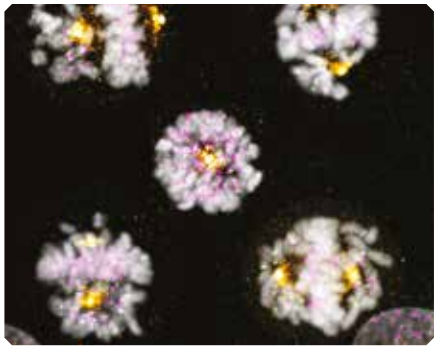
There is a risk that the financial resources available to support our research activities will be reduced as funds will be diverted to meet the increasing costs of pension provision and additional contributions to clear the deficits of the ICRPS and USS pension schemes.

Going forward there are likely to be implications for the ICR and our postgraduate students from changes underway to the funding and regulation arrangements for higher education. There is a risk that funding may change significantly for postgraduates and as yet the implications of greater indebtedness of undergraduate students on application rates are unclear.

FUTURE DEVELOPMENTS

The success of the ICR depends on recruiting and retaining the world's leading scientists, and in 2015 we will carry on recruiting scientists into senior roles to ensure we are able to deliver our strategy and vision. We need to provide cutting-edge facilities for these scientists to allow them to develop and investigate new areas of cancer research.

We are near completion on the new Centre for Cancer Imaging and are establishing a fund to build a Centre for Cancer Drug Discovery, which will cost in excess of £55 million.



We are in discussions with The Royal Marsden and the London Borough of Sutton about proposals to set up a major centre for life sciences on the ICR's and The Royal Marsden's Sutton site. The initiative, which has provisionally been called Sutton for Life, would expand facilities for drug discovery and facilitate collaboration with pharma, biotech and technology companies.

The ICR and The Royal Marsden are to purchase an MR Linac – one of the world's most advanced radiotherapy machines – and develop state-of-the-art treatments for patients. We will become the first institutions in the UK – among a select group of international medical centres – to own and develop the world-leading MR Linac technology.

Governance and management

Everything we do is aimed at fulfilling our mission.

PUBLIC BENEFIT

The charitable objects of the ICR are the study of disease and particularly the disease of cancer and allied diseases; to initiate, encourage, support and carry out research into the causes, prevention, diagnosis and methods of treatment of such diseases; to assist in the prevention, diagnosis and treatment of such diseases, and to provide for the education and practical training in subjects relevant to the study of cancer and allied diseases and the alleviation of suffering.

Everything we do is aimed at fulfilling our mission, which is to make the discoveries that defeat cancer. We are focused on undertaking research of the highest quality which will ultimately have significant impact on improving outcomes for cancer patients. Our research students make a significant contribution to our scientific endeavour and we are committed to inspire them to become the next generation of researchers. On pages 13 – 14 we set out our top 10 scientific achievements for 2014 and the impact that these findings will have for patients. Our long-term achievements are set out on our website and highlight the ICR's contribution to many significant advances in reducing mortality for a wide range of cancers.

The Board of Trustees gives due consideration to the Charity Commission's guidance on public benefit.

GOVERNANCE

The ICR's governance reflects its multiple organisational roles.

The ICR is a company limited by guarantee, incorporated in 1954. We are also a college of the University of London and adhere to regulations as set by HEFCE. The ICR is an exempt charity under the Third Schedule of the Charities Act 2011, with the reference number X90004. The ICR's objects, powers and framework of governance are set out in its Articles of Association, the current version of which was approved by the Members of the ICR in September 2011.

The overall governing body of the ICR is its Board of Trustees. Our Trustees are responsible for ensuring the ICR pursues its charitable objects, complies with its constitution and relevant legislation and regulations, applies its resources exclusively to its objects, and enacts cancer research of the highest international standard. They carry the responsibility of company directors of the ICR.

The Management Executive reports to the Board of Trustees. It is chaired by the ICR's Chief Executive, Professor Paul Workman, and its membership includes the Chief Operating Officer, the Academic Dean, the Director of Research, Heads of Division and Corporate Service Directors.

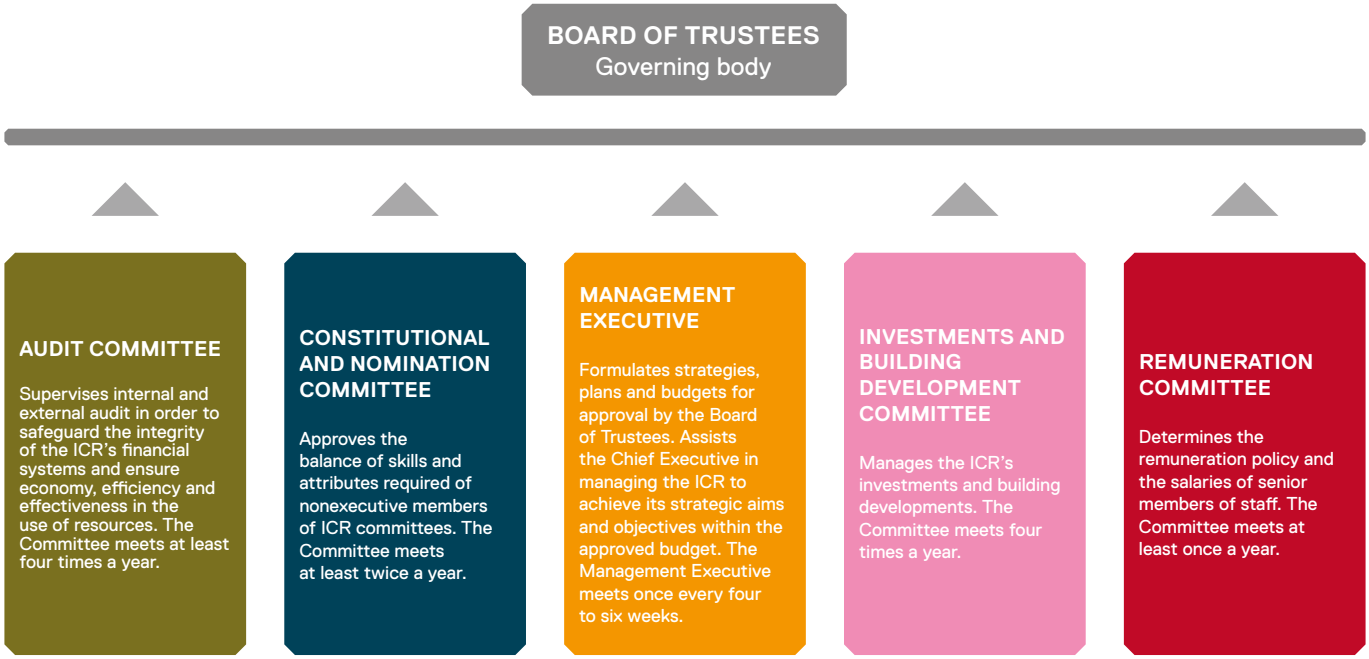
The Board of Trustees has also established a number of subcommittees: the Audit Committee, the Investments and Building Development Committee, the Remuneration Committee, and the Constitutional and Nomination Committee.

THE BOARD OF TRUSTEES

The Board of Trustees determines the ICR's strategies, approves its scientific and financial plans, annual report and accounts and governance structure, makes key appointments (Chief Executive, Academic Dean, Chief Operating Officer, Deputy CEO and Director of Research) and monitors the ICR's strategic performance. It also approves new initiatives and non-recurrent expenditure costing £1 million or more.

The Board of Trustees comprises 18 individuals nominated by The Royal Marsden, Cancer Research UK, individuals co-opted by the Board of Trustees itself and one member elected by the Academic Board, together with ex-officio members (the Chief Executive and the Academic Dean) and a student nominee. Details of the current membership of the Board of Trustees are given on page 60.

The Board of Trustees recognises the principles underlying the Committee on Corporate Governance's Combined Code and The Committee of University Chairmen Governance Code of Practice and applies them within the ICR. The Board met six times in 2013/14. A copy of the register of interests of Board members is available upon application to the Chief Operating Officer.



The Constitutional and Nomination Committee recommends to the Board of Trustees the admission of Fellows and Members of the ICR and appointments to the Board of Trustees. When considering new appointments the Constitutional and Nomination Committee seeks proposals for candidates from a number of sources. All new Trustees are offered a tailored induction programme and further training is available on request.

Mr Luke Johnson took up appointment as the ICR's Chairman on 1 August 2013; the ICR used a firm of search consultants to assist with this appointment. Professor Clare Isacke took up appointment as the ICR's Academic Dean (an internal appointment) on 1 August 2013. Miss Parisa Razaz was appointed as the student nominee on 1 September 2013. Professor Paul Workman took up appointment as the ICR's Interim Chief Executive (an internal appointment) on 1 July 2014 and was appointed Chief Executive on 20 November 2014; the ICR used a firm of search consultants to assist with this appointment and the position was advertised. Mr Charles Geffen and Mrs Jane Hamilton were appointed to co–opted positions on 1 August 2014, Mr William Burns was appointed to a co-opted position on 1 October 2014; the ICR used a firm of search consultants to assist with these appointments.
During the financial year Professor Alan Ashworth, Dr Peter Goodfellow, Mr Daniel Itzhak and Lady Helen Otton stepped down from the governing body. The ICR is grateful for their valuable contributions during their appointments.

AUDITORS

Grant Thornton UK LLP was newly appointed as statutory auditor in 2014. The company was selected after an external tender process.

No non-audit fees were paid to the external auditors in 2014 (2013: £0).

STATEMENT OF INTERNAL CONTROL

The Board of Trustees is responsible for the ICR's system of internal control and reviewing its effectiveness. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives and can only provide reasonable, not absolute, assurance of effectiveness.

The Management Executive is responsible for the identification and with the risk owners management of all the major risks to achievement of the ICR's strategic objectives. Each risk identified by the Management Executive is assessed and prioritised with reference to the potential impact if the risk occurred and likelihood of occurrence. The responsibility for specific risks is assigned to the relevant academic, scientific and support staff who provide assurance of the action taken.

The Risk Register is compiled by the Integrated Risk and Performance Committee, agreed with the Management Executive and approved annually by the Board of Trustees. Significant risks may be added, revised or removed from the Risk Register after evaluation by the Integrated Risk and Performance Committee throughout the year. The Significant Risk List is appraised every four months by the Integrated Risk and Performance Committee and the Board of Trustees.

Internal audit adopts a risk-based approach in undertaking a programme of examinations covering all aspects of the ICR's activities. It provides to the Board of Trustees and the Chief Executive an independent annual statement on the adequacy and effectiveness of risk management, control and governance, and arrangements for economy, efficiency and effectiveness, and the extent to which the Board of Trustees can rely on these.

The external auditors provide feedback to the Audit Committee on the operation of internal financial controls reviewed as part of the external audit.

The Audit Committee, on behalf of the Board of Trustees, keeps under review the adequacy and effectiveness of the ICR's arrangements for risk management, control and governance throughout the year, and for the management and quality assurance of data submitted to HESA, HEFCE and other funding bodies. The review also covers compliance with laws and regulations and the economy, efficiency and effectiveness of operations. The Audit Committee reviews the ICR's arrangements for the management of risks.

The Audit Committee's opinion is that the ICR has adequate and effective arrangements for risk management, control and governance, and economy, efficiency and effectiveness, and that the Board of Trustees can place reliance on those arrangements.

CONCLUSION

The Board of Trustees is of the view that there is an ongoing process for identifying, evaluating and management of the ICR's key risks, and that it has been in place for the year ended 31 July 2014 and up to the date of the approval of the annual report and accounts, that it is regularly reviewed by the Board of Trustees and that it accords with the internal control guidance for directors in the Combined Code as deemed appropriate for higher education.

GOING CONCERN

The Board of Trustees has considered the level of reserves and the financial resources available to the ICR and considers these are adequate to meet its operational needs for the foreseeable future. Consequently the going concern basis has been adopted in preparing these financial statements.

Statement of the Responsibilities of Members of the Board of Trustees

Members of the Board of Trustees are responsible for preparing the Report of the Board of Trustees, the Strategic Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and the financial position of the ICR and the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICR will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the ICR's transactions and disclose with reasonable accuracy at any time the financial position of the ICR 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 ICR and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

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

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

APPROVAL OF THE TRUSTEES' REPORT AND STRATEGIC REPORT

The Trustees' Report and Strategic Report were approved by the Board of Trustees on 20 November 2014.

Luke Johnson
Chair of The Institute of Cancer Research

Independent Auditor's Report

2

Independent Auditor's Report

Independent Auditor's Report to the Members of The Institute of Cancer Research: Royal Cancer Hospital.

We have audited the non-statutory financial statements of The Institute of Cancer Research: Royal Cancer Hospital ('ICR') for the year ended 31 July 2014 which comprise the consolidated statement of financial activities, the consolidated and ICR balance sheets, the consolidated cash flow statement and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including the Statement of Recommended Practice - Accounting and Reporting by Charities (revised 2005) ('the Charity SORP 2005').

This report is made solely to the ICR's members, as a body, in accordance with our engagement letter dated 20 August 2014. Our audit work has been undertaken so that we might state to the ICR'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 ICR and the ICR's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor
The ICR's Trustees are responsible for the preparation of the financial statements which give a true and fair view.

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

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements
In our opinion, the financial statements give a true and fair view of the state of the group's and of the ICR's affairs as at 31 July 2014 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended in accordance with United Kingdom Generally Accepted Accounting Practice including the Charity SORP 2005.

Grant Thornton UKLLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

20 November 2014

The financial statements for the year ended 31 July 2014.

The Institute of Cancer Research

Consolidated statement of financial activities (Incorporating the Consolidated Income and Expenditure Account) for the year ended 31 July 2014

	Note	Unrestricted funds £000	Restricted funds £000	**Total funds 2014 £000**	Total funds 2013 £000
Incoming resources					
Incoming resources from charitable activities					
External grants	2	20,574	50,358	**70,932**	74,375
Royalty income		19,019	-	**19,019**	11,151
Incoming resources from generated funds					
Voluntary income	3	7,341	4,705	**12,046**	9,089
Income from investments	4	481	-	**481**	540
Other incoming resources		1,159	242	**1,401**	1,224
Total incoming resources		48,574	55,305	**103,879**	96,379
Resources expended					
Costs of generating funds					
Costs of generating voluntary income		1,712	124	**1,836**	1,503
Legacy development		578	-	**578**	493
Investment management		233	-	**233**	307
Charitable activities	5	31,429	54,826	**86,255**	87,544
Governance costs	6	494	-	**494**	465
Total resources expended		34,446	54,950	**89,396**	90,312
Net incoming/(outgoing) resources before transfers		14,128	355	**14,483**	6,067
Transfers between funds	13, 14	946	(946)	**-**	-
Net incoming/(outgoing) resources before other recognised gains and losses		15,074	(591)	**14,483**	6,067
Other recognised gains/(losses)					
Gains on investment assets	9	485	29	**514**	5,118
Revaluation gains on fixed assets	8	6,771	-	**6,771**	7,581
Actuarial (losses)/gains on defined benefit pension schemes	17	(6,605)	-	**(6,605)**	(3,718)
Net movement in funds		15,725	(562)	**15,163**	15,048
Fund balances at 1 August 2013		87,579	66,393	**153,972**	138,924
Fund balances at 31 July 2014		103,304	65,831	**169,135**	153,972

Restricted funds include endowment funds of £2,302,000 comprising brought forward balances of £2,273,000 and investment gains of £29,000.

All of the ICR's operations are continuing.
There were no gains or losses other than those stated above.

As provided by the Companies Act 2006 no non-consolidated Statement of Financial Activities is presented for the ICR. The surplus for Companies Act purposes is £14,483,000 (2013: surplus £6,067,000), and the turnover is £104,939,000 (2013: turnover £96,629,000).
The notes on pages 37 to 58 form part of these financial statements.

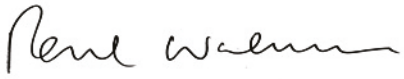
The Institute of Cancer Research
Balance sheets
31 July 2014

	Note	Group		Institute	
		2014 £000	2013 £000	**2014 £000**	2013 £000
Fixed assets					
Tangible assets	8	**110,215**	93,301	**110,215**	93,301
Investments	9a	**57,451**	56,843	**57,456**	56,848
		167,666	150,144	**167,671**	150,149
Current assets					
Stocks - finished goods		**159**	149	**159**	149
Investments	9b	**6,453**	8,196	**6,453**	8,196
Debtors	10	**21,891**	14,072	**36,899**	16,532
Cash at bank and in hand		**1,483**	995	**1,469**	987
		29,986	23,412	**44,980**	25,864
Creditors: amounts falling due within one year	11a	**(11,664)**	(8,863)	**(26,663)**	(11,320)
Net current assets		**18,322**	14,549	**18,317**	14,544
Total assets less current liabilities		**185,988**	164,693	**185,988**	164,693
Creditors: amounts falling due after more than one year	11b	**(220)**	(220)	**(220)**	(220)
Provisions for liabilities and charges	11c	**(329)**	(323)	**(329)**	(323)
Net assets excluding pension liability		**185,439**	164,150	**185,439**	164,150
Defined benefit pension scheme liability	17	**(16,304)**	(10,178)	**(16,304)**	(10,178)
Net assets including pension liability		**169,135**	153,972	**169,135**	153,972
Unrestricted funds					
General funds	13	**19,036**	20,514	**19,036**	20,514
Revaluation reserve	13	**40,470**	33,856	**40,470**	33,856
Designated funds	13	**60,102**	43,387	**60,102**	43,387
Pension reserve	13,17	**(16,304)**	(10,178)	**(16,304)**	(10,178)
		103,304	87,579	**103,304**	87,579
Restricted funds					
Income funds	14a	**63,529**	64,120	**63,529**	64,120
Endowment funds	14b,c	**2,302**	2,273	**2,302**	2,273
		65,831	66,393	**65,831**	66,393
Total funds including deficit on pensions reserve		**169,135**	153,972	**169,135**	153,972

These financial statements were approved by the Board of Trustees on 20 November 2014.

Luke Johnson
Chairman of the Board of Trustees

The notes on pages 37 to 58 form part of these financial statements.



Professor Paul Workman
Chief Executive

The Institute of Cancer Research
Consolidated cash flow statement
for the year ended 31 July 2014

	Note	**2014 £000**	2013 £000
Net cash inflow from operating activities	1	**13,073**	9,103
Returns on investments and servicing of finance	2	**481**	540
Capital expenditure and financial investment	3	**(14,423)**	(8,827)
Net cash (outflow)/inflow before use of liquid resources and financing		**(869)**	816
Financing and management of liquid resources	4	**(386)**	36
(Decrease)/increase in cash in the year		**(1,255)**	852

Analysis of net funds	1 August 2013 £000	Cash Flows £000	**31 July 2014 £000**
Cash at bank and in hand	995	488	**1,483**
Current asset investments	8,196	(1,743)	**6,453**
	9,191	(1,255)	**7,936**
Money market and other deposits	1,418	386	**1,804**
	10,609	(869)	**9,740**

Statement of historical cost surplus for the year ended 31 July 2014	**2014 £000**	2013 £000
Surplus on continuing operations before tax	**14,483**	6,067
Difference between historical cost depreciation and the actual charge for the period calculated on the revalued amount	**809**	846
Historical cost surplus for the period before and after taxation	**15,292**	6,913

1 / Reconciliation of changes in resources to net inflow from operating activities	**2014 £000**	2013 £000
Net incoming resources	**14,483**	6,067
Depreciation charges	**4,904**	5,606
Reversal of impairment	(360)	-
Loss on disposal of fixed assets	28	-
Investment income	**(481)**	(540)
(Increase)/decrease in stocks	**(10)**	78
Increase in debtors	**(7,819)**	(2,409)
Increase/(decrease) in creditors	**2,807**	82
Pension contributions less current service and finance costs	**(479)**	219
	13,073	9,103

2 / Returns on investments and servicing of finance	**2014 £000**	2013 £000
Investment income	**481**	540

3 / Capital expenditure and financial investment	**2014 £000**	2013 £000
Payments to acquire tangible fixed assets	**(14,715)**	(6,493)
Purchases of investments	**(21,493)**	(32,184)
Receipts from sales of investments	**21,785**	29,850
	(14,423)	(8,827)

4 / Financing and management of liquid resources	**2014 £000**	2013 £000
(Increase)/Decrease in short term deposits	**(386)**	36
	(386)	36

1 / Accounting policies

(i) Accounting convention

The accounts are prepared under the historical cost convention as modified by the revaluation of land and buildings and investments to market value, in accordance with applicable UK accounting standards.

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 July 2014 or 2013, but is derived from those accounts. Statutory accounts are delivered to the Registrar of Companies each year. The auditors have reported on those accounts; their reports were unqualified and did not contain statements under s237(2) or (3) Companies Act 2006.

Although not a legal requirement for an exempt charity, the accounts comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" ("SORP") published in March 2005 except that the emoluments of staff and student representatives elected by the Academic Board to serve on the Board of Trustees are not disclosed as they receive no remuneration for their service as trustees and only receive remuneration based on the normal salary and stipend levels of the ICR for staff of their position. The ICR has availed itself of Regulation 4 of Schedule 1 of SI 2008/410 *The Large and Medium Sized Companies and Groups (Accounts and Reports Regulations 2008)* and adapted the specified formats to reflect the special nature of the ICR's activities.

The Trustees consider that the ICR has adequate resources to continue its activities for the foreseeable future and that, for this reason, it should continue to adopt the going concern basis in preparing the accounts.

(ii) Land and buildings

Land and buildings are valued at least every five years in accordance with the Guidance Notes for the Valuation of Assets issued by the Royal Institute of Chartered Surveyors for the purpose of balance sheet valuations. The last full valuation took place on 31 July 2014. Valuations are made on a Depreciated Replacement Cost basis for scientific properties. Unrealised gains arising at each revaluation are shown in the Revaluation Reserve. Unrealised losses are taken to the Statement of Financial Activities ("SOFA") except to the extent that they reverse revaluation gains on the same asset.

(iii) Investments

Listed investments are stated at the market value at the date of the balance sheet. Investments such as hedge funds and private equity funds, which have no readily identifiable market value, are included at the most recent valuations from their respective managers. Unlisted shares, where there is no readily identifable market value, are recorded at cost or a nominal amount. Investments in subsidiaries are stated at cost less any provision for impairment. Revaluation gains or losses arising during the year are included in the SOFA. Impairments are charged to resources expended on charitable activities. Investment income is the amount receivable by the ICR in the year.

(iv) Incoming resources

Income is included in the accounts in the year in which it is receivable.

(v) Grants accounting

Where a grant funder has confirmed a set payment schedule that is in line with the planned undertaking of the funded research, the income is recognised when it is receivable as per the schedule. This will either be fixed stage payments or based on expenditure incurred on the grant, dependent on the funder's terms for remitting funds.

Where a grant funder has specified requirements related to performance and deliverables, income is recognised when ICR earns the right to consideration by its delivery of agreed milestones.

Where funds for multi-year grants are recieved in full in year one but linked to a multi-year programme of research, the element relating to future years is deferred and included in creditors.

Where entitlement occurs before the income is received the income is accrued and included in debtors.

(vi) Capital grants

Grants for capital expenditure are recognised in the SOFA when the grant is receivable. The depreciation of the asset is charged to the SOFA over the life of the asset.

(vii) Legacies and donations

Legacies and donations are included in the SOFA in the year in which they are received except where income is accounted

1 / Accounting policies (continued)

for once it is known with certainty that an identifiable sum of money is going to be received. Entitlement to legacy income is taken to be the earlier of estate accounts being finalised and cash received. This includes the value of material properties which have been bequeathed to the ICR but not realised at the balance sheet date.

(viii) Royalty income

Royalty income is included in the SOFA in the year in which ICR is entitled to claim it, where there is certainty of receipt and the amount due can be identified.

(ix) Depreciation

Depreciation is provided to write off the costs of leases and buildings over their useful economic lives based on their net book values. The annual rates of amortisation and depreciation are as follows:

Freehold buildings	2%
Leasehold building	2% or the length of the lease if shorter than 50 years.

The cost of refurbishing and maintaining the buildings is written off in the year the expenditure is incurred. Freehold land is not depreciated.

(x) Equipment and depreciation

Equipment (including computers and software) and furniture costing less than £25,000 are written off in the year of acquisition. All other items of equipment and furniture are capitalised in the year of acquisition. Capitalised equipment is stated at cost and depreciated over four years on a straight-line basis.

(xi) Assets under construction

Buildings and furniture, plant and equipment under construction at year end are included in note 8 as assets under construction, and are not depreciated. On completion of construction, these assets are transferred into the appropriate asset class and depreciated from the month of completion onwards in line with the depreciation policy for that asset.

(xii) Stocks

Stocks of research material have been valued using the average of opening and closing stock prices.

(xiii) Resources expended

Support costs are allocated to activities on the following basis:

IT costs - number of staff (headcount)
Premises costs - number of staff (full time equivalent)
Pension financing costs - number of staff (full time equivalent)
Other costs - based on the time spent.

Governance costs relate to the general running of the ICR and include both direct and support costs as well as internal and external audit and legal advice for the trustees.

Research and development costs are written off in the period in which they are incurred.

The cost of administering current legacy income is included in the costs of generating voluntary income. Legacy development costs are incurred to build and maintain the ICR's future legacy income and are shown separately.

(xiv) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Board of Trustees in furtherance of the general objectives of the charity and which have not been designated for any other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Board of Trustees for particular purposes. The aim of each designated fund is set out in the notes to the financial statements. This includes the Fixed Asset Fund which represents the amount of general funds invested in fixed assets and the Revaluation Reserve which represents the increase in fixed assets arising as a result of revaluation.

Restricted funds are funds which have to be used in accordance with specific restrictions imposed by grant bodies or donors. This includes funds invested in fixed assets.

Endowment funds are funds for which the capital is required to be retained in accordance with the donor's wishes.

1 / Accounting policies (continued)

The income is also treated in accordance with the donor's wishes. A total return approach to investment has been adopted for endowments classifed as permanent endowment for which the unapplied total return can be spent on qualifying expenditure.

(xv) Pensions

The ICR participates in three defined benefit schemes, the Universities' Superannuation Scheme (USS), National Health Service Pension Scheme (NHSPS) and The ICR Pension Scheme (ICRPS).

The USS is a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee administered fund. Because of the mutual nature of this scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The ICR is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme.

The NHSPS is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of The Secretary of State, in England and Wales. As a consequence it is not possible for the ICR to identify its share of the underlying scheme liabilities.

As a result, the amount charged to the income and expenditure account for the USS and NHSPS represents the contributions payable to the scheme in respect of the accounting period.

For the ICRPS the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the SOFA if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the SOFA. Gains arising on a curtailment not allowed for in the actuarial assumptions are recognised in the SOFA under incoming resources.

ICRPS scheme assets are held separately from those of the ICR. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on high quality corporate bonds. The actuarial valuation is obtained at least tri-annually and is updated at each balance sheet date. The resulting defined benefit asset or liability is shown separately on the face of the balance sheet. A pensions reserve has been created within the unrestricted funds in compliance with paragraph 335 of the SORP.

(xvi) Consolidation basis

The ICR owns 100% of the share capital of four companies: ICR Enterprises Limited, ICR Chelsea Developments Ltd (ICRCD), ICR Sutton Developments Ltd (ICRSD) and ICR Equipment Leasing No.8. Limited (ICRENo8). ICR Enterprises Ltd undertakes trading activities and is wholly owned by the ICR. ICRCD and ICRSD have been set up to act as developers for the construction of laboratories. ICRENo8 owns a long leasehold interest in the Chester Beatty Laboratory which is occupied by the ICR. The consolidated statements include the financial statements of these companies as well as Everyman Action Against Male Cancer.

(xvii) Leases

Assets held under leasing arrangements which transfer substantially all the risks and rewards of ownership to the ICR are capitalised. The capital element of the related rental obligations is included in creditors. The interest element of the rental obligations is charged to the SOFA so as to produce a constant periodic rate of charge. Other leases are regarded as operating leases and the rentals are charged directly to the SOFA on a straight-line basis over the term of the lease.

(xviii) Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the year-end rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

2 / External grants	Unrestricted funds £000	Restricted funds £000	**Total funds 2014 £000**	Total funds 2013 £000
Higher Education Funding Council for England	17,772	1,728	**19,500**	20,426
Grants for research	2,802	47,393	**50,195**	51,477
Grants in kind for research	-	-	**-**	793
Grants and contracts for teaching and support services	-	1,237	**1,237**	1,679
	20,574	50,358	**70,932**	74,375

3 / Voluntary income	Unrestricted funds £000	Restricted funds £000	**Total funds 2014 £000**	Total funds 2013 £000
Legacies	4,006	578	**4,584**	2,156
Donations	3,335	4,127	**7,462**	6,933
	7,341	4,705	**12,046**	9,089

Voluntary income is largely derived from the UK. The ICR has been notified of legacies of £3,548,000 which have not been recognised as income at 31 July 2014 as no notification of impending distribution or approval of estate accounts has been received (2013: £2,910,000).

4 / Investment income	Unrestricted funds £000	Restricted funds £000	**Total funds 2014 £000**	Total funds 2013 £000
UK Listed				
UK Government	37	-	**37**	134
Other UK	246	-	**246**	100
Overseas	143	-	**143**	**295**
Unlisted	44	-	**44**	-
Investment cash and deposits	11	-	**11**	11
	481	-	**481**	540

5 / Charitable activities	Direct costs £000	Support costs £000	Total 2014 £000	Total 2013 £000
Research expenditure	73,887	11,479	**85,366**	**87,084**
Information and education	789	100	**889**	**460**
	74,676	11,579	**86,255**	**87,544**

6 / Governance costs	Total 2014 £000	Total 2013 £000
Fees payable to the ICR's auditors for the audit of the annual accounts	**35**	**34**
The audit of the ICR's subsidiaries, pursuant to legislation	**5**	**6**
Total external audit fees	**40**	**40**
Legal and professional	**23**	**14**
Internal audit	**73**	**76**
Support costs	**358**	**335**
	494	**465**

7 / Support costs	Directorate £000	Finance £000	HR £000	Pension financing costs £000	Premises £000	IT £000	Total 2014 £000	Total 2013 £000
Fundraising costs	170	70	20	1	90	53	**404**	**530**
Legacy development	1	28	6	-	29	15	**79**	**85**
Investment management	-	28	-	-	-	-	**28**	**61**
	171	126	26	1	119	68	**511**	**676**
Research expenditure	609	1,020	1,213	39	5,528	3,071	**11,480**	**11,712**
Information and education	2	-	12	-	54	31	**99**	**54**
	611	1,020	1,225	39	5,582	3,102	**11,579**	**11,766**
Governance	279	70	1	-	4	4	**358**	**335**
	1,061	1,216	1,252	40	5,705	3,174	**12,448**	**12,777**

8 / Tangible assets Group and Institute	Freehold land and buildings	Leasehold land and buildings	Furniture plant and equipment	Assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 August 2013	80,086	2,231	35,473	6,714	124,504
Revaluation gain	5,312	130	-	-	5,442
Reversal of impairment	360	-	-	-	360
Additions at cost	47	**316**	3,102	**11,250**	14,715
Disposals at cost	**-**	**-**	(1,512)	**-**	(1,512)
At 31 July 2014	**85,805**	**2,677**	**37,063**	**17,964**	**143,509**
Depreciation					
At 1 August 2013	-	134	31,069	-	31,203
Revaluation gain	(1,294)	(35)	-	-	(1,329)
Provided in the year	1,294	108	3,502	-	4,904
Disposals in the year	**-**	**-**	(1,484)	**-**	(1,484)
At 31 July 2014	**-**	207	**33,087**	**-**	**33,294**
Net book value					
At 31 July 2014	**85,805**	**2,470**	**3,976**	**17,964**	**110,215**
of which:					
Scientific properties	85,755	2,135	**3,976**	**17,964**	109,830
Other properties	50	335	**-**	**-**	385
At 31 July 2013	**80,086**	**2,097**	**4,404**	**6,714**	**93,301**
of which:					
Scientific properties	80,036	1,753	4,404	**6,714**	92,907
Other properties	50	344	**-**	**-**	394
Historic cost - net book value					
At 31 July 2014	**46,972**	**833**	**3,976**	**17,964**	**69,745**
At 31 July 2013	47,857	525	4,404	6,714	59,500

The value of assets under construction includes £17,525,000 (2013: £6,300,000) in relation to the construction of the new ICR Centre for Cancer Imaging as Phase 2 of the Sir Richard Doll building.

The ICR's scientific properties (excluding assets under construction) were revalued by Gerald Eve Chartered Surveyors as at 31 July 2014. The valuations were undertaken on a depreciated replacement cost basis. The laboratory buildings were valued at £69,945,000 with associated land valued at £18,130,000.

Revaluation reserve	**2014 £000**	2013 £000
At 1 August 2013	**33,856**	26,275
Transfer to fixed asset fund in respect of depreciation	**6,771**	7,581
Other transfers, gains and losses	**(157)**	**-**
Revaluation reserves at 31 July	**40,470**	33,856

9 / Investments **a. Fixed asset investments (Group)**	Market value 1 August 13 £000	Additions at cost £000	Disposals at book value £000	Gains/ (losses) £000	**Market value 31 July 14 £000**
Listed					
UK Government	3,022	-	(2,986)	(36)	**-**
Other UK	12,768	6,286	(2,647)	818	**17,225**
Overseas	21,065	7,900	(7,521)	(299)	**21,145**
	36,855	14,186	(13,154)	483	**38,370**
Unlisted					
UK	1	12	(31)	42	**24**
Overseas	18,569	7,295	(8,643)	32	**17,253**
	18,570	7,307	(8,674)	74	**17,277**
Investment cash and deposits	1,418	104,277	(103,848)	(43)	**1,804**
Total fixed asset investments	56,843	125,770	(125,676)	514	**57,451**
b. Current asset investments (Group and Institute)					
Cash held in deposit accounts	8,196	115,123	(116,866)	-	**6,453**

The investments held by the Group were all held by the ICR which in addition held investments of £5,000 in subsidiary.

The historical cost of the Group and the ICR fixed asset investments at 31 July 2014 was £52,896,000 (2013: £50,095,000) and £52,901,000 (£50,100,000) respectively.

The following investments represented holdings in excess of 5% of the investment portfolio at 31 July 2014.

	2014	2013
Battle Against Cancer Investment Trust	**12.0%**	6.4%
UK Treasury Index Linked 2.5%	**-**	5.5%

10 / Debtors **Amounts falling due within one year**	**Group 2014 £000**	Group 2013 £000	**Institute 2014 £000**	Institute 2013 £000
Revenue grants	**4,053**	1,577	**4,053**	1,577
Other trade debtors	**496**	376	**496**	375
Legacy debtors	**179**	15	**179**	15
Other debtors	**139**	167	**139**	167
Taxes and social security	**-**	**394**	**-**	43
Amounts due from subsidiary undertakings	**-**	**-**	**15,008**	2,812
Prepayments and accrued income	**17,024**	11,543	**17,024**	11,543
	21,891	14,072	**36,899**	16,532

11 / Creditors **a. Amounts falling due within one year**	**Group 2014 £000**	Group 2013 £000	**Institute 2014 £000**	Institute 2013 £000
Trade creditors	**2,205**	3,051	**2,205**	3,051
Accruals	**5,345**	3,393	**4,835**	2,967
Amounts due to subsidiary companies	**-**	-	**15,090**	2,883
Other creditors	**1,383**	1,248	**1,383**	1,248
Taxes and social security	**2,624**	1,171	**3,043**	1,171
Deferred research grants	**107**	-	**107**	-
	11,664	8,863	**26,663**	11,320

b. Amounts falling due after more than one year	**Group 2014 £000**	Group 2013 £000	**Institute 2014 £000**	Institute 2013 £000
Other creditors	**220**	220	**220**	220

c. Provisions for liabilities and charges	**Group 2014 £000**	Group 2013 £000	**Institute 2014 £000**	Institute 2013 £000
Dilapidations and decommissioning				
At 1 August 2013	**323**	316	**323**	316
Provided in the year	**6**	7	**6**	7
At 31 July 2014	**329**	323	**329**	323

The dilapidation and decommissioning provision is held to cover liabilites as a result of vacating leasehold premises and the safe removal of a caesium source.

12 / Analysis of net assets between funds	General funds £000	Designated funds £000	Restricted funds £000	Endowment funds £000	**Total funds 2014 £000**
Tangible fixed assets	40,470	32,095	37,650	**-**	**110,215**
Investments	1,263	28,007	25,879	2,302	**57,451**
Net current assets	18,322	**-**	**-**	**-**	**18,322**
Long term creditors	(549)	**-**	**-**	**-**	**(549)**
Pension creditor	(16,304)	**-**	**-**	**-**	**(16,304)**
Total net assets	43,202	60,102	63,529	2,302	**169,135**

13 / Unrestricted funds Group and Institute	Balance at 1 August 2013 £000	Income £000	Expenditure £000	Transfers gains and losses £000	**Balance at 31 July 2014 £000**
Designated funds					
Fixed Asset Fund	21,435	-	**(1,313)**	11,973	**32,095**
Development Fund	21,232	-	(6,644)	5,357	**19,945**
Centre for Drug Development Fund	-	**7,341**	-	-	**7,341**
FC Hunter Studentship Fund	569	-	-	-	**569**
Joan Frances Stowe Fund	14	-	-	-	**14**
Faringdon Fund	37	-	**(32)**	25	**30**
Amenity Fund	100	-	(32)	40	**108**
	43,387	**7,341**	(8,021)	17,395	**60,102**
Revaluation Reserve	33,856	-	-	6,614	**40,470**
Pension Reserve	(10,178)	-	(20)	(6,106)	**(16,304)**
General Fund	20,514	41,233	(26,405)	(16,306)	**19,036**
	87,579	48,574	(34,446)	1,597	**103,304**

The General Fund includes £4,555,000 cumulative net unrealised gains on revaluation of fixed asset investments.

The Fixed Asset Fund represents the amount invested in Fixed Assets from unrestricted funds.

The Development Fund is the amount set aside by the ICR for future commitments relating to the buildings, capital equipment and scientific development. The amount is calculated based on the position at the balance sheet date and a transfer is effected to or from unrestricted funds to achieve the amount required. The fund is made up as follows:

	2014 £000	2013 £000
Capital projects and refurbishments	**11,449**	10,534
Scientific initiatives	**7,953**	9,304
Other development funds	**543**	1,394
	19,945	21,232

The Centre for Drug Development Fund is a new designated fund in which unrestricted legacy and fundraising income received in 2013/14 has been set aside to fund the ICR's future plans to build a Centre for Drug Development on the Sutton site.

The FC Hunter Studentship Fund is a legacy from the estate of Mr FC Hunter designated by the ICR for the purpose of supporting research studentships.

The Joan Frances Stowe Fund finances the Joan Frances Stowe Prizes in Palliative and Nursing Care.

The Faringdon Fund provides funds to enable the commercial potential of inventions by ICR scientists to be developed.

14 / Restricted funds Group and Institute	Balance at 1 August At restated 2013 £000	Income £000	Expenditure £000	Transfers gains and losses £000	**Balance at 31 July 2014 £000**
a. Income funds					
Funds invested in fixed assets					
Breakthrough Breast Cancer	4,093	-	(111)	-	**3,982**
The Bob Champion Cancer Trust	740	-	(20)	-	**720**
Everyman Appeal	586	-	(16)	-	**570**
The Garfield Weston Foundation	370	500	(10)	-	**860**
The Monument Trust	257	-	(7)	-	**250**
The Wolfson Foundation	1,965	1,000	(25)	-	**2,940**
Higher Education Funding Council for England	19,382	965	(453)	346	**20,240**
The Wellcome Trust	6,213	-	(159)	-	**6,054**
Equipment funds	4,404	1,232	(2,789)	(813)	**2,034**
	38,010	3,697	(3,590)	(467)	**37,650**
Other restricted funds					
Everyman and other restricted donations	1,358	596	(1,312)	124	**766**
Research grants	24,432	51,012	(50,048)	(283)	**25,113**
Other capital and refurbishment grants	320	-	-	(320)	-
	26,110	51,608	(51,360)	(479)	**25,879**
Total restricted income funds	64,120	55,305	(54,950)	(946)	**63,529**
b. Permanent endowment funds					
Sir SK Tang Fund	633	-	-	8	**641**
c. Expendable endowment funds					
Hensley Nankivell Studentship Fund	1,226	-	-	16	**1,242**
The Ivan and Felicite Stoller Fund	414	-	-	5	**419**
Total endowment funds	2,273	-	-	29	**2,302**
Total restricted funds	66,393	55,305	(54,950)	(917)	**65,831**

Transfers totalling £946,000 were made from restricted to unrestricted funds following a review of closing restricted research balances. These primarily relate to transfers out of the equipment funds and research grants, discussed below.

Breakthrough Breast Cancer contributed funding for the Breakthrough Toby Robins Breast Cancer Research Centre, part of the Chester Beatty Laboratories.

The ICR has received monies from The Bob Champion Cancer Trust, The Monument Trust, The Garfield Weston Foundation, The Wolfson Foundation and donations from the Everyman Appeal to build the Male Urological Cancer Research Centre.

The Higher Education Funding Council for England, The Wellcome Trust and The Wolfson Foundation have contributed funding to the building of The Brookes Lawley Building. The Higher Education Funding Council for England also contributed funding to the Sir Richard Doll Building. The Wolfson Foundation and the Garfield Weston Foundation contributed to the Centre for Cancer Imaging, being Phase 2 of the Sir Richard Doll building.

Equipment funds represent grants which have been invested in fixed asset equipment. £813,000 has been transfered out of this fund, and into the unrestricted fixed asset reserve, to align the restricted funds invested in equipment with the current net book value of the related assets.

14 / Restricted funds (continued)
The Everyman donations represent amounts raised to fund expenditure on male cancers and other restricted purposes.

The research grants are funds received by the ICR for specific cancer research projects. The transfer out of £283,000 into the unrestricted general fund represents an adjustment to align research grant funds within reserves with the current grant balances that have been reconciled and reported back to funders. Within research grants there are grants in deficit of £2,663,000 which represents grants where expenditure has been incurred ahead of funding expected to be received in 2014/15. There are no material individual fund deficits.

Other capital and refurbishment grants represent grants received for these purposes.

The Hensley Nankivell Studentship Fund was received from the estate of Mrs SMA Nankivell for the purpose of supporting research studentships at the ICR. The Sir SK Tang Fund is a legacy received from the estate of Sir SK Tang. The Ivan and Felicite Stoller Fund is a legacy received from the estate of Mr IM Stoller. The Tang and Stoller funds are for cancer research.

For permanent endowment funds the capital cannot be expended. For expendable endowment funds the capital can be spent on qualifying expenditure.

The Sir S K Tang Fund has been classifed as a permanent endowment for which a total return approach to investment has been adopted and the unapplied total return can be spent on qualifying expenditure:

	Endowment	Unapplied total return	**Total**
	£000	£000	**£000**
Balance as at 1 August 2013			
Gift component of the permanent endowment	333	-	**333**
Unapplied total return	-	300	**300**
Total permanent endowments as at 1 August 2013	333	300	**633**
Movements in the period			
Investment return: realised and unrealised gains	-	8	**8**
Less: Investment management costs	-	-	-
	-	8	**8**
Balance as at 31 July 2014			
Gift component of the permanent endowment	333	-	**333**
Unapplied total return	-	308	**308**
Total permanent endowments as at 31 July 2014	**333**	**308**	**641**

15 / Capital commitments	**2014 £000**	2013 £000
Contracted but not provided for	**10,184**	14,161

The capital commitments relate to laboratory and office building works and equipment.

16 / Emoluments of the Board of Trustees

No fees are paid to the members of the Board of Trustees for their services as charity trustees or company directors. During the year, there were three members of staff of the ICR who are members of the Board of Trustees who receive only the normal remuneration of their appointments. This includes the Chief Executive and Academic Dean whose remuneration is shown in note 17 (iii). The other staff member, Professor Jones, is the representative elected by the Academic Board to serve on the Board of Trustees whose remuneration is included in note 17 (iv). In addition, Miss Razaz (from 1st September 2013) was the student representative on the Board of Trustees who received the normal PhD student stipend. The aggregate emoluments of those who serve on the Board of Trustees was £423,846 (2013: £523,089). The emoluments of the highest paid director, who is a member of a multi-employer defined benefit pension scheme, were £215,000 (2013: £212,000). Two of the four staff who are trustees participate in defined benefit pension schemes. Three non-executive trustees received a total of £2,215 (2013: three received £2,468) for reimbursement of travel expenses.

17 / Staff costs

(i) Average number of employees	**2014 No.**	2013 No.
Research Staff	**802**	763
Research support staff	**144**	140
Fundraising services	**18**	18
Corporate services including academic services	**78**	74
	1,042	995

(ii) Remuneration	**2014 £000**	2013 £000
Wages and salaries	**43,091**	40,784
Social security costs	**3,558**	3,358
Other pension costs	**5,438**	5,431
	52,087	49,573

(iii) Remuneration of Executive Directors

The remuneration of Executive Directors is listed below inclusive of distinction awards. National Insurance contributions and employer's pension contributions are excluded except where indicated.

	2014 £000	2013 £000
Chief Executive		
1 August 2013 to 30 June 2014	**190**	212
1 July 2014 to 31 July 2014	**25**	-
Academic Dean	**110**	210
Chief Executive including employer's pension contributions		
1 August 2013 to 30 June 2014	**209**	244
1 July 2014 to 31 July 2014	**25**	-

17 / Staff costs (continued)
(iv) Remuneration of higher paid staff

	2014 No.	2013 No.
£60,001 - £70,000	**23**	24
£70,001 - £80,000	**20**	23
£80,001 - £90,000	**11**	8
£90,001 - £100,000	**7**	2
£100,001 - £110,000	**5**	6
£110,001 - £120,000	**1**	2
£120,001 - £130,000	**1**	4
£130,001 - £140,000	**4**	3
£140,001 - £150,000	**1**	3
£150,001 - £160,000	**4**	1
£160,001 - £170,000	**6**	5
£170,001 - £180,000	**2**	1
£180,001 - £190,000	**-**	2
£190,001 - £200,000	**1**	-
£200,001 - £210,000	**-**	1
£210,001 - £220,000	**1**	2
£220,001 - £230,00	**1**	-
£230,001 - £240,000	**-**	1

(v) Superannuation schemes

The ICR participates in three superannuation schemes. The majority of scientific and other non-clinical staff are in the Universities Superannuation Scheme (USS) (and the Universities Supplementary Dependants & Ill Health Retirement Pension Scheme (USDPS)). The majority of clinical staff are in the National Health Service Superannuation Scheme (NHSPS). The ICR Pension Scheme (ICRPS) was closed to future accrual for new and existing members on 31 July 2008 and most of its active members joined the USS. All three schemes provide benefits based on final pensionable salary.

a) Universities Superannuation Scheme (USS) (and the Universities Supplementary Dependants & Ill Health Retirement Pension Scheme (USDPS)

The ICR participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

The appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, they carry out a review of the funding level each year between triennial valuations and details of their estimate of the funding level at 31 March 2014 are also included in this note.

The triennial valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included

17 / Staff costs (continued)
by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

Standard mortality tables were used as follows:

Male members' mortality: S1NA ["light"] YoB tables – No age rating
Female members' mortality: S1NA ["light"] YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted. The assumed life expectations on retirement at age 65 are:

Males (females) currently aged 65: 23.7 (25.6) years
Males (females) currently aged 45: 25.5 (27.6) years

At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the scheme was 93% funded; on a buy-out basis (i.e. assuming the scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

As part of this valuation, the trustee has determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. In 2011 the actuary estimated that if experience remained in line with the assumptions made, the shortfall at 31 March 2014 would be £2.2 billion, equivalent to a funding level of 95%. However, changes in market conditions between March 2011 and March 2014 have had an impact on scheme funding. The next formal triennial actuarial valuation will take place as at 31 March 2014, and work is currently underway to update the actuarial assumptions and allow for any adjustments to the overall funding approach adopted by the trustee board in consultation with stakeholders.

As work on the 2014 valuation is not yet complete the trustee cannot provide the final figure however, an estimate has been provided using the assumptions used to deliver the 2011 actuarial valuation. On that basis, the actuary has estimated that the funding level under the scheme specific funding regime will have fallen from 92% at 31 March 2011 to 85% at 31 March 2014. This estimate is based on the results from the valuation at 31March 2011 allowing primarily for investment returns and changes to market conditions.

The funding level has decreased mainly due to a decrease in real gilt yields, reducing the implied net discount rate and therefore placing a higher value on the schemes liabilities. This increase has been partially offset by a higher than expected investment return.

17 / Staff costs (continued)

On the FRS17 basis, using an AA bond discount rate of 4.5% per annum based on spot yields, the actuary estimates that the funding level at 31 March 2014 was 75%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 61%.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements. The sensitivities regarding the principal assumptions used to measure the scheme liabilities on a technical provisions basis as at the date of the last triennial actuarial valuation are set out below:

Assumption	Change in assumption	Impact on shortfall
Investment return (valuation rate of interest)	Decrease by 0.25%	Increase by £1.6 billion
The gap between RPI and CPI	Decrease by 0.25%	Increase by £1.0 billion
Rate of salary growth	Increase by 0.25%	Increase by £0.6 billion
Members live longer than assumed	1 year longer	Increase by £0.8 billion
Equity markets in isolation	Fall by 25%	Increase by £4.6 billion

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions but the allowance for promotional salary increases was not as high. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve was included, in addition, on account of the variability mentioned above.

As at the 2011 valuation the scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of Salaries.

Following UK government legislation, from 2011 statutory pension increases or revaluations are based on the Consumer Prices Index measure of price inflation. Historically these increases had been based on the Retail Prices Index measure of price inflation.

Since the valuation effective date of 31 March 2011 there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

New Entrants

Other than in specific, limited circumstances, new entrants are now provided benefits on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

Normal pension age

The normal pension age was increased for future service and new entrants, to age 65.

Flexible Retirement

Flexible retirement options were introduced.

Member contributions increased

Contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

Cost sharing

If the total contribution level exceeds 23.5% of Salaries per annum, the employers will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.

17 / Staff costs (continued)

Pension increase cap

For service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increase by more than 5% then USS will pay half of the difference up to a maximum increase of 10%.

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The trustees' role is to set risk and return parameters which reflect the strength of the sponsoring employers and the nature of the scheme's liabilities. These parameters, taken together with the anticipated returns form the basis of the trustee's funding strategy. These parameters are informed by advice from its internal investment team, its investment consultant and the scheme actuary, as well as an independent assessment of the support available from the sponsoring employers. The trustee remains confident that it can continue to take a long-term view of scheme funding, backed as it is by a robust Higher Education (HE) sector. The fund is invested in a wide range of asset classes, both publicly traded (including equities and fixed income) and private (including private equity, infrastructure, property and timberland). A diversified portfolio helps to spread investment risk across different asset classes and to boost the level of confidence in maintaining sufficient investment returns from the fund as a whole. This investment approach is innovative and responsible, and targeted at achieving returns required to meet the scheme's liabilities. Recently, the trustee has invested directly in infrastructure assets. These investments are typically illiquid, but can achieve attractive inflation-linked returns in ways often not available in the publicly traded markets and which can match the scheme's liabilities to a high degree.

At 31 March 2014, USS had over 162,000 active members and the institution had 825 active members participating in the scheme.

The total pension cost for the institution was £4,886,000 (2013: £4,565,000). This includes £412,000 (2013: £466,000) outstanding contributions at the balance sheet date. The contribution rate payable by the institution was 16% of pensionable salaries.

b) National Health Service Pension Scheme (NHSPS)

This Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of The Secretary of State, in England and Wales. As a consequence it is not possible for the ICR to identify its share of the underlying scheme liabilities.

The scheme is subject to a full valuation by the Government Actuary to assess the scheme's assets and liabilities to review the contribution rates. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date. On advice from the actuary the contribution may be varied from time to time to reflect changes in the scheme's liabilities.

The conclusion from the 2004 valuation was that the Scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004. However, after taking into account the changes in the benefit and contribution structure effective from 1 April 2008, the Scheme actuary reported that employer contributions could continue at the existing rate of 14% of pensionable pay. Up to 31 March 2008, the vast majority of employees paid contributions at the rate of 6% of pensionable pay. From 1 April 2008, employees' contributions are on a tiered scale from 5% up to 13.3% of their pensionable pay depending on total earnings.

The ICR charges employer's pension costs contributions to operating expenses as and when they become due. The total employer contribution payable was £502,000 (2013: £498,000). There were £41,000 (2013: £74,000) of outstanding contributions at the balance sheet date.

17 / Staff costs (continued)

c) ICR Pension Scheme (ICRPS)

The Institute operates a closed funded defined benefit scheme in the UK (the 'Scheme').

The total charged to the Statement of Financial Activities under FRS 17 for the year amounts to £20,000 (2013: £219,000). Given there is no past service cost this is equal to finance income of £20,000 (2013: £219,000).

full actuarial valuation was carried out at 31 July 2014, based on membership data at 31 March 2013, updated to take account of expected benefit outgo since 31 March 2013, using actuarial assumptions at 31 July 2014.

The major assumptions used by the actuary were (in nominal terms):

		At 31 July 2014 (% p.a.)	At 31 July 2013 (% p.a.)
Discount rate		**4.30%**	4.70%
Consumer Prices Index ("CPI")		**2.40%**	2.50%
Future 5%LPI pension increases		**2.40%**	2.50%
Future 2.5%LPI pension increases		**2.40%**	2.50%
Revaluation in deferment		**2.40%**	2.50%
Assumed life expectancies on retirement at age 65 are:			
Retiring today	Males	**22.9**	22.1
	Females	**25.3**	24.2
Retiring in 20 years time	Males	**25.1**	23.5
	Females	**27.6**	25.8

The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions which, due to the timescales covered, may not necessarily be borne out in practice.

The assumptions used in determining the overall expected return of the assets of the Scheme have been set having regard to yields available on government bonds, corporate bonds, bank base rates and incorporating appropriate risk margins where appropriate.

The fair value of the Scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the Scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Long-term rate of return expected at 2014 (% p.a.)	Long-term rate of return expected at 2013 (% p.a.)	**Value at 31 July 2014 £000**	Value at 31 July 2013 £000
Equities and property	**6.30%**	6.40%	**26,831**	26,686
Fixed interest	**4.30%**	4.70%	**2,673**	2,625
Inflation linked bonds	**4.30%**	4.70%	**978**	977
Alternatives	**6.30%**	6.40%	**4,900**	4,809
Insured annuities	**4.30%**	4.70%	**23,565**	22,504
Cash and other	**0.50%**	0.50%	**2,907**	1,825
Overall return on scheme assets	**5.15%**	5.47%		

None of the Scheme's assets are invested in the Institute's own financial instruments and none of the assets are properties or other assets used by the Institute.

17 / Staff costs (continued)

	At 31 July 2014 £000	At 31 July 2013 £000
Fair value of Scheme assets	**61,854**	59,426
Less refunds agreed (not used to offset irrecoverable surplus)	**-**	-
Net fair value of Scheme assets	**61,854**	59,426
The actual return on assets over the period was	**3,866**	(1,800)
The amounts recognised in the balance sheet are as follows:		
Present value of Scheme liabilities	**(78,158)**	(69,604)
Fair value of Scheme assets	**61,854**	59,426
Surplus / (deficit)	**(16,304)**	(10,178)
Present value of unfunded Scheme liabilities	**-**	-
Unrecognised past service cost	**-**	-
Surplus / (deficit)	**(16,304)**	(10,178)
(Irrecoverable surplus)	**-**	-
Net pension asset / (liability) recognised before tax	**(16,304)**	(10,178)

The amounts recognised in the statement of financial activities are as follows:	2014 £000	2013 £000
Interest on obligation	**3,233**	3,010
Expected return on Scheme assets	**(3,213)**	(2,791)
Total	**20**	219

Reconciliation of opening and closing balances of the present value of the Scheme liabilities

	At 31 July 2014 £000	At 31 July 2013 £000
Liabilities at beginning of period	**69,604**	69,314
Interest cost	**3,233**	3,010
Actuarial (gain)/loss	**7,258**	(873)
Benefits paid	**(1,937)**	(1,847)
Liabilities at end of period	**78,158**	69,604

In July 2012 the Board of Trustees of the Institute decided to cease the approval of discretionary increases until the Scheme's funding position improves. The Institute previously had an established practice of providing discretionary increases to pensions in payment where no inflation-linking is provided for under the Scheme Rules. As such, the reported Scheme liabilities at 31 July 2013 and 31 July 2014 make no allowance for constructive obligations.

17 / Staff costs (continued)
Reconciliation of opening and closing balances of the fair value of Scheme assets

	At 31 July 2014 £000	At 31 July 2013 £000
Fair value of Scheme assets at beginning of period	**59,426**	60,824
Expected return on Scheme assets	**3,213**	2,791
Actuarial gain/(loss)	**653**	(4,591)
Contributions by employers	**499**	2,249
Benefits paid	**(1,937)**	(1,847)
Fair value of Scheme assets at end of period	**61,854**	59,426

Amount recognised in statement of financial activities	At 31 July 2014 £000	At 31 July 2013 £000
Actuarial losses	**(6,605)**	(3,718)
Change in irrecoverable surplus	**-**	-
Total	**(6,605)**	(3,718)

The Scheme's current Schedule of Contributions requires the Institute to contribute £1,500,000 to the Scheme in the year commencing 1 August 2014.

History of Scheme assets, obligations and experience adjustments

	At 31 July 2014 £000	At 31 July 2013 £000	At 31 July 2012 £000	At 31 July 2011 £000	At 31 July 2010 £000
Present value of Scheme liabilities	**(78,158)**	(69,604)	(69,314)	(66,365)	(66,399)
Fair value of Scheme assets	**61,854**	59,426	60,824	60,260	54,724
Recoverable deficit in the Scheme	**(16,304)**	(10,178)	(8,490)	(6,105)	(11,675)
Experience adjustments arising on Scheme liabilities	**(399)**	(513)	(319)	(276)	637
Experience item as a percentage of Scheme liabilities	**(1%)**	(1%)	(0%)	(0%)	1%
Experience adjustments arising on Scheme assets	**653**	(4,591)	(1,160)	3,945	1,178
Experience item as a percentage of Scheme assets	**1%**	(8%)	(2%)	7%	2%
Cumulative actuarial loss shown in the SOFA	**(28,910)**	(22,305)	(18,587)	(15,977)	(21,670)

d) Unfunded pensions
A small group of pensioners, who retired under the previous superannuation scheme are in receipt of unfunded pensions paid directly by the ICR. These pensions are increased, at the ICR's discretion, by analogy, with the Pensions Act 1995.

(vi) Health and Safety at Work
The ICR through its Safety Committee performs its duties as an employing authority under the provisions of The Health and Safety at Work Act 1974.

18 / Subsidiary undertakings

The ICR has the following subsidiary undertakings:

(i) ICR Chelsea Development Limited - The ICR owns 100% of the issued share capital of this company which has been set up to act as the developer of a refurbishment project which has now been completed. It did not make a profit or a loss for the period ended 31 July 2014 and its net assets at that date amounted to £2. The accounts of ICR Chelsea Development Ltd have been consolidated into the accounts of the ICR.

(ii) ICR Sutton Developments Limited - The ICR owns 100% of the issued share capital of this company which has been set up to act as the developer of ICR properties. It made a profit of £873,269 for the year ended 31 July 2014 (2013: £250,567) which will be paid to the ICR by means of a payment under gift aid. Its net assets at 31 July 2014 and 31 July 2013 amounted to £2. The accounts of ICR Sutton Developments Ltd have been consolidated into the accounts of the ICR.

(iii) ICR Enterprises Limited - The ICR owns 100% of the issued share capital of this company which undertakes trading activities for the benefit of the ICR that the ICR cannot carry out itself as an exempt charity. It made a profit after interest of £2,484 for the year ended 31 July 2014 (2013: £478) which will be paid to the ICR by means of a payment under gift aid. Its net assets at 31 July 2014 and 31 July 2013 amounted to £2. The accounts of ICR Enterprises Ltd have been consolidated into the accounts of the ICR.

(iv) ICR Equipment Leasing No.8 Limited - The ICR owns 100% of the share capital of this company which holds a leasehold interest in the Chester Beatty Laboratory. It made a profit of £102 for the year ended 31 July 2014 (2013: £103) which will be paid to the ICR by means of a payment under gift aid. Its net assets at 31 July 2014 and 31 July 2013 were £5,063. The accounts of ICR Equipment Leasing No.8 Limited have been consolidated into the accounts of the ICR.

(v) Everyman Action Against Male Cancer - The company is limited by guarantee and was dormant throughout the period ended 31 July 2014.

(vii) Other investments - The ICR is a founder and shareholder of three companies whose aims are to exploit the intellectual property generated at the ICR. The companies and the ICR's shareholding are PROACTA Inc (0.5%), Domainex Limited (3%) and Chroma Therapeutics Limited (0.2%). The cost of the ICR's shareholding of these companies is included in unlisted investments.

A summary of the results of the subsidiaries is set out below:

ICR Sutton Developments Limited	**2014 £000**	2013 £000
Turnover	**12,131**	4,456
Expenditure	**(11,258)**	(4,206)
Operating profit	**873**	250
Payment under gift aid to the ICR	**(873)**	(250)
Profit for the year	**-**	-
Assets	**15,516**	3,236
Liabilities	**(15,516)**	(3,236)
Funds	**-**	-

ICR Equipment Leasing No. 8 Limited	2014 £000	2013 £000
Turnover	-	-
Expenditure	-	-
Operating profit	-	-
Payment under gift aid to the ICR	-	-
Profit for the year	-	-
Assets	5	5
Liabilities	-	-
Funds	5	5

ICR Chelsea Development Limited has net assets of £2. There were no transactions for this subsidiary during 2013/14.

ICR Enterprises Limited	2014 £000	2013 £000
Turnover	5	1
Expenditure	(3)	(1)
Operating profit	2	-
Payment under gift aid to the ICR	(2)	-
Profit for the year	-	-
Assets	10	3
Liabilities	(10)	(3)
Funds	-	-

19 / Taxation

The ICR is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and as such is a charity within the meaning of paragraph 1 of Schedule 6 of the Finance Act 2010. Accordingly the ICR is exempt from taxation in respect of income or capital gains received within categories covered by Section 471 and 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

20 / Indemnity insurance

The ICR has purchased indemnity insurance to provide the Board of Trustees and Officers with an indemnity against a wide range of legal actions which they might face in carrying out their duties. The cost of this insurance was £3,848 (2013: £3,848).

21 / Lease commitments

At 31 July 2014 the ICR had annual operating lease commitments in respect of equipment and property leases which expire as follows:

	2014 £000	2013 £000
Between two and five years	417	325

22 / Value added tax

The ICR incurred irrecoverable VAT amounting to some £1.9 million during the year (2013: £1.8 million). It is a member of the Charities Tax Group which campaigns on behalf of its members for a reduction in their VAT burden.

23 / Related parties

The ICR has taken the exemption given by Financial Reporting Standard 8, Related Party Disclosures, from disclosing transactions with subsidiaries. One of the Trustees is Chief Executive of Cancer Research UK which provides funding to the ICR in the form of grants awarded through open competition and external peer review. £19,846,000 of funding was received from Cancer Research UK during the year, and £283,000 from their subsidiary company Cancer Research UK Technology Ltd. This includes £3,340,000 in pending grant instalments included on the ICR's balance sheet, and £8,828 owed to Cancer Research UK at the year end. One of the Trustees is Chief Executive of The Royal Marsden NHS Foundation Trust ("The Royal Marsden"). The ICR's Chief Executive is a non-executive director of The Royal Marsden. Research expenditure includes £5,724,000 and research grant income includes £5,384,000 invoiced to The Royal Marsden. At the year end, £1,675,800 was owed to ICR by The Royal Marsden and £65,418 was owed to The Royal Marsden by ICR. There are no other material related party transactions.

Other Information

4

The Board of Trustees

The Board of Trustees is the governing body of The Institute of Cancer Research and is constituted under Article 13 of the Institute's Articles of Association.

Name	Title/Nominating Body	No[1] of meetings could have attended August 13 to July 14	No of meetings attended August 13 to July 14
Mr L Johnson MA(Hons)	Chair/Co-option	9	9
Professor Sir Tom Blundell FRS FMedSci	Deputy Chair & senior member/Co-option	9	6
Konstantin Graf von Schweinitz	Honorary Treasurer/Co-option	7	7
Professor A Ashworth FRS FMedSci (to 6/2014) Professor P Workman PhD DSc FMedSci FRSC (from 7/2014)	Chief Executive/Ex Officio Chief Executive/ Ex Officio	5 1	5 1
Professor C Isacke DPhil	Academic Dean/Ex Officio	6	6
Mr W Burns (from 10/2014)	-	-	-
Mr C Geffen (from 8/2014)	Co-option	-	-
Dr P N Goodfellow FRS FMedSci (to 7/2014)	Co-option	6	6
Mrs J Hamilton BCom FRICS (from 8/2014)	Co-option	-	-
Professor A L Harris DPhil FRCP FMedSci	Co-option	6	5
Mrs I Hotimsky MBA	Co-option	8	8
Mr D Itzhak BA(Hons) (to 8/2013) Miss P Razaz (from 9/2013)	Student	- 6	- 6
Professor K Jones PhD CChem FRSC	Academic Board	6	5
Dr H S Kumar MA MEng MBA DSc	Cancer Research UK	6	5
Lady Otton SRN (to 10/2013)	Co-option	1	-
Miss C A Palmer CBE MSc MHSM DipHSM Mr I Molson BA(Hons)	The Royal Marsden NHS Foundation Trust Alternate Director	6	5
Mr M J Usher BA CPFA	Co-option	6	5

[1]Includes Board of Trustees, Constitutional and Nomination Committee and Remuneration Committee meetings

Senior members of staff in attendance at Board of Trustees meetings:

Professor C J Marshall FRS FMedSci
Director of Research

Mr P F W Norris BSc(Hons) ACA MBA
Director of Finance

Mrs C Scivier MSc FCIPD MIoD
Chief Operating Officer

Professor P Workman PhD DSc FMedSci FRSC (to 6/2014)
Deputy CEO

Governing Committees, Fellows, Members and Associates

The Institute benefits from external expertise on the following committees that report to the Board of Trustees (as at 31 July 2014):

The Constitutional and Nomination Committee
Mr L Johnson MA(Hons) / Chairman
Professor Sir Tom Blundell FRS FMedSci / Deputy Chairman
Mrs I Hotimsky MBA

The Audit Committee
Mr M J Usher BA CPFA / Chairman
Mr D R Fryatt MA FCA FCIBS / Deputy Chairman
Professor H R Morris FRS
Ms S Nebhrajani OBE MA ACA
Ms Nebhrajani attended 2 meetings, Mr Fryatt, Professor Morris and Mr Usher attended all 4 meetings held (August 2013 to July 2014)

The Remuneration Committee
Mr L Johnson MA(Hons) / Chairman
Professor Sir Tom Blundell FRS FMedSci / Deputy Chairman
Konstantin Graf von Schweinitz

The Investments and Building Development Committee
Konstantin Graf von Schweinitz / Chairman
Mrs M-C Riachi CFA / Deputy Chairman
Mr C Heaphy BSc CPFA
The Honourable Thomas Henderson HonDSc(Med)

The Institute also benefits from the expertise of those it has appointed as Trustees of The Institute of Cancer Research Pension Scheme (ICRPS)
Mr A J Roberts CBE BA(Hons) FRSA FColl / Chairman
Mr F Maroudas MA
Mrs W Robbins
Mr M Weston MA MBA AIIMR

Fellows of the Institute
The honorary appointment of Fellow of the Institute is conferred upon distinguished individuals who have some connection with the Institute or with cancer research in its broadest sense. Such appointments are in recognition of past achievement and based on a major contribution to the advancement of the Institute's objectives.

Sir John Ashworth PhD DSc
Professor Sir Kenneth Calman KCB FRSE
Professor D Catovsky MD DSc(Med) FRCPath FRCP FMedSci
Mr E A C Cottrell
Dr M J Crumpton CBE PhD HonFRCPath FRS FMedSci
Professor T M Dexter DSc HonFRCP FRS FMedSci
Lord Faringdon KCVO
Professor P B Garland CBE MA PhD MB BChir DSc(hc) LLD(hc) FRSE
Professor K R Harrap CBE DSc CChem FRSC
Mr J M Kipling FCA DChA
Baroness Morgan of Drefelin
Professor Sir Michael Peckham MD FMedSci
Sir Kenneth Stowe GCB CVO MA HonDSc(Med)
Professor M Waterfield FRS FMedSci
Professor R A Weiss PhD HonFRCP FRCPath FRS FMedSci

Members of the Institute
Members of the Institute are persons who, by reason of their past and present contributions, are, in the opinion of the Board of Trustees, likely to assist the furtherance of the objects of the Institute. Members are subscribers to the Institute's Articles of Association and as such are entitled to attend any Extraordinary General Meeting which may be convened.

Mr N Ashley DUniv
Sir John Ashworth PhD DSc
Dr P J Bailey PhD
Dr D Barford FRS FMedSci
Lord Bell FIPA FIPPR FPRCA
Professor A J Bellingham CBE FRCP FRCPath
Mr R Bird MA FCA
Professor Sir Tom Blundell FRS FMedSci
Dr M Bodmer PhD
Sir Henry Boyd-Carpenter KCVO MA
Mr W Burns
Mr J M Cartwright FCA ATII
Mr G Clarke MSc MBA FCMA CGMA
Mr E A C Cottrell
Miss P M Cunningham CBE
Professor G A Currie MD FRCP FRCPath

Mr S R Davie CB
Professor A J S Davies PhD DSc
Mr M de Ferranti BSc
Mr J J Defries BCom IPFA
Mr K D Dew FRICS
Dr A Diment PhD
Mr A W C Edwards
Mr R J Elliott
Lord Faringdon KCVO
Dr S E Foden MA DPhil
Mr B W Freedman
Mr D Fryatt MA FCA FCIBS
Professor P B Garland CBE MA PhD MB BChir DSc(hc) LLD(hc) FRSE
Mr C Geffen
Mr D J Gleeson MA
Dr P N Goodfellow FRS FMedSci
Mrs J Hamilton BCom FRICS
Professor A Harris DPhil FRCP FMedSci
Mr C Heaphy BSc CPFA
The Honourable Thomas Henderson HonDSc(Med)
Dr T A Hince PhD
Mr J Hollond
Mrs I Hotimsky MBA
Mr L Johnson MA(Hons)
Mrs S A Johnson BA
Mr P J C Keemer MPhil
Mr J M Kipling FCA DChA
Professor R A Laskey CBE FRS FMedSci FLSW HonDSc(Med) HonLLD
Mr K C Lawrance
Mr A E Lightly FRICS
Mr M G Lillywhite
Professor R Marais PhD FMedSci
Mr K A Markham
Mr F Maroudas MA
Dr M J Morgan PhD
Professor H R Morris FRS
Mr R Mould
Professor G J Mufti DM FRCP FRCPath
Ms S Nebhrajani OBE MA ACA
Professor S Neidle PhD DSc ARCS DIC FRSC
Professor A van Oosterom MD PhD
Professor R J Ott PhD FInstP CPhys HonFBIR
Lady Otton SRN
Mr J M Pearce
Professor Sir Michael Peckham MD FMedSci
Miss A C Pillman OBE HonDSc(Med)
Mrs Tim Rathbone
Professor Dame Lesley Rees DBE MD DSc FRCP RCPath FMedSci
Mrs M-C Riachi CFA
Mr G E Richardson FRICS
Dame Stella Rimington DCB
Mrs W Robbins
Mr A J Roberts CBE BA(Hons) FRSA FColl
Rt Hon Lord Ryder of Wensum OBE
Mr G Sangster
Konstantin Graf von Schweinitz
Sir Julian Seymour CBE
Mr R S Sharp
Mr M S Smith MA
Dr K Snell PhD FRSA LRPS AFIAP
Mr R E Spurgeon
Ms A Stevens MA DLitt(Hon)
Sir Kenneth Stowe GCB CVO MA HonDSc(Med)
Professor Sir Michael Stratton FRS FMedSci HonDSc(Med)
Mr S A Taylor MBA FCCA
Mr J Thorne MA
Mr M J Usher BA CPFA
Miss M I Watson MA MBA FCIPD
Professor S Webb PhD DIC DSc ARCS FInstP FIPEM FRSA
Mr M Weston MA MBA AIIMR
Mr A Wolstenholme OBE FREng BSc CEng FICE
Sir David Wootton MA
Dr M Young PhD FCA MIoD

Associates of the Institute

Appointment as an Associate of the Institute is conferred on long-serving ex-employees of the Institute or on those former members of staff or students or other individuals who are deemed eligible by reason of their having rendered exceptional service to the Institute or having otherwise done something outstanding to enhance the reputation of the Institute.

Dr G Aherne PhD
Mrs R J Atkins
Mrs R Barfoot
Ms M Barrell
Dr S E Barrie MA PhD
Mr D A Brunning ALA
Professor R L Carter CBE MA DM DSc FRCP FRCPath
Professor J Chamberlain MB FRCP FFPH
Mr N Clarke
Miss S Clinton
Mr P F Collins
Mrs G Coombes RN
Mrs J Cordell BSc(Hons) MPhil
Professor Dame Jessica Corner DBE PhD RGN OncCert
Mrs C Croucher
Dr D A Darcy MA DPhil
Mr P Farley
Mrs C A Faux
Dr E O Field DM DMRD
Dr M A Flower PhD FIPEM
Mr F Friedlos MPhil
Dr M Garrett

Mrs P M Goddard MPhil
Dr G H Goodwin PhD
Dr H S Greer MD FRCPsych FRANZCP
Mr L J Griggs BSc
Dr P L Grover DSc
Professor B A Gusterson PhD FRCPath
Professor J G Hall MB BS PhD DSc FRCPath
Mr J G Harris
Mr A J Hewer CBiol
Professor C R Hill DSc FinstP FIEE HonFRCR HonFIPEM
Mr P Hyett BA ABIPP RMIP MIMI
Professor A L Jackman PhD
Ms L Jackson
Professor M Jarman DSc CChem FRSC HonDSc(Med)
Mr M Jones MIBiol
Mrs M Kipling
Mrs B Lloyd
Mr R MacCormick
Mrs R Marriott
Dr E Matutes MD PhD FRCPath
Dr E McDonald MA PhD ARCS
Mr R K Merrifield MSc
Mr E Merryweather
Ms J Mills MPhil
Dr R M Orr PhD
Dr M Osborne PhD
Dr K Owusu-Ankomah BSc(Hons)
Mr G Parnell CBiol MIBiol MISTR
Dr H Paterson PhD
Dr J H Peacock PhD
Mrs R A Pendry FBIFM AMIBiol
Ms N Perusinghe BSc
Professor C R Pinkerton MD FRCPCH FRACP
Mrs M Rangeley
Dr J Renshaw PhD
Mrs S Sanford
Mr D J C Simmons MPhil FIBMS
Mrs M Snigorska
Professor G G Steel DSc
Mr A Stewart
Mrs S M Stockbridge
Professor D M Taylor DSc FRSC FRCPath
Miss D L Tharp BSc
Mr M Valeri BSc(Hons)
Dr S Venitt PhD
Mr W Warren BSc
Dr K Weston PhD
Mrs E Williams SRN

Legal and administrative information

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Auditors
Grant Thornton UK LLP
Grant Thornton House, Melton Street, Euston Square, London NW1 2EP

Bankers
HSBC plc
Onslow Square Branch, 1 Sydney Place, London SW7 3NW

Investment Managers
Partners Capital LLP
5 Young Street, London W8 5EH

Solicitors
Farrer & Co
66 Lincoln's Inn Fields, London WC2A 3LH

Registered Office
123 Old Brompton Road
London SW7 3RP

Company number
534147

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www.icr.ac.uk