

Our year in

2022

# Introduction from the Chair



It has been so inspiring to see our scientists make important discoveries across many cancer types.

It has now been more than two years since I became Chair of The Institute of Cancer Research, London, and I continue to be amazed every day by the passion, dedication and talent of our staff and students. I could not be more proud of the work we do here, and of the strong partnership we have with The Royal Marsden, which allows us to accelerate the translation of our research findings into the clinical setting.

After weathering the storm of the Covid-19 pandemic, we entered a difficult financial climate, where our charitable partners and donors were once again forced to consider their priorities. Fortunately, thanks to our success in securing significant grants, the ongoing generosity of our wonderful donors, and measures we have taken to reduce our outgoings at the ICR, our finances remain strong. However, research funding continues to fall short of the true cost of delivering world class research, and with our income from royalties reducing, we will need to continue looking at ways to strengthen our financial base.

We have had a great year in terms of our education programmes and our research projects. It has been so inspiring to see our scientists make important discoveries across cancer types, and I am excited by the contributions our students are making and their progress towards becoming the cancer research leaders of the future.

There have been many highlights to celebrate, but a standout for me was the inspiring footage of Olympian Greg Rutherford MBE and Paralympian Erin Kennedy MBE wearing their bespoke 'Finish Cancer' trainers as they ran across the sand to raise funds for and awareness of our research. We also had very exciting news about two drugs that the ICR played a crucial part in developing. Olaparib is more widely available on the NHS following a further recommendation by NICE, and capivasertib combined with hormone therapy doubled progression-free survival in a phase III breast cancer trial.

I eagerly anticipate the year ahead, in which we will continue to implement both our *Defeating Cancer* strategy and important strategic structural changes to our organisation that will, in the long run, lead to better outcomes for patients.

Professor Julia Buckingham  
Chair of the Board of Trustees

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**The Institute of Cancer Research:  
Royal Cancer Hospital**

Company Number 00534147

Annual Report and Financial Statements  
for the year ended 31 July 2023

# Chief Executive's review



It is an honour for me to lead The Institute of Cancer Research, London. I wasn't sure that it would be possible to have a better feeling than I did after the first year, but I was wrong! Despite the many challenges we have faced, including the cost-of-living crisis, reduced royalty income, and a decline in charity funding, it has been a year with many positive moments. Launching our new strategy, *Defeating Cancer*, was a very motivational start to the year, which also brought many of us together to celebrate each other's contributions to achieving our goals. Hopefully it inspired many more great accomplishments across the ICR.

I would like to congratulate my predecessor, Professor Paul Workman, on being elected as a Fellow of the American Association for the Advancement of Science (AAAS). As one of the most distinguished honours in the scientific community, this recognises Professor Workman's immense contributions to the field of cancer research.

We still have a long way to go before we can say that cancer has been defeated, but we are making great progress. As ever, the past year has seen many groundbreaking advances at the ICR. Among these, we discovered a way to 'starve' pancreatic cancers, identified a key mechanism behind the regulation of gene expression and protein levels in human cells, and trialled a breast cancer treatment that doubled progression-free survival. The aim is for all of our discoveries to ultimately lead to tangible benefits for patients.



The organisation has reached several milestones over the past year.

The organisation has reached several milestones over the past year. Our Centre for Protein Degradation became fully operational and we received major funding to support our Centre for Cancer Drug Discovery and our Clinical Trials and Statistics Unit. We also opened an Integrated Pathology Unit, a Centre for Target Validation, and a new Brain Tumour Research Centre of Excellence.

It was also an excellent year for our fundraising, with £12.8 million generated from a mixture of major donations, legacies, and many more smaller gifts. Thank you to all our supporters, and to our passionate Development and Communications directorate. This contributed to another solid financial performance, with a total annual income of £138.6 million. However, as we invest in our research strategy and support the continuity of our research in these challenging times, we are running a deficit.

To support our research and our continued organisational excellence, we have made significant progress with our improvement programme, Evolve. Our professional services teams are working with our scientists to enhance our processes and improve our efficiency around expenditure. We want to ensure that we get the most out of our work so that we can deliver the greatest benefits possible for people living with cancer.

Thank you to everyone who has helped make the last year at the ICR such a success. I hope that we can rise to the challenges we currently face to make the next year even better.



**Professor Kristian Helin**  
Chief Executive  
The Institute of Cancer Research, London

# Year at a glance

The ICR enjoyed a successful year despite the difficult economic climate.

We celebrated an excellent year for fundraising, securing significant pledges and donations for several of our research projects.

We also initiated our Evolve programme to build a stronger, more sustainable organisation to support our world-class research and teaching.

Alongside this, we continued to make significant progress in our efforts to defeat cancer and train the next generation of cancer researchers.

Here are some of the highlights.



**New strategy**  
We implemented our current strategy, *Defeating Cancer*, which aims to accelerate progress for cancer patients by harnessing the latest scientific knowledge and technology to drive innovation in treatment.

## £138.6m

**£138.6m of income**  
In 2022/23, the ICR had a total income of £138.6 million.



**Innovative treatment**  
Following a successful phase I trial, an innovative new drug called idetrexed, created at the ICR, has entered a phase II clinical trial. This trial will test its effectiveness and safety in a larger group of patients, all with ovarian cancer.

Year at a glance (continued)

## 97%

**Education and learning**  
A survey showed that 97 per cent of students at the ICR were satisfied with the quality of their course.



**Strong performance as an academic institute**  
The Office for Students awarded the ICR with World-Leading Specialist Provider Status in acknowledgement of its high-quality teaching and education.

## £12.8m

**Successful year of fundraising**  
The ICR celebrated an excellent year for fundraising, with £12.8 million generated from a mixture of major donations, legacies and many smaller gifts, thanks to the generosity of our funders, supporters and donors.



**Olaparib approval**  
Precision medicine olaparib was approved by the National Institute for Health and Care Excellence (NICE). NHS patients in England and Wales with certain types of breast and prostate cancer will have access to the drug.



**Income generated from intellectual property**  
The ICR ranked among the top UK universities for income per capita generated from intellectual property in 2021/22.



**Knowledge Exchange Framework**  
The ICR was ranked as one of the top UK universities for research partnerships, intellectual property and commercialisation, and public and community engagement.

## x2

**Significant progress**  
In a phase III trial, a combination of capivasertib and hormone therapy doubled progression-free survival in people with advanced forms of the most common type of breast cancer. Capivasertib was discovered following a programme of drug discovery research at the ICR.



**Integrated Pathology Unit**  
The ICR officially opened a new Integrated Pathology Unit in conjunction with The Royal Marsden. The scientists based here will have access to state-of-the-art facilities and equipment to drive their research programmes, which involve digital pathology and the use of AI to guide diagnosis.

## £1.4m

**Office refurbishment**  
The ICR is using funding from the Office for Students to reconfigure one floor of its office space in Chelsea, creating a modern and flexible learning suite to support teaching on site.

# Financial summary

## Our finances over 2022/23

**£138.6m**

of income in 2022/23



In 2022/23, the ICR had total income of £138.6m. Research funding accounted for 47% of our income. Income from discoveries was down by 50% to £18.8m as the prior year included a significant one-off settlement in respect of rights to royalty income. Royalty income still represents 14% of our income, while 21% of our funding comes from public funding as a higher education institution, 9% comes from donations and endowments, and 9% comes from tuition fees, investments and other sources.

**£134.9m**

of expenditure in 2022/23



Expenditure was £134.9m, of which 74% was spent directly on research and education, including significant ongoing investment in our 2022–27 research strategy. 20% of our spending was on supporting our research by creating the best possible environment for our scientists. This included investment in cutting-edge new research facilities to underpin our strategy and ongoing work to realise the ICR's digital vision. It also included investment in our Evolve programme, discussed in more detail on page 34, a major programme to develop the best possible services and infrastructure to support our long-term mission.

**£4.4m**

deficit after investment losses in 2022/23



After investment losses, the ICR has recorded a deficit of £4.4m. This position incorporates an £8.3m gain from a decrease in the accounting valuation of our pension liabilities. Excluding this, the ICR spent more funds than we received in the year. This reflects the Board of Trustees' decision to invest from accumulated reserves in the delivery of our Research Strategy, including funding areas of research that have been impacted by recent grant cuts. Once all gains and losses are included, the overall increase in reserves was £13.0m (10% of total income) – this is primarily due to an increase in the value of our buildings of £18.2m and therefore not expendable. Nevertheless, we will continue to invest from accumulated financial reserves directly into the delivery of into our ambitious research strategy.

**£12.0m**

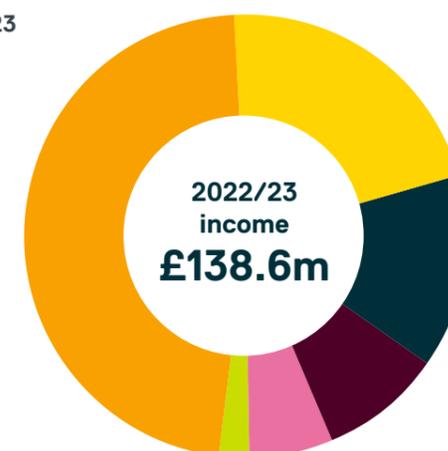
investment in new buildings and equipment in 2022/23



Capital expenditure was £12.0m, including £6.0m on research equipment and extensive refurbishment work at our Chelsea laboratory site. The ICR continues to invest in new faculty, team recruitments and research infrastructure in key strategic areas.

## Financial summary (continued)

### Total income 2022/23



**47%**  
Research grants and contracts of which:  
34% Cancer Research UK  
17% Breast Cancer Now  
14% Industrial collaborations  
6% MRC  
5% Wellcome

**21%**  
Funding body income

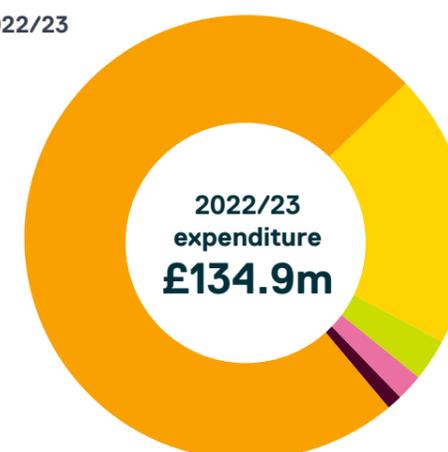
**14%**  
Royalty income

**9%**  
Donations and endowments

**7%**  
Investments and other income

**2%**  
Tuition fees and education contracts

### Total expenditure 2022/23



**74%**  
Direct research costs

**20%**  
Research support costs

**3%**  
Fundraising

**2%**  
Other

**1%**  
Information and education

The ICR has made significant progress towards its financial objectives in 2022/23, launching the Evolve programme to strengthen our professional services, diversify and grow our income, and ensure that we remain as cost effective as possible. Early successes in this ambitious programme are reflected in the ICR's financial performance in 2022/23, achieved despite the continued impact of the current challenging funding environment and wider economic uncertainty.

Although total funding decreased compared with 2021/22, this reflects the impact of significant one-off transactions in the prior year, and the ICR has achieved some success in growing critical income streams, including from industry collaborations, UK Research & Innovation (UKRI) and other government sources.

At the same time, we have made significant changes to our professional services model to lay the foundations

for an even stronger, more resilient infrastructure for our research. These have resulted in some decreases in our cost base, which are being reinvested, along with a significant allocation from accumulated financial reserves, into a number of research strategy priorities.

This financial performance has been instrumental in enabling the ICR to mitigate the ongoing impact of cuts to several of our core research grants. Traditional areas of research funding remain at risk through pressures on medical research charities' finances and public spending pressures, and our invention income is reducing as key drugs come off patent.

It will therefore be essential that we build on our progress this year to continue growing and diversifying our income to enable our mission to make the discoveries that defeat cancer.

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# Our mission and strategy



# Our mission and strategy

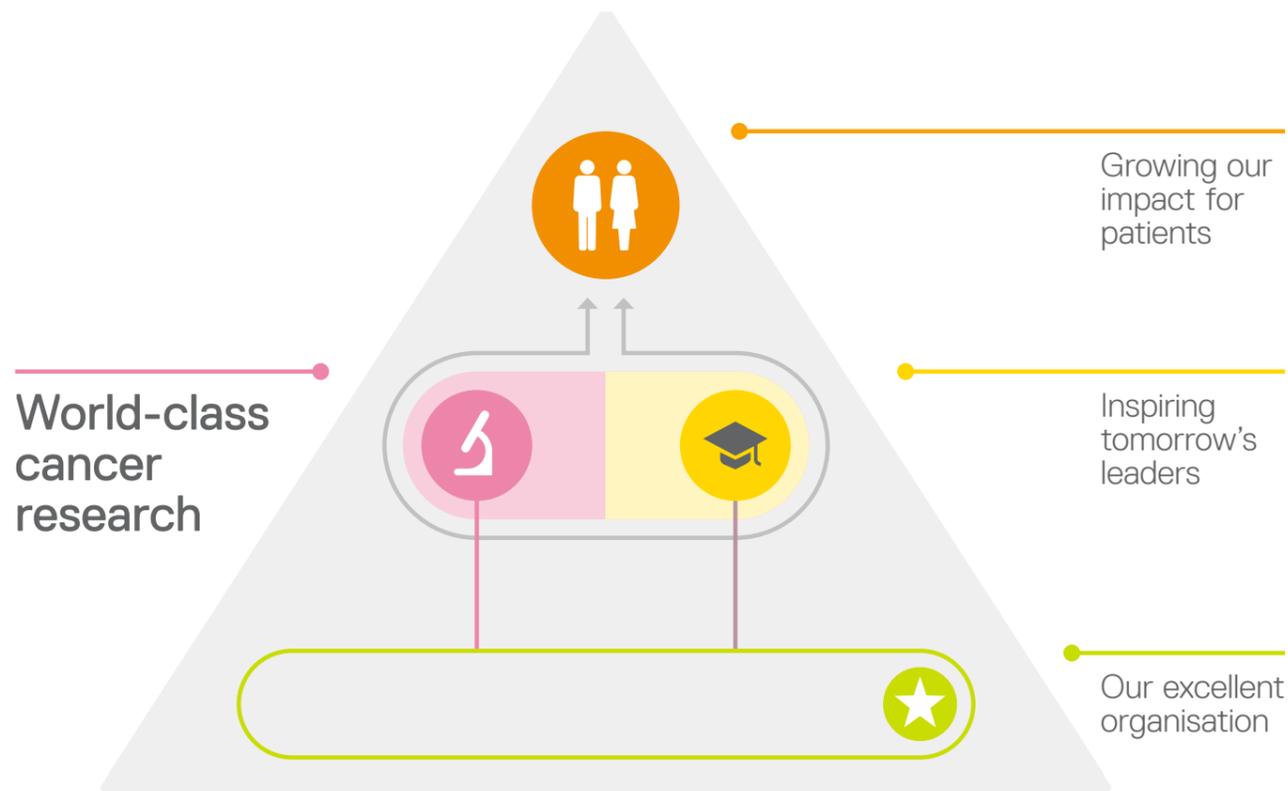
The ICR is one of the world's most influential cancer research organisations. It is also a higher education institute and a charity. At the ICR, we are dedicated to making advances that improve the lives of people with cancer.

Our 2022–2027 strategy, *Defeating Cancer*, aims to accelerate progress for cancer patients by harnessing the latest scientific knowledge and technology to drive innovation in treatment. Recent advances in science have led us to start seeing the disease as a complex ecosystem, in which cancer cells evolve amid a mesh of cells and signals from surrounding tissue and the immune system. Our current strategy to defeat cancer rests on both this understanding and the concept that cancer research is an ecosystem too.

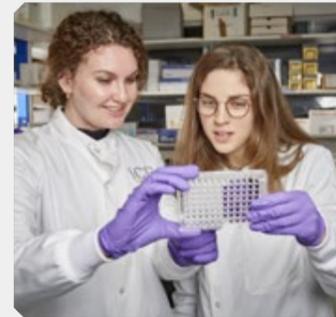
**Our mission:** Making the discoveries that defeat cancer

**Our vision:** Transforming the lives of cancer patients through world-class research and education, and growing our impact on society

Our strategy has three pillars, representing research, education, and impact. These are underpinned by further developing our excellent organisation.



 World-class cancer research



We will unravel cancer's ecosystem, overcome drug resistance, and advance diagnosis and treatment for patients – through world-class fundamental, translational and clinical research.

 Find out more about each of our research pillars and the people who are making the discoveries on [page 15](#).

 Inspiring tomorrow's leaders



We will empower our students and early-career researchers to become tomorrow's leaders in cancer research and treatment by providing the best possible education, training and careers support.

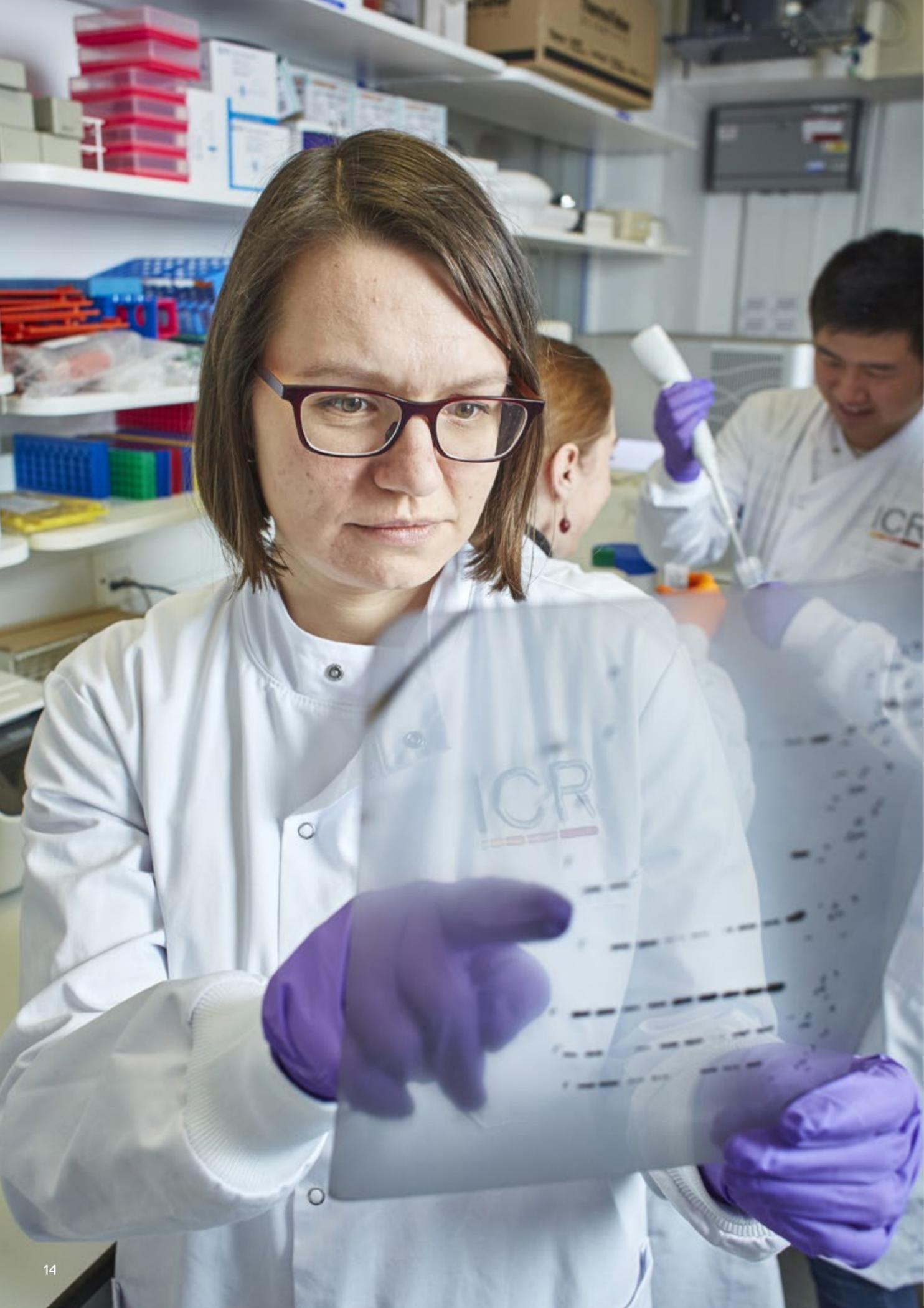
 Find out what it's like to study at the ICR on [page 26](#).

 Growing our impact for patients



We will maximise the impact of our research for patients by engaging with industry, funders, donors and the public, building partnerships in the UK and internationally, and influencing the uptake of our advances into routine healthcare.

 See highlights from the work we are doing to grow our impact for patients on [page 31](#).



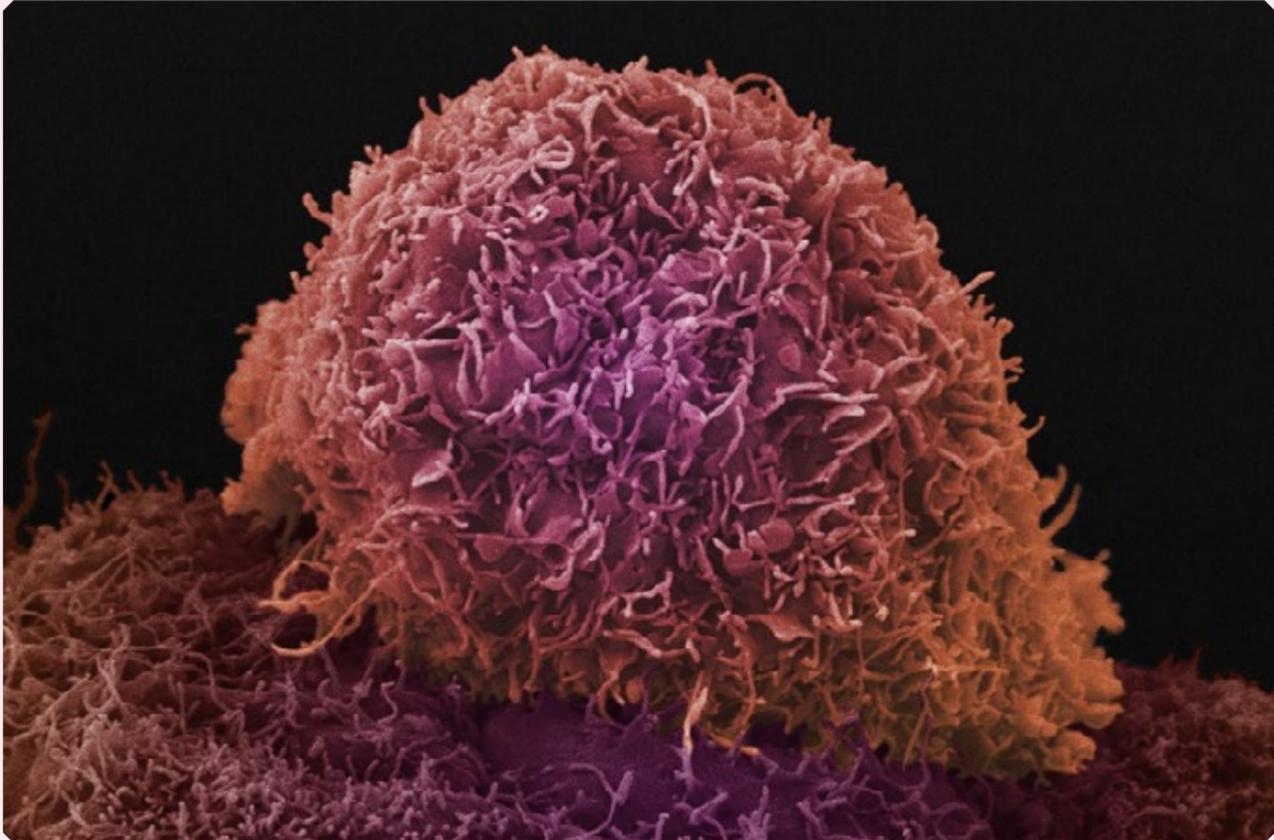
# World-class cancer research

We developed the research pillar of *Defeating cancer: our strategy to transform the lives of cancer patients* with our hospital partner The Royal Marsden.

This pillar, which is structured around four themes, sets out our research priorities at the ICR from 2022 to 2027. The ICR and The Royal Marsden will tackle cancer’s complexity, evolution and ecosystem through the central insight that cancer research is an ecosystem.

Our world-class research will run from bench to bedside and back again – linking together fundamental discoveries from across the ICR. We aim to identify new weaknesses in cancer, create innovative new ways to target cancer, and improve diagnosis and treatment for patients. We will also learn from the experiences of patients, clinicians and the wider community, and use this information to develop new life-changing and life-saving therapies.

- Our four research themes are:
- Unravel the cancer ecosystem
  - Diagnose better and earlier
  - Target weaknesses in cancer
  - Treat cancer more precisely



## Research excellence

Our researchers lead the way in their fields and are often the recipients of prestigious awards and recognition to mark their achievements. Here is a selection of awards and prizes from the 2022/23 year.



Professor Kristian Helin, a world-leading cancer researcher and Chief Executive of the ICR, London, was elected as a Foreign Member of the Royal Society in recognition of his outstanding contribution to cancer research.



Rebecca Orha won a Rising Star award at the Research Institute Technician Symposium 2023.



Professor Nick Turner, Professor of Molecular Oncology at the ICR and both Consultant Medical Oncologist and Head of the Ralph Lauren Centre for Breast Cancer Research at The Royal Marsden, was awarded the European Society for Medical Oncology (ESMO) Award for Translational Research.



Professor Paul Workman, former Chief Executive and President of the ICR from 2014 to 2021, was elected as a Fellow of the American Association for the Advancement of Science (AAAS), one of the most distinguished honours in the scientific community.



The Man Van initiative developed by the ICR, The Royal Marsden and RM Partners West London Cancer Alliance, was recognised with a 2023 American Society of Clinical Oncology (ASCO) Annual Meeting Merit Award for Dr Masood Moghul, Clinical Research Fellow at The Royal Marsden.



The team of scientists who made the landmark discovery of the BRCA2 cancer gene in 1995 were celebrated with the unveiling of a commemorative plaque in each of our sites.



Professor Andrew Tutt was made a Breast Cancer Research Foundation Investigator.



Dr Jörg Mansfeld received a Senior Cancer Research Fellowship from Cancer Research UK.



# Theme 1

## Unravel the cancer ecosystem

Cancer is genetically diverse, and it can develop, evolve and become resistant to treatment. We are beginning to understand more about how cancer interacts with the cells and tissues surrounding it, including how tumours and the immune system affect each other, and how the body's microbiome influences the delicate balance between tumour and tissue environment. Our challenge is to unravel cancer's complex ecosystem to reveal new weaknesses we can target with treatments. To achieve this, we are examining cancer at an unprecedented resolution.

### Applying the concepts of evolution to drug development



Professor Trevor Graham, Director of the Centre for Evolution and Cancer

Evolutionary medicine uses the principles of Darwinian theory to approach the prevention, diagnosis and treatment of disease, including cancer. Scientists can refer to the laws of evolution when considering how cancer develops and how it becomes resistant to treatment.

At the ICR, researchers at our dedicated Centre for Evolution and Cancer apply the principles of natural selection to the mechanisms of cancer to try to unlock new ways to treat the disease. This centre sits within the Centre for Cancer Drug Discovery building, where its

teams have plenty of opportunity to collaborate with experts across a range of disciplines, including leading drug discovery scientists.

One new evolutionary approach currently being tested is adaptive therapy. Although giving people the maximum tolerated dose of cancer-killing medication may seem to be the strongest form of attack, this is arguably a form of natural selection as only the resistant cells may survive and go on to grow. Instead, adaptive therapy involves giving just enough treatment to remove most but not all of the chemo-sensitive cells. The remaining sensitive cells keep the resistant cells in check so that they do not grow out of control.

This approach has already been trialled in the US using the ICR-discovered drug abiraterone to treat patients with advanced prostate cancer. The participants treated with adaptive therapy lived longer than those who received the maximum tolerated dose of the drug. In addition, limiting the intensity of treatment can lessen the side effects, making it kinder on the body.

ICR scientists have also used Darwinian principles to develop an algorithm that uses the interactions between a person's cancer and immune cells to determine whether they are likely to benefit from immunotherapy. Immunotherapy can be extremely effective for some people, but not everyone responds

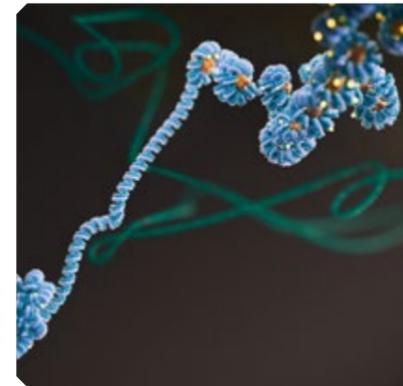
well to it. This work is helping scientists understand why this is the case and how they can better personalise treatments to give patients the best outcomes.

Professor Trevor Graham, Director of the Centre for Evolution and Cancer, believes that the large amount of data and detailed cancer models to which researchers now have access have opened up many more such avenues for exploration.

"I feel very passionate about trying to use our understanding of evolution to make a difference for people affected by cancer," he said.

“ ”  
There's a complex and dynamic interplay between different populations of cancer cells within tumours, and I'm interested in how we can manipulate this competition to our advantage.

Professor Trevor Graham



DNA folded around proteins called histones, which support the structure of chromosomes.  
Credit: Phospho Biomedical Animation

The researchers believe that other helicases may also use this technique.



### Uncovering a cellular process responsible for cancer development

Scientists from the Structural Biology division at the ICR, led by Professor Vlad Pena, have uncovered a key mechanism behind the activation of RNA splicing, the process by which the non-coding sections of RNA are removed and the coding regions are joined.

Splicing is essential for gene expression, but it is often dysregulated in cancer. Mutations in the spliceosome – the cellular machinery responsible for splicing – can produce abnormal proteins that lead to cancer by promoting tumour growth or deactivating protective proteins.

Capturing the spliceosome mid-action for the first time allowed the researchers to determine that two molecular motors, called helicases, reshape a core spliceosome subunit called SF3B1. This change in shape causes splicing to recommence.

One of these molecular motors, PRP2, acts in a very unexpected way, travelling along the RNA strand being processed and rearranging the spliceosome as it goes. The researchers believe that other helicases may also use this technique, opening up potential new areas of research.

This breakthrough finding should help scientists develop cancer drugs that target the splicing process, preventing the production of proteins that contribute to cancer.

### Discovery of a new drug target could improve treatment options for bowel cancer

A team led by Professor Sebastian Guettler, Deputy Head of the Division of Structural Biology at the ICR, has gained crucial insights into a poorly understood protein that has a key role in the development of bowel cancer.

Scientists have long known that the tankyrase protein has links to cancer and that it supports Wnt signalling, which plays a part in cell division and development. They have even developed drugs to block tankyrase, but insufficient information about the protein means that these drugs currently cause too many side effects to enter clinical trials.

In a recent study, Professor Guettler and his colleagues used an extremely powerful type of microscopy that freezes samples at  $-180^{\circ}\text{C}$  so that they could determine the protein shape down to the finest detail. They demonstrated that tankyrase self-assembles into fibres, changing its 3D structure to switch from inactive to active.

They propose that by designing structurally different tankyrase inhibitors that target specific regions of the protein – those that allow it to change its structure – it will be possible to treat bowel cancer more safely. Hyperactive Wnt signalling is a hallmark of almost all bowel cancers, so an effective targeted treatment could significantly improve the outcomes of thousands of people.

The team's groundbreaking discovery could also have wider implications, as tankyrase helps regulate processes that contribute to multiple diseases, including diabetes and some inflammatory, cardiac and neurodegenerative diseases.

## Theme 2

# Diagnose better and earlier

Our increased understanding of biomarkers, cancer risk and diagnostics is helping us detect cancer earlier, diagnose it more precisely and identify initial signs of recurrence or resistance. Diagnosing cancer precisely is critical to allow treatments to be tailored to each patient, and early detection is important because cancer is much easier to treat before it has spread. At the ICR, our work to develop new strategies for targeted screening and early detection draws on our knowledge of molecular data and cancer's interactions in its ecosystem.

### Biological 'dark matter' matters in cancer

Epigenetics is a rapidly expanding research area in cancer medicine, with researchers increasingly interested in the various ways our genome can be regulated without any changes to the DNA sequence. Experts have proposed that epigenetic changes could serve as diagnostic biomarkers, helping with early cancer detection and guiding treatment decisions.

A range of external factors – including environmental exposures, diet, gut microbes and stress – can lead to epigenetic changes in the genome, some of which can pass down from parent to child. These changes, which some people refer to as the 'dark matter' behind cancer, can alter the activity of genes by causing them to be activated or silenced. This will change the production of proteins in the cell, potentially introducing cancer-causing proteins or removing proteins that protect against the disease.



Professor Kristian Helin, Chief Executive of the ICR

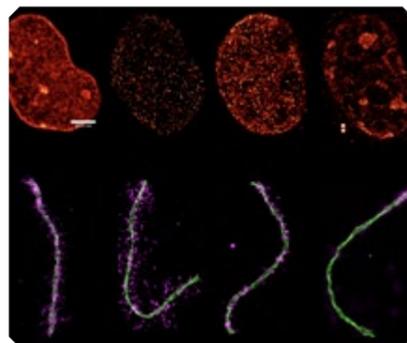
Scientists are working towards gaining a deeper understanding of the interactions between epigenetic and genetic changes, both of which may help cancer cells multiply and become treatment resistant. The Epigenetics and Cancer Group at the ICR is studying exactly how epigenetics influences transcription and identifying potential new druggable targets to improve cancer treatment.

Meanwhile, our Epigenetics and Genome Stability Group is focusing on the interplay between epigenetics and genome stability.



Our work considers the potential role of epigenetic regulation in the development of cancer and the complexity of its behaviour. It opens exciting future opportunities to diagnose and assess cancer using both genetic and epigenetic tests, and eventually to treat cancer with epigenetic-directed drugs.

Professor Kristian Helin



The epigenetic landscape in single cells and along individual chromosomes. Credit: Kirti Prakash, 2022.



Computer-rendered impression of DNA strands. Credit: Pixabay PublicDomainPictures 2013

### Research finally reveals how epigenetic proteins regulate gene activity

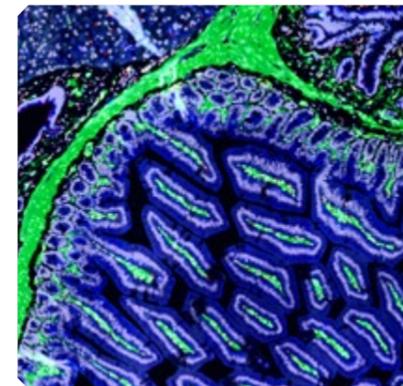
A new study has transformed our understanding of the regulation of cell development and the process of gene expression. A team of researchers led by Professor Kristian Helin, Chief Executive of the ICR, was finally able to solve a decades-old mystery – how epigenetic proteins control the processes by which people's genes are translated into proteins.

They found that H3K4me3, a chemical tag with a previously unknown role, acts as a key epigenetic signal, determining when and how DNA is read and translated. Enzymes place H3K4me3 on DNA, where it regulates the flow of RNA polymerase II, a protein complex that moves along DNA and transcribes it into RNA.

Without H3K4me3, RNA polymerase II stops moving, putting a halt to transcription. Previous research has linked the enzymes that place H3K4me3 on the DNA to various types of cancer, suggesting that drugs that target this chemical tag could be effective in defeating the disease.

Professor Helin believes that this work could go into textbooks, noting that fundamental scientific discoveries such as this are the foundation on which even the most cutting-edge treatments are built.

Without H3K4me3, RNA polymerase II stops moving.



Patient derived bowel cancer 'organoids'. Credit: Somaieh Hedayat and Louise Howell 2017

### Concurrent papers expose how epigenetics affects cancer behaviour

Scientists at the ICR were responsible for two landmark studies that could ultimately change how we think about cancer and its treatment. They confirmed that an extra level of control over gene activity, known as epigenetics, is key to the development and progression of bowel cancer.

Although the importance of epigenetics in cancer has long been realised, scientists have not known its specific mechanisms. Thanks to this latest research, they now understand how epigenetic control can affect bowel cancers, separately from the influence of DNA mutations.

Both studies were co-led by Professor Trevor Graham, Director of the Centre for Evolution and Cancer, and Professor Andrea Sottoriva, Group Leader of the Evolutionary Genomics and Modelling group.

In the first study, the team used 1,373 samples from 30 bowel cancers to confirm that epigenetic changes are highly common in cancerous cells, are heritable and can bestow cancer cells with survival advantages. They also affect the accumulation of DNA mutations in the cancer cells.

The second study focused on the DNA sequences of samples from different parts of the same tumour, showing that less than 2 per cent of changes in the DNA code in independent areas of a tumour are associated with changes in gene activity. Therefore, while DNA mutations are key for the development of cancer, epigenetics may determine much of how cancer cells behave.

Healthcare professionals currently test cancers for DNA mutations, but these tests do not reveal epigenetic changes, so they cannot always predict how a cancer will respond to treatment. The researchers believe that testing for both genetic and epigenetic changes in how genes are read is essential to optimise the treatment plan, and in turn the outlook, for each individual with cancer.

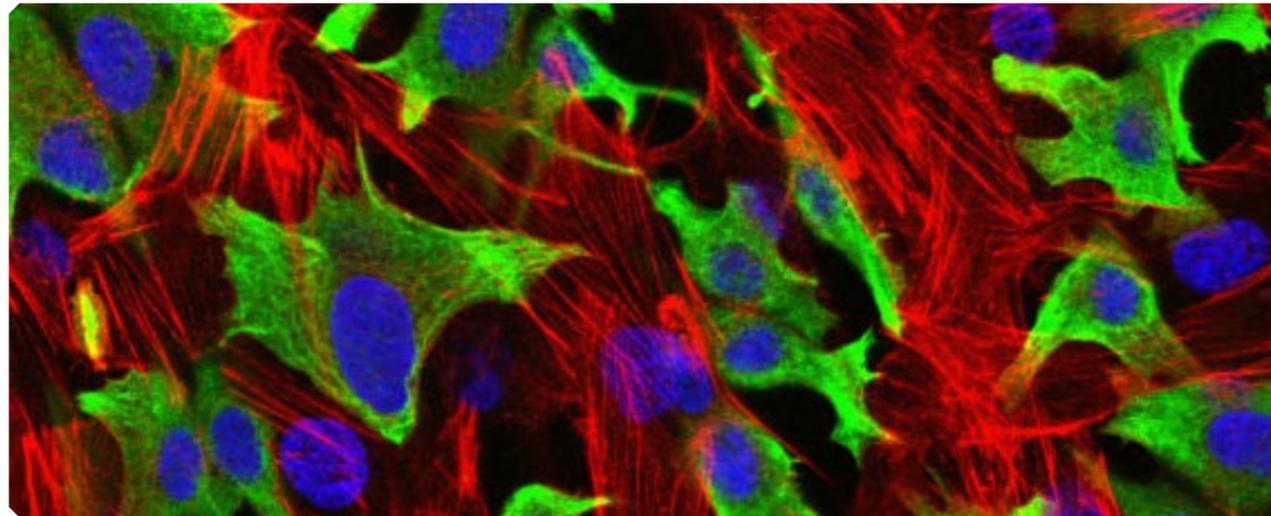
Epigenetics is key to the development of bowel cancer

# Theme 3

## Target weaknesses in cancer

Attacking cancer in radical new ways is essential for making progress against the disease. Our last research strategy changed our approach to treatment discovery. It prioritised a deep understanding of how cancers adapt, evolve and become drug resistant, aiming to better equip us to identify new and targetable weaknesses and dependencies. Our current strategy compels us to draw more effectively from both clinical observations and ideas generated by discovery research across the ICR. Knowing where cancer's vulnerabilities lie helps us create more potent medications that can save more lives.

### Scientists discover how to stop dormant breast cancer cells from awakening



Breast cancer cells (green) invading through a layer of fibroblasts (red). Credit: Luke Henry / the ICR, 2009

Researchers in the Breast Cancer Now Toby Robins Research Centre at the ICR have discovered that age-related changes in the level of a certain protein in the lung influence the development of secondary tumours in people with the most common type of breast cancer.

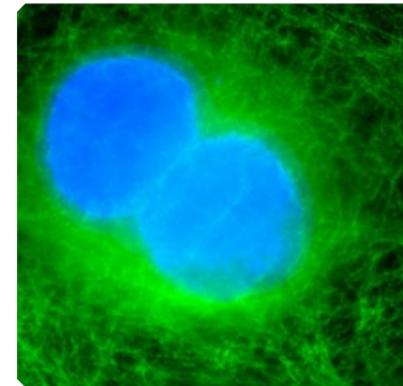
After completing treatment, many people with oestrogen receptor positive (ER+) breast cancer experience a recurrence of the disease. This occurs due to breast cancer cells spreading to other parts of the body, where they form incurable secondary tumours. Although breast cancer cells that travel to the lungs may remain inactive for years or even decades, they can suddenly 'wake up'.

The team, led by the ICR's Dean of Academic and Research Affairs, Professor Clare Isacke, discovered that an increase in the level of PDGF-C protein in the lung can cause the dormant cells to grow. This increase typically occurs in lungs that are ageing or have sustained tissue damage.

The researchers then demonstrated that a cancer growth blocker called imatinib could significantly reduce tumour growth in mice with ER+ tumours by targeting PDGF-C signalling.

About four in five cases of primary breast cancer are ER+, so future treatments that use this approach could benefit thousands of people by preventing the mechanism that causes dormant cancer cells to 'reawaken'.

“ ”  
The team discovered that an increase in the level of PDGF-C protein in the lung can cause the dormant cells to grow. This increase typically occurs in lungs that are ageing or have sustained tissue damage.



Cell division. Credit: Ayoung219, 2011 (License CC SA-3.0)

### New understanding of cancer cell survival opens the door to new treatment approaches

Innovative work in cells has identified a possible new druggable target for a subtype of cancers. Professor Wojciech Niedzwiedz, who leads the Cancer and Genome Instability Group at the ICR, co-led the study, which uncovered one of the mechanisms behind the survival of cancer cells.

The team showed that a protein called EXD2 nuclease has an important role in the ALT pathway, which supports survival in more than 10 per cent of cancers. ALT-reliant cancers use this pathway to avoid cell death, usually the inevitable result of multiple cell divisions. Specific DNA protein structures called telomeres sit at the end of chromosomes, and they shorten each time the cell divides. The ALT pathway helps cells counter telomere shortening via an unknown method, allowing them to maintain the length of their telomeres.

ALT-reliant cancers are highly aggressive, and the treatment options are very limited. Poor clinical outcomes are common, so there is a real need for effective treatments.

In this study, the researchers found that EXD2 is necessary for telomere maintenance and that its absence leads to telomere shortening, making cell death the outcome in time. In addition, combining EXD2 depletion with the loss of other DNA repair proteins killed ALT-reliant cancer cells. They therefore believe that it could be possible to eradicate tumours relying on the ALT pathway for survival by targeting EXD2 nuclease.

Poor clinical outcomes are common, so there is a real need for effective treatments.



Pancreatic cancer cells. Credit: Anne Weston, Francis Crick Institute (CC BY-NC 4.0)

### Researchers discover a way to starve cancer cells to improve pancreatic cancer outcomes

Dr Anguraj Sadanandam, Group Leader in Systems and Precision Cancer Medicine, co-led a study that has opened the door to a new treatment approach for pancreatic ductal adenocarcinoma, the most common and aggressive form of pancreatic cancer.

Using a phenotypic microarray, which makes it possible to monitor the reaction of different cells to environmental challenges or introduced compounds, the researchers tracked which nutrients the pancreatic cancer cells used over three days. They found that when these cells do not have access to their usual food source, glucose, they can use a molecule called uridine instead.

Uridine supports a healthy metabolism in humans, and it is available around the body. It is broken down by the uridine phosphorylase-1 (UPP1) enzyme to form a type of sugar called ribose, which provides cancer cells with energy. When they looked at patient samples, the researchers noted a correlation between high levels of the UPP1 gene and poor survival in people with pancreatic cancer.

The team then showed that blocking the UPP1 gene in mice with pancreatic cancer halted most tumour growth by preventing the cancer cells from breaking down uridine. The next step is to develop treatment strategies that target uridine availability to help extend and improve the lives of people with pancreatic cancer.

Blocking the UPP1 gene in mice with pancreatic cancer halted most tumour growth.

# Theme 4

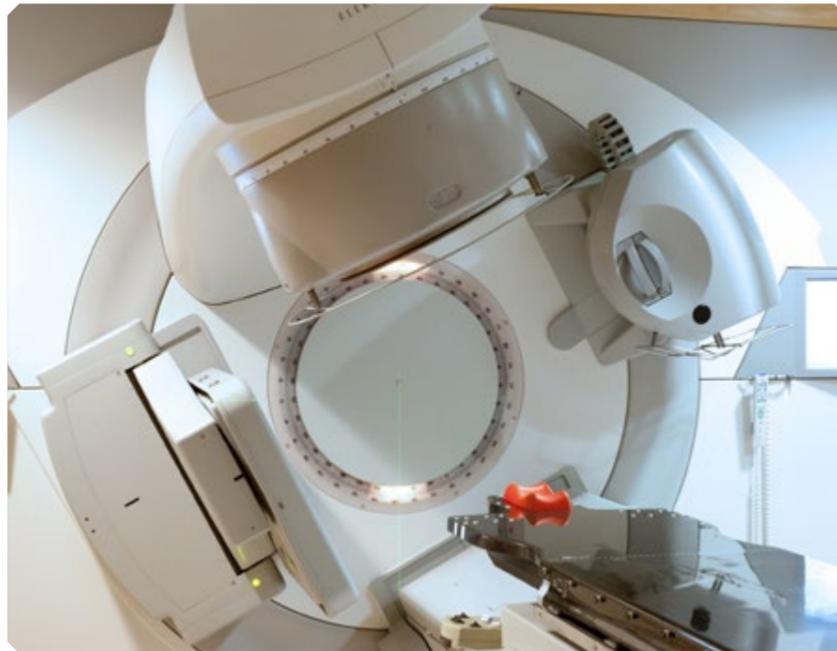
## Treat cancer more precisely

The ICR's research has helped embed a new era of precision medicine in which patients receive treatment that is tailored to them. Smarter treatments are more effective than the older options, and they tend to have fewer side effects. This means that patients are living longer with a better quality of life. Together with The Royal Marsden, we play a crucial part in ensuring that advances in cancer treatment reach patients through innovative clinical trials. We also aim to take these advances into NHS care where they can benefit anyone in the UK affected by cancer.

### Switching from sequential to simultaneous radiotherapy boost could help reduce treatment waiting times

A phase III trial managed by the ICR's Clinical Trials and Statistics Unit (ICR-CTSU), led by Professor Judith Bliss, demonstrated that simultaneous integrated boost (SIB) radiotherapy reduces the duration of treatment for patients with early stage breast cancer by at least a week. This approach, which involves giving patients a targeted additional dose of radiotherapy at the same time as treatment to the whole breast, also proved to be just as effective as existing radiotherapy techniques in lowering the risk of recurrence.

A total of 2,617 patients took part in the IMPORT HIGH trial, where they underwent one of three treatment regimens. All three groups received whole breast radiotherapy and a targeted boost. However, one group received the boost after the whole breast radiotherapy – known as a sequential boost – whereas the other two groups received simultaneous boosts at different doses. Delivering the boost simultaneously only increased the rate of side effects at the higher dose.



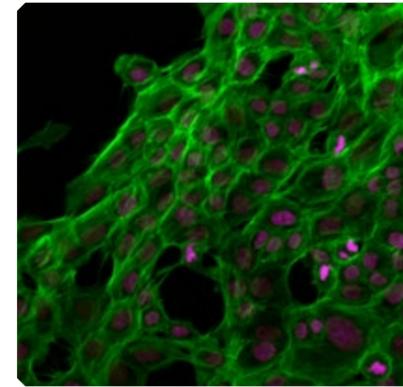
In 2020, results from another ICR-CTSU-led study, FAST-Forward, revealed that it was possible to deliver whole breast radiotherapy over the course of one week. Researchers in the unit now hope to run another clinical trial to determine whether this timeline is also possible using SIB radiotherapy.

Reducing the duration of treatment benefits not only patients, who have to make fewer hospital visits, but also cancer services, which are dealing with chronic staff shortages and struggling to prevent waiting lists from becoming overly long.

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This approach proved to be just as effective as existing radiotherapy techniques.



### Phase III trial confirms efficacy of new breast cancer treatment



The first phase III trial to report findings on a new type of targeted medicine has produced remarkable results. A combination of the drug capivasertib and hormone therapy was effective for all 708 people in the international CAPitello-291 trial, many of whom had seen their cancer recur or progress following standard hormone treatments. Outside of clinical trials, chemotherapy is currently the only effective option for these patients, but it can cause debilitating side effects. The trial was led by Professor Nicholas Turner, Professor of Molecular Oncology at the ICR and both Consultant Medical Oncologist and Head of the Ralph Lauren Centre for Breast Cancer Research at The Royal Marsden.

Capivasertib works by blocking the activity of a protein kinase called AKT.

Capivasertib works by blocking the activity of a protein kinase called AKT, which stimulates cell growth. Including capivasertib in the treatment doubled the time it took for the participants' cancer to progress, extending the median time to disease progression from 3.6 months to 7.2 months. In addition, the combined treatment led to tumour shrinkage in 23 per cent of the participants, compared with 12 per cent of those receiving hormone treatment plus a placebo.

All of the participants had locally advanced or metastatic breast cancer that was positive for oestrogen receptor (ER+) and low or negative for human epidermal growth factor receptor 2 (HER2). However, the treatment was most effective for the 41 per cent of people whose cancers also had genetic alterations to the AKT signalling pathway. These alterations can promote cancer and increase treatment resistance. Among these patients, those who received the combination treatment had a median progression-free survival of 7.3 months while 29 per cent saw their tumours shrink.

These results are particularly exciting because ICR research was fundamental to the discovery of capivasertib. The team behind the CAPitello-291 study is hopeful that capivasertib combined with hormone therapy will become a new treatment option for people with certain types of breast cancer.



### ICR-discovered drug has significant potential to treat ovarian cancer

In a phase I trial, a cancer drug discovered by scientists now based in the Centre for Cancer Drug Discovery at the ICR proved to be safe and effective enough to enter phase II trials. At this stage of development, idetrexed has shown comparable efficacy to drugs that have proceeded to late phase development.

Professor Udai Banerji, Deputy Director of the Drug Development Unit at the ICR, was Principal Investigator of the study, which enrolled 42 people for the dose escalation phase, with 67 people joining the trial once the optimal dose had been confirmed. All 67 of those in the expansion cohorts had high-grade serous ovarian cancer, which is the most common type of ovarian cancer. It typically goes undiagnosed until the later stages and commonly develops drug resistance, meaning that it often leads to poor outcomes.

Idetrexed targets the alpha folate receptor and then triggers cell death.

Idetrexed has a unique mechanism of action. It works by targeting the alpha folate receptor (FR $\alpha$ ) – which is expressed more highly in cancer cells than in noncancerous tissue – and then triggering cell death.

In the trial, the recommended phase II dose of idetrexed led to tumour shrinkage in 36 per cent of the people with high or medium expression of FR $\alpha$ . The researchers are excited by the drug's potential to save lives and look forward to seeing what it can achieve in the phase II trial. This trial was made possible by an agreement between Algok Bio and BTG International, which played a part in the drug's development.

# Inspiring tomorrow's leaders

As part of our 2022–2027 strategy, *Defeating Cancer*, the ICR is committed to empowering our students and early-career researchers to become tomorrow's leaders in cancer research and treatment. We will do this by providing the best possible education, training and careers support.



**● Goal 1  
Provide world-class research degree programmes**

We aim to further develop and enhance the quality of the ICR's research degree programme and the support we provide for students.

**● Goal 2  
Teach tomorrow's clinical leaders today's discoveries**

We aim to provide postgraduate taught degrees that support the rapid translation of scientific advances into benefits for cancer patients and fuel the pipeline of highly skilled researchers working to defeat cancer.

**● Goal 3  
Support early-career scientists and clinicians to become research leaders**

We aim to support postdoctoral researchers and clinician scientists to have successful careers in science, medicine and industry – especially in making the key transition to becoming a research group leader.

**Faculty update**

Career Development Faculty member promoted to Group Leader:

- Rachael Natrajan on 10 November 2022

Career Development Faculty Recruitment:

- Sally George, Clinical Studies (start date 1 March 2023)
- Luis Zapata, Molecular Pathology (start date 5 June 2023)

Career Faculty successfully recruited (including internally):

- Paul Clarke, Cancer Therapeutics (start date 1 August 2022)
- Amy Berrington, Genetics and Epidemiology (start date 3 October 2022)
- Monserrat Garcia-Closas, Genetics and Epidemiology (start date May 2023)

**100%**

PhD pass rate in 2022

**#1**

We ranked top in the UK for student experience in the UK-wide Postgraduate Taught Experience Survey

“ ”

The ICR is committed to empowering our students and early-career researchers to become tomorrow's leaders in cancer research and treatment.



## Inspiring tomorrow's leaders

**85%**

Of non-clinical students with award dates in 2015/16, 2016/17 and 2017/18, at least 85 per cent (50/59) went into scientific research roles for their first destination.

**30**

Of our ICR-wide committees, groups and networks, 30 have roles for students to represent their peers.

**Q&A**

The first of a series of research student Q&A sessions was held with the Deputy Deans.

**77%**

Of the students tracked, 77 per cent (24/31) were in scientific research roles at three years post award.

Our students are integral to the ICR and our culture – they are the people who will be making the cancer discoveries of tomorrow, and it is important that they help shape us as an organisation today. There are student representatives on committees and working groups across the ICR, including the Academic Board and the Board of Trustees. The student liaison committees remain a valued source of feedback and suggestions on improving student experiences and outcomes.

The first cohort of our MRC-funded Doctoral Training Partnership arrived in October 2022. These students have undertaken a year of weekly taught sessions to provide a thorough grounding in data analysis and computation skills, as well as core research skills. As part of this programme, they are instilled with an appreciation of the wider biomedical research landscape to formulate questions beyond their discipline and to support their future career progression.

Our MSc in Oncology is taught on a face-to-face basis on alternate weeks, with the remainder of teaching days delivered remotely, making the course more accessible for those students

further afield while maintaining the benefits of in-person teaching. The results of the 2023 PTES showed that 97 per cent of students were satisfied with the quality of the course, with the ICR ranking first overall within the sector and first in the areas of teaching, engagement, community and organisation.

The data we have on clinical alumni who were awarded degrees between 2010 and 2019 indicate that 91 per cent remain research-active.

Following last year's popular PhD application workshop, we ran another such event, again targeted at candidates from backgrounds under-represented in science. This was attended by 100 candidates and was received warmly.

**Teaching venue**

The ICR was successful in securing funding from the Office for Students to design a new purpose-built teaching suite at 123 Old Brompton Road. The space will include a large, dividable, multi-purpose seminar room, a small studio for pre-recording content or presenting at remote events, and several small pods for tutorials or

private meetings. The suite will also include an informal collaboration area and cafe. We expect the new space to be available from early 2024.

**Award ceremony**

In September 2022, we returned to the Guildhall to hold our first award ceremony since the pandemic. This was the largest award ceremony we have had, recognising the hard work and achievements of 79 PhD graduates, 29 MD(Res) graduates, 29 MSc graduates, and a further 101 people who achieved certificates or diplomas of higher education.

Three taught course graduates were awarded the Professor Alan Horwich Prize for outstanding achievement, and eight PhD graduates received the equivalent Chairman's Prize.

The Inaugural Lecture Series restarted in 2023, following a hiatus during the pandemic. ICR students and employees were able to attend lectures delivered by Professor Swen Hoelder in March, Professor Andrea Sottoriva in May, Professor Chris Bakal in June and Professor Olivia Fletcher in July.

The ICR Conference took place at Royal Holloway, University of London, on 12–13 June. The feedback has been very positive, with respondents appreciating the standard of the lectures and the opportunities for viewing posters and networking. We increased the number of places available (from 250 to 400, including 100 students) to reach the maximum capacity of the venue.

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Our students are integral to the ICR and our culture – they are the people who will be making the cancer discoveries of tomorrow.

## Learning and teaching at a glance



32 students sit on the Student Committee, representing students across both sites and from each degree programme.

19

19 summer students enrolled in the 2022 undergraduate student placement scheme.



Nine of these were ring-fenced studentships for Black British and first-generation students, as these groups have been identified as under-represented among both ICR students and the wider UK postgraduate community.

43

43 student presentations were given at the ICR conference.



## PhD studentships

This year, we were able to open 32 new PhD studentships for the 2023/24 intake.



10 studentships are attached to the new MRC-funded Doctoral Training Partnership.



Four studentships come from ICR central and endowment funds: the FC Hunter Studentship Fund, the Hensley Nankivell Studentship Fund, and the Rhona and Sean Ryan Postgraduate Scholarship Fund.

4

Four studentships are funded by individually awarded grants.

6

Six of the 10 studentships mentioned above are part of iCASE projects in collaboration with four industry partners: Merck, AstraZeneca, TesselateBio and Artios Pharma.



Five studentships are attached to the recruitment of new Team Leaders Group.



Three studentships come via the National Institute for Health and Care Research's (NIHR's) Biomedical Research Centre at The Royal Marsden and the ICR.



Two studentships are funded via the MRC-NIHR Trials Methodology Research Partnership.



Three studentships are attached to the Cancer Research UK Convergence Science Centre at the ICR and Imperial College London.

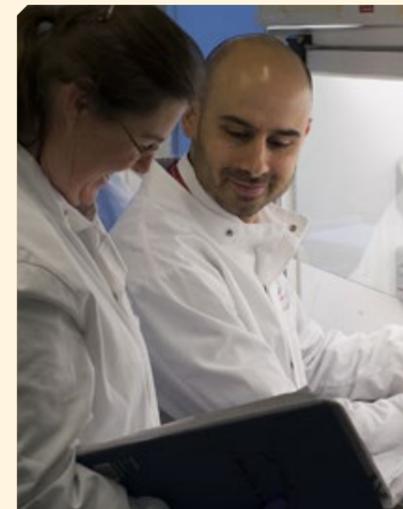


One studentship is funded via a major donor.



# Growing our impact for patients

As part of our 2022–2027 strategy, *Defeating Cancer*, we are supporting our ambitions for our research and teaching by attracting new sources of income to the ICR. Our excellent organisation will underpin the key pillars in our strategy.



Our operational pillar, *Growing our impact for patients*, sets out our priorities at the ICR for making an impact from 2022 to 2027. It is structured around three goals.

● **Goal 1: Amplify our research impact**

We will use our ability to bridge rapidly between the laboratory and the clinic to lead through networks, sharing our research with a wide audience to influence the uptake of our findings into routine healthcare.

● **Goal 2: Strengthen our partnerships**

Alongside working strategically with our existing partners to build the impact of our work, we will seek to establish new relationships that will expand the scope of our findings and increase their likelihood of reaching patients.

● **Goal 3: Increase income for our research**

We are committed to working in new ways to grow our income, which will increase the future impact of our work. We believe we can also grow our impact by deepening our bonds with donors and funders and by expanding our reach internationally.



We want to introduce new treatments, technologies and approaches to routine healthcare.

Although the ICR is carrying out extraordinary, world-leading research, a key focus for our organisation is ensuring that our findings have benefits for society and the economy. We want to introduce new treatments, technologies and approaches to routine healthcare, which we will strive to do by building an evidence base to support their adoption, working through networks and commercial partnerships, and influencing policymakers.

Our focus on infrastructure and technology to support our research and teaching allows us to deliver the best possible environment for staff and students. We will aim to maintain our position as one of the leading higher education institutions in the UK at generating invention income from our research. This income is crucial in supporting our life-saving work in the years ahead.



The ICR placed in the top fifth in research partnerships, intellectual property and commercialisation, and public and community engagement.

**ICR gets top scores in prestigious measures of success**

At the start of 2023, the Office for Students awarded the ICR with World-Leading Specialist Provider Status in acknowledgement of the quality of its teaching and education, which are effectively supporting the development of the next generation of cancer researchers and clinicians. The ICR was commended for its longstanding provision of teaching, and the Office for Students highlighted the world-leading qualities of the ICR's staff as being integral to this success.

The ICR has also been rated as one of the UK's top higher education institutions in three categories in the latest Knowledge Exchange Framework (KEF), a government assessment of universities' influence on society. The ICR placed in the top fifth – the highest mark available – in research partnerships, intellectual property and commercialisation, and public and community engagement. This performance is comparable to that of other leading institutions, including King's College London, Imperial College London, the University of Oxford and the University of Cambridge.

**ICR awarded new Brain Tumour Research Centre of Excellence**

In March 2023, the charity Brain Tumour Research announced a £2.5 million funding agreement to set up its fourth centre at the ICR. This centre aims to identify much-needed new treatments for high-grade glioma brain tumours, which represent the biggest cancer killer of children and young adults. The grant will support a team of scientists led by Professor Chris Jones.

The centre will generate laboratory data to support new clinical trials, and it will serve as a bridge between cancer biology and clinical benefit for patients. The ICR was chosen from a set of strong applicants following a robust peer review process. The creation of

the centre takes the charity a step closer to its goal of a network of seven sustainable Brain Tumour Research Centres of Excellence across the UK.

**The NIHR Biomedical Research Centre at the ICR and The Royal Marsden receives renewed funding**

The National Institute for Health and Care Research (NIHR) allocated a total of about £800 million to 20 Biomedical Research Centres (BRCs) across the UK. The Cancer BRC at the ICR and The Royal Marsden, which received £29 million, is the only one dedicated solely to cancer research. The centre will use the funding to underpin a new thematic structure that maps out the journey of a cancer patient and aims to help deliver on key priorities at each stage of this journey.

**ICR forms a strategic collaboration to develop new cancer drugs**

In November 2022, the ICR announced a collaboration with biopharmaceutical company Apollo Therapeutics, which is advancing a pipeline of therapeutic programmes based on breakthrough discoveries. Our scientists are working with Apollo's translational scientists and drug development specialists on research programmes to rapidly and efficiently progress ideas through preclinical and clinical development.



**ICR renews strategic alliance with Merck**

As part of a new multi-target and multi-year agreement, scientists at the Centre for Cancer Drug Discovery at the ICR will continue to work with science and technology company Merck to discover and develop innovative small-molecule therapeutics. Both parties, who have now held a partnership for nearly two decades, will contribute their expertise to a range of shared projects. The collaboration also involves Merck funding nine full-time research posts at the ICR.

**£10.3m**

Between 2021 and 2022, our year-on-year Research Council grant funding awards more than tripled, increasing from £2.8 million to £10.3 million for projects starting in 2022.

**Success in securing grants from the Research Councils**

Between 2021 and 2022, our year-on-year Research Council funding awards more than tripled, increasing from £2.8 million to £10.3 million (total award value). This meant that the Research Councils contributed 25.1 per cent of our peer-reviewed grant funding awards secured in the 2022 calendar year.

Our success rate in applying was high, with almost half of our grant applications to Research Councils being accepted and 61.2 per cent of the requested funding being awarded. This impressive result is indicative of a widespread confidence in our research teams' talent and commitment. The Research Councils that awarded the ICR grants include the Medical Research Council, the Biotechnology and Biological Sciences Research Council, and the Engineering and Physical Sciences Research Council.

**ICR comes top in university invention income for tenth successive year**

The ICR has again ranked among the top academic institutions in the UK at generating income from its intellectual property. We received the third highest amount of invention income overall – and the most income per member of academic staff – compared with all other UK higher education institutions in the 2021/22 academic year.

The figures from the Higher Education and Statistics Authority show that the ICR was behind only the much larger University of Oxford and University of Sheffield in invention income.

A higher education institution's invention income is a marker of success in commercialising its research for public benefit, as well as a useful source of funding to invest back into its research programmes.

We will develop our research centres as focal points for income generation, strengthen our brand, and work more closely with our Board of Trustees to support fundraising and commercial work. We will also deliver services and support in more cost-effective ways and make our systems and processes work better, so we can focus efforts and resources where they make a difference.

Outcomes of the review will be implemented over the next three to five years. Through these changes, we will ensure the ICR remains both financially sustainable and a great place to work into the future, attracting talented people to support and deliver our vital mission.



# Our excellent organisation

At the ICR, we aim to support our world-leading research by providing a vibrant scientific environment where brilliant and diverse people work together, motivated by our mission and values. We also want to ensure that our facilities and infrastructure are top class to support our science and help us embrace a sustainable future. This year, we have established new research centres and various new state-of-the-art facilities. We are also upgrading our offices to provide our professional services staff with a better working environment.

## Evolving for the future

The ICR has begun a programme of transformation to deliver our vision for an excellent and sustainable organisation that is ready to meet the challenges of the future. Through our Evolve programme, we are developing new income streams, strengthening our brand and investing in our systems and processes. The aim is to ensure that the ICR is financially sustainable for the long term and that we are focusing our efforts and resources where they make a difference.

Implementation of the programme across a number of workstreams will address opportunities for innovation in our income generation, support services and estate. Throughout the programme, which will be completed over the next three to five years, we will also embed a continual improvement approach so that the ICR continues to be a great place, attracting talented people to support and deliver our vital mission.

## Bringing our researchers and professional services staff closer together

As part of our Evolve programme, we have made several changes to our senior leadership team to make the most of the talents we have on the Executive Board. These changes will foster closer collaboration between researchers and professional services staff so that we can all work together to strengthen our research programmes, increase our income and enhance our efficiency.

**£3.25m**

The Kidani Memorial Trust awarded the ICR a pledge of £3.25 million to last a period of four years

## Centre for Cancer Drug Discovery

In June 2023, the Kidani Memorial Trust awarded the ICR a pledge of £3.25 million to last a period of four years. The trust has provided philanthropic support for our research for more than a decade, but this pledge represents a significant increase in its funding. The investment will fund eight researchers and their associated laboratory costs as they create a pipeline of first-in-class therapeutic agents that have the potential to target up to 20 per cent of human cancers.

## Centre for Protein Degradation

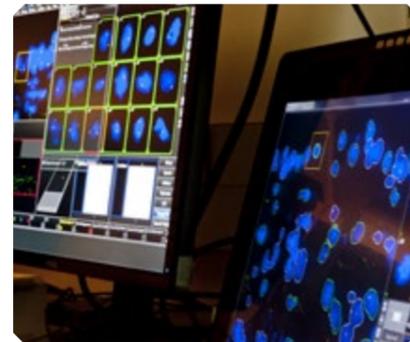
The Centre for Protein Degradation, which was initiated as an academic centre of excellence at the beginning of 2022, became fully operational earlier this year. The centre was developed out of years of protein degradation research by scientists in the ICR's Division of Cancer Therapeutics.

Generous philanthropic funding made it possible to establish the centre, which aims to discover new therapeutic approaches that explore targeted protein degradation for cancer patients.

## Integrated Pathology Unit

May 2023 saw the official opening of the Integrated Pathology Unit, launched by the ICR and The Royal Marsden to drive research programmes involving digital pathology and the use of AI to guide diagnosis.

The unit will bring pathology into the modern era through state-of-the-art laboratory techniques, sophisticated computing tools and AI, helping pathologists lead new research programmes and improving the diagnosis and treatment of cancer. With access to a large portfolio of pioneering clinical trials, the unit is the first of its kind in England.



## Centre for Target Validation

The ICR recently established this centre with the aim of accelerating the translation of ICR and collaborator research into drug discovery programmes. Based in the Centre for Cancer Drug Discovery, the Centre for Target Validation will serve as a hub, connecting researchers to expertise and resources that will validate and streamline robust targets into drug discovery programmes



## Making our computers more secure

The ICR launched new security software for all ICR Windows and Apple workstations to manage requests for administrator access. The software will help staff carry out their daily tasks with fewer interruptions, reduce the number of requests that the Digital Services team has to manage and increase the security of our workstations.

**£1.4m**

The Office for Students awarded the ICR £1.4 million in funding to develop new education and training facilities

## Supporting a modern way of working

The Office for Students awarded the ICR £1.4 million in funding to develop new education and training facilities within its office space in Chelsea. The ICR is using this funding to reconfigure one floor of the building, which will include a lecture theatre, a training hub and private tutorial pods.

The ICR is funding the refurbishment of the rest of the office space to support the institute's professional services staff in new ways of working and enhance how they work together on site.

Led by our Director of Estates and Facilities, Simon Francis, the ICR planned the new office space based on consultations with staff across the organisation. The aim was to understand people's requirements for the revamped office space – including options such as hot-desking, open plan working, and new training spaces and meeting rooms.

The refurbishment should provide the ICR with long-term cost savings by eliminating costs for external teaching space, as well as creating a more sustainable, energy-efficient workspace.

in the Centre or into collaborative programmes with external commercial therapy discovery partners.

The centre's dedicated resources, including biology, functional genomics, assay sciences, chemistry and bioinformatics teams, will support joint project teams that combine the deep biological and therapeutic knowledge of ICR investigators with the validation and technical expertise of drug discovery scientists.

## Clinical Trials and Statistics Unit

In June 2023, Cancer Research UK confirmed a new £6.5 million grant for the ICR's Clinical Trials and Statistics Unit (ICR-CTSU). The ICR-CTSU has already achieved significant progress in the treatment of cancer. Working in close collaboration with clinicians, other scientists and patient advocates, ICR-CTSU scientists have established new standards of care for breast and prostate cancer and transformed the management of rarer forms of cancer.

## Biological Services Unit

The Biological Services Unit reopened at the end of June following a major refurbishment. The new state-of-the-art facilities, which include six brand new walk-in laminar air flow cabinets and a vapourised hydrogen peroxide decontamination chamber, reflect the ICR's commitment to world-class research and the highest possible standards of animal welfare.

The ICR worked closely with animal research consultants and refurbishment specialists to ensure that the facilities are best in class and prioritise animal health as well as a positive working environment for our scientists.

## ICR first in the UK to have access to new equipment

The UK's first ultra-high dose radiotherapy machine for small animals was installed at the Centre for Cancer Imaging in early 2023. The ICR will use this equipment, called the SARRP FLASH machine, to investigate in mice the combination of two radiotherapy techniques thought to have significant potential for improving how we treat cancer.

## Sustainable Discoveries – delivering our sustainability action plan

In Autumn 2022, the ICR launched Sustainable Discoveries – an action plan that sets out how we will address sustainability and work towards a target of net zero carbon emissions by 2040.

At the ICR, sustainability means acting now to manage economic, social and environmental issues so that we can continue to make the discoveries that defeat cancer.

Our Sustainable Discoveries action plan builds on the commitment we made in 2020 to the United Nations Sustainable Development Goals – an internationally recognised framework of 17 goals to protect our planet – and our declaration in 2020 of a climate emergency.

The plan has four pillars:

- Sustainable foundations
- Sustainable operations
- Sustainable science
- Sustainable procurement

For the 2022/23 academic year, we launched a sustainability e-learning module for staff and students to ensure that everyone at the ICR is aware of sustainability issues at the institute and the actions they can take.

On World Environment Day, our ActNow staff network joined forces with The Royal Marsden to host a range of events and activities that encouraged staff and students to reduce their use of plastics in labs, in the office and at home.

We piloted a new space temperature policy to automate and reduce the use of heating and air conditioning systems in our buildings, which is now being rolled out across the ICR, and we began work on a comprehensive decarbonisation plan.



Following an honourable mention in August 2022, the ICR once again took part in the international Freezer Challenge for laboratories, which included steps such as raising the temperature of our energy-intensive, ultra-low temperature freezers from -80°C to -70°C to save energy.

Six ICR laboratories attained My Green Lab certification, and a further 24 labs took part in the Laboratory Efficiency Assessment Framework (LEAF) initiative. We collaborated with the University of Surrey on a life cycle assessment study of research laboratory protocols.

Almost 90 per cent of the ICR's carbon footprint relates to our supply chain, so we worked closely with suppliers to gather more accurate carbon emissions data and appointed a Supply Chain and Sustainability Manager to drive improvements in this area.

We also created a dedicated sustainability team to coordinate our Sustainable Discoveries action plan and ensure that we can meet our ambitious science-based carbon reduction targets.

### Carbon footprint report

In 2022/23, it is estimated that the ICR reduced its carbon footprint by 7 per cent to 63,409 tonnes of CO<sub>2</sub> emissions. This figure, which is subject to change following final calculations, includes direct and indirect greenhouse gas emissions, as well as emissions from value chain activities such as procurement, travel and homeworking. Read more in the ICR Sustainability Report 2022/23, which is available on our website.



Six ICR laboratories attained My Green Lab certification, and a further 24 labs took part in the Laboratory Efficiency Assessment Framework (LEAF) initiative.



# Our people and culture

At the ICR, we know that we can only achieve our mission to make the discoveries that defeat cancer if we provide a supportive and inclusive working culture that allows our staff and students to reach their potential. We are committed to valuing all our people, believing that the ICR's strength relies on both commonalities – in the form of shared goals and values – and differences among individuals.

We strive to work in a way that is sustainable and has a positive impact on society. To this end, we share our research with the public and involve a wide range of people in our decision making.

We are also transparent about the progress we are making in our work on culture and wellbeing. We report on the impact of our actions on society, including our work to address our gender pay gap and the ways in which we engage with our local communities and stakeholders.

We also publish annual reports on gender and ethnicity pay gaps at the ICR and on sustainability.

Launched in 2021, our culture and engagement strategy aims to bring our wide community together as One ICR – where everyone is equally valued in working towards a common goal to defeat cancer.

Our current focus is on five key themes:

1. Vibrant research culture, by celebrating innovation and new ideas
2. Breaking down barriers and promoting collaboration across the organisation
3. Work-life balance and wellbeing, by building a supportive workplace with a focus on mental health
4. Equality, racial diversity and inclusivity
5. Staff and student recognition, by encouraging peer-to-peer appreciation

## Gender pay gap report

The ICR's 2022 gender pay gap report showed a continued pay gap between men and women. The report covers the 1,079 members of staff on the ICR's payroll in April 2022.

The gender pay gap describes the difference in pay between men and women as an average across all job roles. It differs from equal pay, which measures the differences between men and women who carry out similar jobs or work of equal value.

Our mean gender pay gap for 2022 was 21.5 per cent, compared with 18.8 per cent in 2021, 17.9 per cent in 2020, 21.0 per cent in 2019 and 17.9 per cent in 2018. The ICR's figure is higher than the national average, which was 14.9 per cent in 2022. Our median gender pay gap for 2022 was 9.2 per cent.



## Gender pay gap

Mean gender pay gap for 2022:

21.5%

The ICR workforce is:

41% male | 59% female

## Ethnicity pay gap

Mean ethnicity pay gap for 2022:

17.4%

\*The ICR workforce is:

71% white | 26% Black, Asian or other ethnicity

\*3% of staff chose not to share this data

Data from the last five years show that our mean gender pay gap has persisted at around 19 per cent, despite our continued action to address it. The pay gap is driven by the distribution of staff across our workforce – there are fewer women in senior, higher paid roles. Although this is common across the scientific research and higher education sectors, it is a concern for the ICR, and we know that we need to tackle this important issue.

The ICR is committed to reducing the gender pay gap, and we have put in place various measures to drive progress in this area. These include standardising salary scales, reviewing our reward policy, updating our training around recruitment and appointing the majority of new roles at the market median to ensure consistency.

We are taking extra steps to support the progression of more women in their careers. For example, professional services and scientific staff can apply for our annual Women in Leadership development programme, which gives them the opportunity to develop themselves as leaders. We have also changed how we recruit our scientific faculty to help ensure that applicants have equal opportunity regardless of their gender. We also provide additional

group laboratory staffing support during team leaders' maternity leave.

Promoting gender equality is a key strategic priority for the ICR, and we are proud to have held the Athena SWAN Silver award since 2016. We aim to build on the lessons we have learned so far and to continue to work on becoming an organisation that provides equality for all.

The complete gender pay gap report can be viewed on our website.

## Ethnicity pay gap report

We voluntarily publish results on our ethnicity pay gap each year to address and improve racial inequality.

The ethnicity pay gap shows the difference in the average pay between employees from minority ethnic backgrounds and White employees within an organisation, expressed as a percentage of average earnings for White employees. As with the gender pay gap, it differs from equal pay, which measures the differences between groups of people who carry out similar jobs or work of equal value.

The latest report covers the staff on the ICR's payroll in April 2022. Our mean ethnicity pay gap for 2022

was 17.4 per cent. This compares with a 12.5 per cent pay gap in 2021, which is when we started publishing this information.

We are undertaking a range of measures to address this, as set out in our ethnicity pay gap report published on our website.



This year, we welcomed 50 young people from under-represented backgrounds to our laboratories in Chelsea for an event called Careers in Research. Our guests discussed their future careers with our researchers and learned practical science skills.

## Public engagement

One of our strategic priorities is to inspire the next generation of researchers by sharing our passion for science with young people from diverse backgrounds and encouraging them to consider research as a career.

This year, we welcomed 50 young people from under-represented backgrounds to our laboratories in Chelsea for an event called Careers in Research. Our guests discussed their future careers with our researchers and learned practical science skills.

We also engaged with the public, particularly our local communities in Sutton and Chelsea, through events such as Sutton STEAMs Ahead, a year-long calendar of cultural activities supported by a Cultural Impact Award from the Mayor of London.

As part of this, more than 25 of our researchers were involved in 'We Dance for Life', an internationally acclaimed creative film that celebrates scientists from the ICR and The London Cancer Hub. At the time of publishing, the film – which won the Best Dance Experimental award at

the Experimental, Dance & Music Film Festival in the USA and Canada – has been watched nearly 7,600 times.

Our staff and scientists also participated in more than 50 engagement events, including the Great Exhibition Road Festival,

the Sutton STEAM Fair, lab tours and school visits. Through these, they reached more than 3,600 people. The Science Museum's Technicians exhibit, which opened on 3 November 2022, extended our reach to an international audience.

## Six values, one ICR

Our values make it clear how each and every one of us work to meet our mission – to make the discoveries that defeat cancer.

“Our values summarise our desired behaviours, attitudes and culture – how we value one another and how we take pride in the work we do, to deliver impact for people with cancer and their loved ones.”  
*Professor Kristian Helin*



### PURSUING EXCELLENCE

We aspire to excellence in everything we do, and aim to be leaders in our fields.



### ACTING WITH INTEGRITY

We promote an open and honest environment that gives credit and acknowledges mistakes, so that our actions stand up to scrutiny.



### VALUING ALL OUR PEOPLE

We value the contribution of all our people, help them reach their full potential, and treat everyone with kindness and respect.



### WORKING TOGETHER

We collaborate with colleagues and partners to bring together different skills, resources and perspectives.



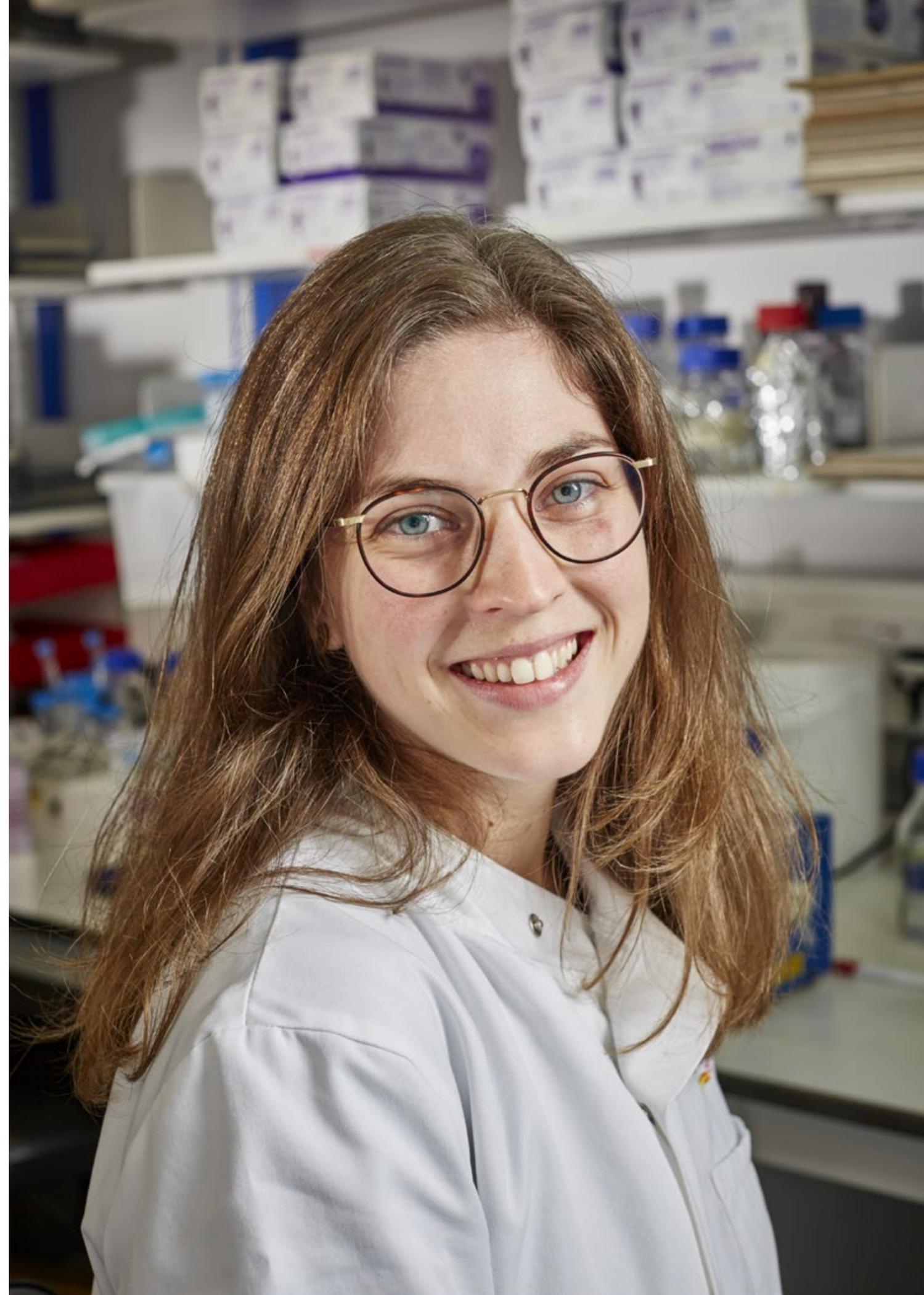
### LEADING INNOVATION

We do things differently in ways that no one else has done before, and share the expertise and learning we gain.



### MAKING A DIFFERENCE

We all play our part, doing a little bit more, a little bit better, to help improve the lives of people with cancer.



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# The financial statements for the year ended 31 July 2023



# Financial review

The ICR performed strongly through 2022/23 despite financial and operational challenges resulting from both the ongoing financial pressure on the research funding sector and the wider economic uncertainty. We continued to make progress in diversifying our research funding portfolio and wider income base. We also took initial steps to strengthen our professional services and review our cost base, through our Evolve programme.

£+ **£138.6m**

of income in 2022/23.

£- **£134.9m**

of expenditure in 2022/23.

The ICR invested from reserves to sustain our research programmes despite some significant cuts to our core charity funding in recent years. We have implemented measures to help mitigate the financial and operational challenges arising from increasing inflation, energy pricing and the cost-of-living crisis. These include both short-term controls and long-term plans to deliver our ambitious targets to reach net zero emissions and ensure financial and climate sustainability.

Overall, we have prioritised our resources to achieve the greatest impact possible within our evolving income base. We have done this while maintaining high levels of liquidity and consolidating our unrestricted reserves position. This will be key for the ICR as we continue to tackle the risks and uncertainties ahead.

We will continue to deliver ambitious investment in our mission alongside exercising robust and agile financial management. Through this approach, we will ensure that our work achieves the greatest possible benefits for people living with cancer, both today and in the future.

### Overall results

The ICR's total income for 2022/23 was £138.6m, a decrease of £22.5m (14%) compared with the prior year. The decrease in income is attributable, in part, to a significant one-off receipt received in December 2021, in respect of a settlement on rights to royalty income. In addition, philanthropic income reduced by £8.3m, largely due to a reduction in significant restricted donations compared with 2021/22.

Research grants and contracts income have remained relatively stable at £64.6m, a small increase of £0.5m on 2021/22. This includes the one-off impact of an accounting adjustment to recognise income that was deferred during the pandemic when certain projects were delayed by Covid-19. Excluding this adjustment, research grant income has reduced by £2.7m (4%), reflecting cuts to charity funder income, partially offset by growth in income from Research Councils, government and industry partners. The continued diversification of our research funding remains a key goal.

Expenditure was £134.9m, a decrease of £28.5m (17%) on last year's spend. The 2021/22 expenditure was very high as it included £31.8m in respect of an accounting adjustment to increase the pension cost provision relating to the Universities Superannuation Scheme (USS). This year's expenditure includes the impact of a reduction in the same USS pension provision of £8.3m, so an overall 'swing' of £40.1m from the impact of pension adjustments. Excluding these, underlying expenditure has increased by £11.6m (9%), reflecting the continued, planned investment of accumulated financial reserves in research priorities.

£13.0m

The ICR's net assets grew by £13.0m in 2022/23.

47%

47% of the ICR's income is research grants and industrial collaboration funding.

The income and expenditure position, including investment losses, results in a deficit of £4.4m, with the one-off USS movement described above offset by investment losses resulting from the ongoing volatility in the financial markets. After including all gains and losses, our total reserves for the year increased by £13.0m. This comprised:

- A reduction in restricted and endowment funds of £0.4m
- An unrestricted gain of £13.4m.

The restricted deficit reflects timing differences on receipts and expenditure of research grants. The unrestricted movement is driven by a gain of £18.2m, on the revaluation of the ICR's land and buildings. This represents the movement in the 'depreciated replacement cost' of our estate, as per the ICR's accounting policies, and reflects the inflation of construction costs during 2022/23. The increase is therefore illiquid and does not result in additional funds being available to the ICR.

Excluding these gains, the ICR has operated at a deficit in 2022/23, as financial reserves were invested in line with previous Research Strategy designations approved by our Board of Trustees. These designations were planned both to ensure investment in the ICR's Research Strategy priorities and to protect areas of research that have been impacted by significant cuts to our charity research grant funding.

### Income

The breakdown of our total income of £138.6m was as follows:

- 47% research grant and industrial collaboration income, with 34% of this income received from Cancer Research UK, 17% from Breast Cancer Now, 5% from Wellcome and 14% from industrial collaborations
- 21% Funding Body income, received from the Office for Students (OfS) and UK Research and Innovation (UKRI), which included funding of £17.7m for research, £1.1m for teaching and £3.0m for capital expenditure
- 14% royalty income
- 9% legacy income and donations raised through our Development Office
- 6% income from investments and other sources
- 2% tuition fees and education contracts

An analysis of the 2022/23 income breakdown compared with historic levels is provided below:

### Income history – £m



**28%**

Academic and related expenditure has increased by £7.2m (28% - excluding USS pension adjustments) due to the continued investment in new faculty recruitment.

**94%**

94% of our expenditure was spent on research and education activity.

**Expenditure**

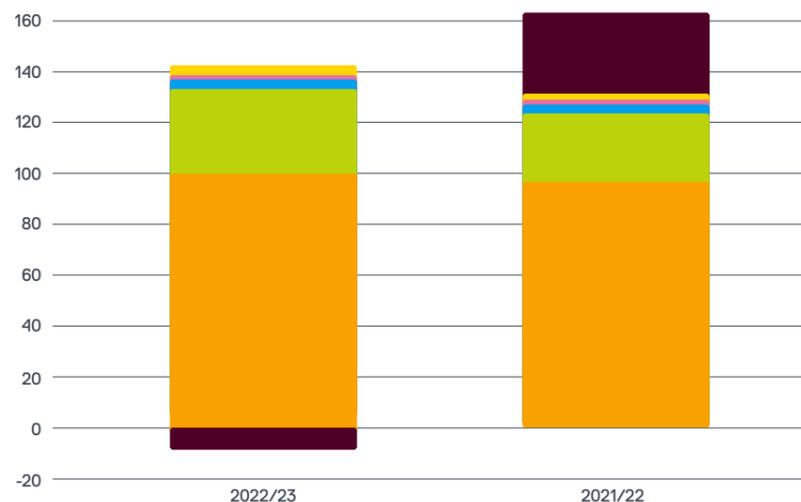
Total expenditure in 2022/23 was £134.9m, a decrease of £28.5m (17%) compared with 2021/22, primarily a result of exceptional movements in the USS pension scheme liability related to ICR staff recorded in 2021/22. The majority of ICR staff, of whom 75% are researchers working purely on cancer research projects, are USS members.

Excluding the pension provision movements, expenditure has increased by £11.6m (9%) compared with last year. Key changes in underlying expenditure relate to the following:

- Academic and related expenditure has increased by £7.2m (28%) due to the continued investment in new faculty recruitment.
- Expenditure on research grants and contracts has increased by £3.2m (5%), reflecting the additional research activity that the ICR was able to undertake over the past year as we caught up on research grant activity that had been delayed during the pandemic.
- Expenditure on administration and central services has increased by £1.5m (10%). This reflects inflationary pressures and significant investment in improving our services, systems and processes through our Evolve programme.

94% of our expenditure was spent on research and education activity – 74% direct research costs and 20% research support costs (the other 6% related to fundraising and governance expenditure). Direct research expenditure comprises academic and related expenditure, research grants and contracts expenditure, and those premises costs that relate directly to the construction and fit-out of research laboratories and some laboratory services. The expenditure chart, below, analyses the ICR’s expenditure in these areas.

**Expenditure analysis – £m**



In 2022/23, we spent £106.3m on the direct costs of research and education, an increase on the £96.9m spent in 2021/22, reflecting the continued investment in our 2022–2027 research strategy priorities, including on-boarding new research teams, establishing new Research Centres, and upgrading our laboratories. We also continued to invest heavily in our infrastructure and professional services, with significant investment in developing stronger services, systems and processes through our Evolve programme. This also included significant ongoing investment in Digital Services to realise the ICR’s digital vision and big data capability.

**£3.2m**

Expenditure on research grants and contracts has increased by £3.2m.

**£127.0m**

Some £127.0m of unrestricted reserves are held within the Development Fund, which includes recent royalty income.

**Net assets**

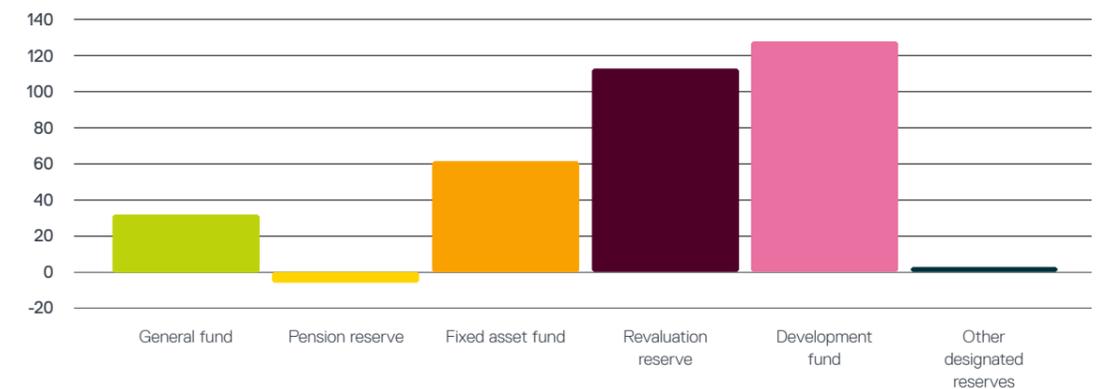
The ICR’s total net assets increased by £13.0m over the year, from £463.7m to £476.8m. This movement comprises the deficit in 2023 (£4.4m), the gain on revaluation of land and buildings (£18.2m), and the actuarial loss in respect of the ICR Pension Scheme (£0.7m).

**Reserves policy and position**

The ICR’s mission is a long-term undertaking, and while the Board of Trustees ensures all funds are expended towards it within a reasonable time after receipt, 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 £30.0m to £36.1m, which equates to 10–12 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 at least every three years.

**Unrestricted reserves at 31 July 2023 – £m**



Total reserves at 31 July 2023 were £476.8m, of which £340.1m were unrestricted, including £33.4m free reserves (“General Fund”) and £117.7m revaluation reserves, which have limitations to their use. The General Fund balance is at the top end of the approved range in view of the challenging financial outlook.

Some £127.0m of unrestricted reserves are held within the Development Fund, which includes recent royalty income. This is being committed to make long-term investments in the priorities detailed in our research strategy, including key areas of faculty recruitment and infrastructure. The Development Fund comprises £92.2m for scientific initiatives in the delivery of our research strategy, £1.8m for capital projects and £33.0m for other projects, including the delivery of our operational strategy.

**Financial outlook**

Sustainability remains a core foundation of the ICR’s planning arrangements, and of our 2022–2027 strategy. Through our Evolve programme, we have taken significant steps in 2022/23 to develop our plans and arrangements to ensure that we have the best possible services and infrastructure to support and sustain our mission over the longer term. We do this from a position of strength – both in



£476.8m

Total reserves at 31 July 2023 were £476.8m, of which £340.1m were unrestricted, including £33.4m free reserves



£4.2m

The ICRPS deficit, calculated under the FRS102 accounting standard, improved in the year to £4.2m.

terms of current resources and infrastructure, and regarding systems, governance and management processes – to navigate financial risks as they arise.

As part of this approach, we continue to diversify our research funding and wider income base. We are seeking to grow philanthropic, commercial and public funding to further strengthen our financial performance. We are also developing our strategic budgeting model to ensure that key areas of research and infrastructure can be safeguarded and prioritised as much as possible in the event of financial challenges escalating, with the aim of continuing to have the maximum impact in our work.

However, we continue to operate within an extremely challenging financial environment. Traditional areas of research funding remain at risk, and the ICR's royalty income is forecast to continue to decline from the high levels of recent years as key drugs come off patent. It is therefore crucial that the ICR builds on its successes in 2022/23 and continues to grow and diversify its income.

#### 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.

The ICR's investments decreased in value by £8.1m over the year, and the total return on investments, including investment income, was a loss of £0.7m.

#### Pensions

The majority of ICR staff are members of the Universities Superannuation Scheme (USS). The ICR recognises a liability for the contributions that will arise from the current recovery plan agreement. Under the terms of the current valuation and associated deficit recovery plan, completed in 2020, the ICR has recognised a provision for its obligations of £42.7m. This represents a reduction of £8.3m in the year and is driven by the increase in interest rates reducing the present value of future cashflows required to meet our obligations.

During the year, USS undertook its 2023 valuation of the scheme. The indicative results, based on the trustee's proposals, show a significant improvement in the scheme's funding position. The overall value of the entirety of the scheme (i.e. across all employers in the sector) is estimated to move from a liability of £14.1bn in 2020 to a surplus of £7.4bn. The USS is currently consulting on options to address this improvement, including on changes to member benefits and on reductions to employer and member contribution rates. These changes have happened after 31 July 2023, and therefore do not affect the value of the liability included in the balance sheet as at 31 July 2023.

The ICR Pension Scheme (ICRPS) closed to future accrual on 31 July 2008, and active members were able to build future pensions within USS after that date. The financial statements report that the ICRPS deficit, calculated under the FRS 102 accounting standard, improved in the year to £4.2m (2021/22: £5.3m).

The ICRPS'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 and build on the pension risk management framework and investment strategy adopted in 2016. The latest triennial valuation, as at 31 March 2022, has been completed. As a result of the valuation, the target date to achieve full funding on the scheme has been brought forward from 2034 to 2030.



# Risks

The period ahead continues to hold challenges for the ICR, as we face a higher cost environment and an uncertain funding landscape for the higher education sector, further impacted by the ongoing aftermath of Brexit.



We continue to monitor the challenges ahead, identifying risks and taking action to mitigate them to ensure that we can carry on delivering world-leading research to improve the lives of people living with cancer.

## Inflation

Inflation has risen considerably over the last couple of years to levels exceeding most expectations. Although it has started to fall over the last 12 months, the resulting cost pressures remain acute, and significant uncertainty persists regarding the long-term impact.

Energy prices have seen the most dramatic increase, although many other parts of the supply chain have seen significant rises. The ICR's activities are particularly energy intensive. We have been able to mitigate the impact of these cost increases through forward purchasing of energy contracts over the last two years, but these arrangements are now coming to an end, and we are already seeing a significant increase in our running costs as a result.

We are exploring new energy purchasing arrangements to mitigate our current exposure to price increases. We are also developing detailed plans to reduce our energy requirements. We aim to do this through changes in technology and working practise. We are looking at how we run and utilise our buildings, how we can refine our decarbonisation

plans and what opportunities we can explore for the self-generation of some of our energy needs.

Other inflationary pressures are also a concern. Increased operating costs, including higher staff, laboratory construction, and refurbishment costs, will continue to put pressure on our research activities. Through our Evolve programme, we have conducted a strategic review of our cost base and are putting in place a number of measures to maximise the efficiency of our operations.

## Research funding

Few research funders pay the full economic cost of conducting research activities, and we must find other funding sources to meet those shortfalls.

The income generation strands of the ICR's ambitious Evolve programme seek to identify new research funding streams to broaden our research portfolio and exploit new opportunities. Linked to this, the ICR continues to lobby for increased core funding of UK science to help create a more sustainable research environment.

As an English Higher Education provider, the ICR operates under the regulatory control of the Office for Students (OfS), with research activities overseen by Research England.

Following a competitive process, the OfS designated the ICR as a World

Leading Specialist Provider, and we continue to receive a targeted allocation from the OfS by virtue of this. The award is in recognition of the quality of our subject area, which contributes to an ongoing reputation internationally as being among the finest in the world and complements our similar status for research with Research England.

Following the multi-year funding settlement from the Government, the ICR has greater assurance on funding for the period to 2025. This includes the continuation of a number of targeted funding streams from Research England and substantial Higher Education Innovation Funds in support of our strong knowledge exchange performance. In total, with other 'quality-related' income streams, these awards increased on the previous year.



## Fundraising and philanthropy

While we performed strongly on our fundraising in 2022/23, with a number of multi-year pledges made, we fell short of our philanthropic income targets for this period. This reflects the challenging fundraising environment that has persisted over the last year, with the continuing cost-of-living pressures, the ongoing aftermath of Brexit and the lingering economic impact of the pandemic.

In particular, the increased cost of living has eroded the levels of giving we are receiving from individual supporters and the amounts that are being raised in sporting events and challenges. We are

seeing similar impacts on giving across the charity sector, and it is leading to increased competition across all areas of fundraising – from individual donations to grants from trusts and foundations.

Legacy income was maintained at a record level of £5 million in 2022/23 and will be an important area of growth in the long term. However, in the near term, bequests may be affected by more challenging investment and housing markets.

In response to the ongoing uncertainty in this area, we have conducted a review of our income generation possibilities and our related fundraising operations, and we have implemented a series of new measures to help us protect and build on our existing capabilities. We will continue to invest in and develop this area to ensure that we carry on securing new opportunities to grow and diversify our income to enable us to maximise our research.

## Continuing impacts of Brexit

Nearly four years on from the UK's formal exit from the EU on 31 January 2020, the UK's science and technology landscape continues to change. In September 2023, the UK became an associate partner of Horizon Europe, enabling our researchers to apply for grants and bid to take part in projects under the Horizon programme, with the certainty that the UK will be participating as a fully associated member for the remainder of the programme to 2027.

While this news is welcome, particularly in the context of ICR ambitions to grow and diversify income, there continue to be challenges from Brexit. Recruitment of new academic Group Leaders and retention of existing established staff is difficult, and higher education sector vacancy rates remain at record high levels.

Notwithstanding these issues, the ICR continues to actively engage in discussions around maximising funding for research and how best

to facilitate the recruitment and retention of rising stars to ensure that the talent pipeline remains strong.

## Cyber security

Like all organisations, the ICR faces a fast-evolving threat landscape on cyber risk, and the potential impact on the services, data and systems that underpin our research. We continue to invest in our infrastructure and security arrangements to meet the ongoing challenge in this area. However, given the constantly changing external environment, this will remain a key area of focus for the foreseeable future.

## Pensions

While economic changes over the last 12 months have reduced the liabilities of the ICR's defined-benefit pension arrangements, these long-term obligations continue to constitute a significant source of uncertainty, and they impact on both financial planning and employee relations across the sector.

Most ICR staff are members of the Universities Superannuation Scheme (USS), and the high and volatile cost of that scheme presents a financial risk to our ability to continue investing in research activities at current levels. The indicative results of the 2023 USS valuation have resulted in a significant upturn in the scheme's funding position. They have also opened up the potential for improvements in member benefits and in the cost of the scheme to members and employers alike.

However, the scale of movement in the economic factors that have driven this significant turnaround in the scheme position, not least changes in the UK treasury bond (Gilt) yields, illustrates the volatility to which the USS scheme is subjected. The ICR will continue to engage with USS and with Universities UK to feed into consultation around the response to the 2023 USS valuation and into options to embed more stability in the future scheme arrangements.

# Governance and management

Everything we do is aimed at fulfilling our mission, which is to make the discoveries that defeat cancer.



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 that will ultimately have the greatest impact on improving outcomes for cancer patients.

### 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
- to provide for education and practical training in subjects relevant to the study of cancer and allied diseases and the alleviation of suffering.

Our research students make a significant contribution to our scientific endeavours, and we are committed to inspiring them to become the next generation of researchers. 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.

### Statement of Corporate Governance

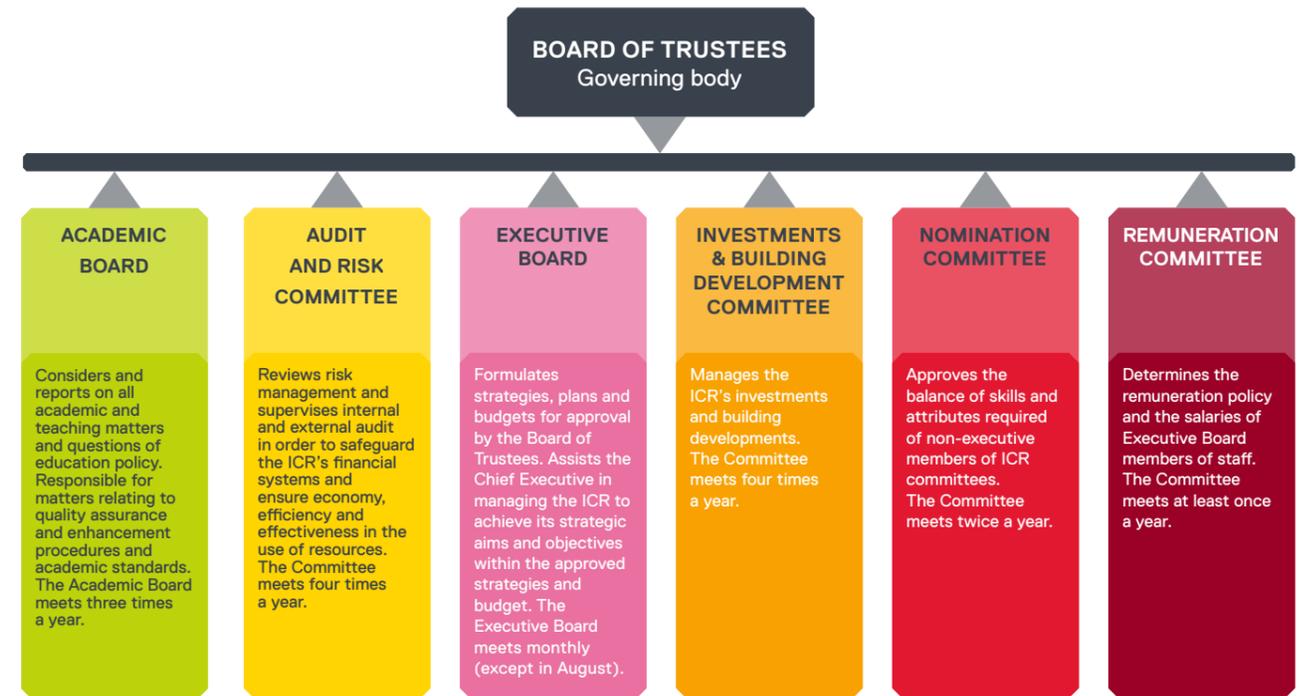
The ICR has continued to ensure effective corporate governance throughout the year ended 31 July 2023 and up to this report's approval on 28 November 2023. The ICR's governance arrangements ensure that the ICR conducts its affairs in a responsible and transparent way to support strategic leadership and accountability in the fulfilment of its mission. The ICR's governance arrangements reflect its multiple organisational roles.

The ICR is a company limited by guarantee, incorporated in 1954. We are also a member institution of the University of London and adhere to regulations as set by the Office for Students (OfS) and UK Research and Innovation (UKRI).

The ICR is an exempt charity under the Third Schedule of the Charities Act 2011. 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 that 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. Our Trustees carry the responsibility of company directors of the ICR.

The Board of Trustees has established various committees: the Executive Board, the Academic Board, the Audit and Risk Committee (re-named from the Audit Committee in 2023 to reflect the Board's delegation of risk oversight to the committee), the Investments and Building Development Committee, the Nomination Committee, and the Remuneration Committee.



As at 31 July 2023, the Board of Trustees comprised 17 members.

### The Board of Trustees

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

As at 31 July 2023, the Board of Trustees comprised 17 members. The majority of Board members are co-opted by the Board, with one nominated by each of The Royal Marsden and Cancer Research UK, one member elected by the Academic Board, together with ex-officio members (the Chief Executive and Dean of Academic and Research Affairs) and a student nominee. Details of the membership of the Board of Trustees as of 31 July are given on page 94.

Members of the Board of Trustees and its committees conduct their business in accordance with the seven principles identified by the Committee on Standards in Public Life – namely selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The ICR also complies with the primary elements of the Committee of University Chairs' Higher Education Code of Governance. The Board met formally six times in 2022/23.

A copy of the Register of Interests of Board members is available upon application. The Nomination Committee recommends to the Board of Trustees appointments to the Board and the admission of Members of the ICR. When considering new appointments, the Nomination Committee seeks proposals for candidates from a range of sources. All new Trustees are offered a tailored induction programme, and further training is available on request.



The makeup of the Executive Board has changed due to senior leadership changes made in March 2023. The post of Chief Operating Officer has been removed, and the roles of Chief Research and Academic Officer and Chief Financial Officer have been created.

The Audit Committee's remit was changed to include risk management.

During the year and period up until 28 November 2023, there were a number of changes to the ICR Board:

- Charlie Geffen (Deputy Chair) and Mandy Donald (Chair of the Audit and Risk Committee) stepped down from the Board of Trustees as their terms ended on 31 July. William Burns stepped down on 30 September.
- Two new Trustees (Carolin Barth and Anthony Clare) have been appointed and took up office on 1 October 2023 and 1 August 2023, respectively.
- Charlie Foreman succeeded Charlie Geffen as Deputy Chair.
- Nigel Jones, previously a non-executive member of the Audit and Risk Committee succeeded Mandy Donald as Chair of the Audit and Risk Committee and joined the Board of Trustees from 1 August 2023.
- Iain Foulkes, the CRUK representative on the Board, resigned from membership on 31 July after eight years in membership.

#### Executive Board

The Executive Board reports to the Board of Trustees. It is chaired by the ICR's Chief Executive, Professor Kristian Helin, and its membership during 2022/23 included the Chief Operating Officer (until March 2023), the Dean of Academic and Research Affairs, three Heads of Research Divisions and four Professional Services Directors. The makeup of the Executive Board has changed due to senior leadership changes made in March 2023. The post of Chief Operating Officer has been removed, and the roles of Chief Research and Academic Officer and Chief Financial Officer have been created. Barbara Pittam and Paul Norris were appointed to these roles, and they remain members of the Executive Board. The Director of Communications and Policy also took on the role of Interim Director of the Development Office and was appointed to the Executive Board in January 2023.

#### Audit and Risk Committee

The Audit Committee's remit was changed during 2022/23 to take on oversight of risk management, in support of the Board of the Trustees. The title of the Committee was accordingly changed to reflect this new remit.

With regards to the membership of the Committee, the Guidance in the Committee of University Chairs' (CUC) Higher Education Audit Committees Code of Practice published in May 2020 states that 'The Audit Committee should consist of at least three independent members of the governing body and can co-opt non-members with relevant expertise or interests when necessary.' The Chair of the Audit Committee is a member of the ICR's Board of Trustees. Up until 1 August 2023, the other three members were non-executives who were not members of the Board.

The Nomination Committee has previously considered the recommendation in paragraph 20 of the CUC Higher Education Audit Committees Code of Practice that there should be at least three independent members of the governing body in membership. At that time, it was decided that having additional Board of Trustee members on the Committee was not in the ICR's best interest given the size of the Board and the nature of the ICR's business. This position is reviewed regularly to ensure that the current membership remains appropriate.

In June, the Audit and Risk Committee agreed to co-opt an incoming member of the Board of Trustees, Anthony Clare, to its membership with effect from 1 August 2023, raising the number of Board members on the Committee to two. In light of the fact that there are now two Board members on the Committee, the Committee has also agreed to amend its Terms of Reference to stipulate that one of the two members required for the Committee to be quorate should be a Board Member – this is in line with the recommendation set out in Paragraph 33 of the CUC Code of Practice for HE Audit Committees. That person will chair the meeting.



The Chair of the Audit and Risk Committee is a member of the ICR's Board of Trustees.

To support this arrangement, the Committee receives minutes and key papers from Board of Trustee meetings to ensure that all Committee members obtain and maintain an appropriate understanding of the ICR.

Other than the exception above on Trustee membership, the Audit and Risk Committee has adopted and complies with the CUC Audit Committees Code of Practice.

This governance structure ensures that the ICR continues to comply with the terms and conditions of funding with both the OfS and UKRI. The arrangements enable the ICR to ensure regularity and propriety in the use of public funding, in particular through compliance with the ICR's Standing Financial Instructions, which ensure a proper and efficient use of resources and support the policies, aims and objectives of the ICR.

#### Auditors

BDO LLP was reappointed external auditor during the year.

No non-audit fees were paid to the external auditors in 2022/23 (2021/22: £nil).

#### Statement of internal control

The Board of Trustees is responsible for the ICR's system of internal control and for 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 it can provide only reasonable, not absolute, assurance of effectiveness.

The Executive Board is responsible for the identification and, with the risk owners, the management of all the major risks to the achievement of the ICR's strategic objectives – this covers business, operational, compliance and financial risk. The Executive Board is supported and advised on risk matters by the Academic Board, Research Committee and Management Committee, with a member of the Executive Board designated Risk Management Leader.

The Risk Register is agreed with the Executive Board and approved annually by the Board of Trustees. Each risk identified is assessed and prioritised with reference to the potential impact if the risk were to occur and the likelihood of its occurrence. The responsibility for specific risks is assigned to the relevant academic, scientific and support staff who provide assurance on the action. Risks may be added, revised or removed from the Risk Register after evaluation by the Executive Board. A strategic Risk report is appraised quarterly by the Executive Board, the Audit and Risk Committee, and the Board of Trustees. The Audit and Risk Committee also undertake regular in-depth reviews of specific areas of risk, to inform consideration of the Strategic Risk report.

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

The external auditor provides feedback to the Audit and Risk Committee on the operation of internal financial controls reviewed as part of the external audit.

The Audit and Risk Committee is responsible for assuring the governing body about the adequacy and effectiveness of the ICR arrangements listed above and the management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, the OfS, Research England and other bodies.

The Audit and Risk Committee has identified no significant control weaknesses that should be disclosed.

The Audit and Risk Committee's opinion is that the ICR has adequate and effective arrangements for risk management, control and governance, data quality, and economy, efficiency and effectiveness, and that the Board of Trustees can place reliance on those arrangements. The Audit and Risk Committee has identified no significant control weaknesses that should be disclosed.

#### Conclusion

The Board of Trustees is of the view that there is an ongoing process for identifying, evaluating and managing the ICR's key risks and that it has been in place for the year ended 31 July 2023 and up to the date of the approval of the annual report and accounts.

#### Going concern

The Board of Trustees has considered the ICR's financial planning for the medium term, and the level of reserves and the financial resources available to the ICR. At 31 July 2023, the ICR's free reserves were £33.4m, which is within the target range set through the Reserves Policy. In addition, the ICR is reporting a further £127.6m in unrestricted reserves (excluding the revaluation and fixed-asset reserves). The ICR has substantial liquid investments and cash balances, which are sufficient to meet its forecast cash requirements, and it has no borrowing.

Detailed analysis and stress testing have been undertaken and reported to the Board of Trustees to support longer-term decision-making on financial planning and strategy and to provide in-depth understanding and assurance about the ICR's financial risks. The ICR has, for example, considered a range of potential scenarios around its core income streams, future estates strategy, and the impact of any research grant cuts. Following this stress testing, the Board of Trustees considers the level of financial resources available to the ICR to be adequate to meet the ICR's operational needs for the foreseeable future. Consequently, the going concern basis has been adopted in preparing the financial statements.



The ICR has substantial liquid investments and cash balances, which are sufficient to meet its forecast cash requirements, and it has no borrowing.

## Planning for the future with our stakeholders (Section 172, Companies Act 2006)

The ICR aims to engage with many different stakeholders, within and outside the organisation, in taking decisions for its future. Our mission is to make the discoveries that defeat cancer, and we work with patients, supporters, stakeholders and our own staff and students to ensure our research achieves its aims by successfully improving the lives of people with cancer.

We also know that to maximise the impact we have for patients and wider society, we need to work closely with many different organisations, including academic and commercial partners, funders and suppliers. In engaging with these different people and organisations, we give particular consideration to the following issues:

#### Securing our future

We are careful to take decisions that ensure the long-term financial stability of our organisation and a future for our research, so we can keep on making discoveries that help defeat cancer. We frame decisions around a five-year strategic planning cycle, with key investments and priorities set accordingly.

At the end of 2022, we commenced a significant programme of change to strengthen our organisation. Following a strategic review, the business case for change was approved by the ICR's Executive Board and Board of Trustees at the end of March 2023. Staff were consulted on a number of proposed changes to the professional services operating model in June 2023. Implementation of the full Evolve programme will include investment in our fundraising capacity, estate and professional services processes and technology. This will allow us to grow capacity and maximise the benefits of change.

In April 2023, we announced a series of changes to our senior leadership team, which were designed to bring researchers and professional services staff closer together. As part of these changes, we will be recruiting a Chief Development and Communications Officer in due course. Although most of our scientific leadership roles have been filled, we are still seeking to appoint a Director of the Centre for Protein Degradation and a Head of Biology/Director of the Centre for Target Validation. Embedding these strategic appointments is an important focus for the year.

These structural changes should help us work effectively towards our five-year organisational strategy, *Defeating Cancer*. This institutional strategy builds on the success of our 2016–2022 strategy, and it has been shaped by staff across the ICR, our partner The Royal Marsden, external scientific advice, Trustees, students and patients. *Defeating Cancer* aims to accelerate progress for cancer patients by harnessing the latest scientific knowledge and technology to drive innovation in diagnosis and treatment.

Our Board of Trustees has also continued to oversee the ICR's existing programmes to maintain a world-class environment to support our research.

**Engaging with ICR staff and students**

Engagement with our staff and students is core to the ICR's values, and particularly our commitment to valuing all our people. Formal staff and student networks are supported and represented on all key ICR committees.

**Community and stakeholder engagement**

The ICR holds at least two Chief Executive briefings for all staff and students each year, as well as two Chief Executive meetings with representatives of staff and student networks. The Board of Trustees has student and faculty representation, and the ICR further promotes and supports student engagement via its Academic Board and through interactions with the Student Association. Staff and student consultation forms a key pillar of all decision making.

The ICR developed its five-year strategy in close collaboration with staff and student groups. We also engaged closely internally to establish new working patterns among some groups of staff, including through surveys and focus groups.

Our culture and engagement strategy puts staff and students at the heart of all our activities and was developed in partnership with them. We also consulted closely with staff and students from across the ICR in developing our public engagement strategy.

**Working with partners and funders**

Partnership is integral to the way we work. We work closely with partners, funders and donors to ensure strategic alignment in our shared mission to defeat cancer. Our research strategy is a joint framework, developed and owned with our partner hospital The Royal Marsden. The Royal Marsden is also represented in the membership of the ICR's Board of Trustees, as is the ICR's largest funder, Cancer Research UK. We have a strategic partnership with Imperial College London, through which we developed the Cancer Research UK Convergence Science Centre. We also have important strategic relationships with various pharmaceutical and biotech companies, including AstraZeneca and Merck KGaA.

**Relationships with suppliers**

We nurture strong, productive relationships with our suppliers to ensure robust supply chains for the provision of the goods and services that are essential to our research.

The ICR has also worked with suppliers to put in place measures to prevent modern slavery and human trafficking in its business and supply chains.

**Impact on community and environment**

We engage actively with local people in Sutton and Chelsea. We work with schools and community groups to reach local audiences, and we partner with the London Borough of Sutton to deliver meaningful community projects. Our active role in community events and festivals allows us to share with local people the science taking place on their doorsteps. We also work closely with our local communities to ensure mutual support.

The ICR is also committed to minimising the adverse impact of our activities on the environment, through the delivery of our health, safety, environment and quality strategy for 2020–2025. We have set an objective to incorporate best sustainable practice into our laboratory operations to reduce our impact on the environment, and we are working with research staff to understand barriers to sustainable behaviour and where support is most valuable.

**High standards of ethics conduct**

The ICR is committed to integrity, honesty and high ethical standards in everything we do. This is set out through our values and delivered via our effective policy and governance framework, presented in more detail on pages 52–56. We promote honest, transparent working practises and are committed to responsible stewardship of public and charitable funds.

**Acting fairly**

The ICR maintains an open dialogue with our stakeholders to take into account their priorities and requirements and to ensure that we are inclusive and collaborative. We know there are areas where we must continue to progress, and we will do so by proactively seeking out and learning from examples of best practice. We are committed to investing skills and resources to build our research culture and to drive equality and diversity across all parts of our workplace.

We aim to lead through our actions and provide a model for others in our sectors to follow. This approach was directed by the Board's scrutiny and approval of a number of key statements in this area, including the ICR's Annual Equality Statement, gender pay gap reporting and ethnicity pay gap reporting. Our strategic ambitions, systems and culture share our core focus on making the discoveries that defeat cancer, working in a way that acknowledges and benefits everyone.

Olympic gold medallist Greg Rutherford MBE and Paralympic gold medallist Erin Kennedy MBE kick-started our race to finish cancer, wearing our bespoke running shoes to help to raise awareness and support for our world-leading research



## Fundraising statement

The ICR works to ensure that all elements of its fundraising and marketing programme (including activities performed on its behalf by third parties) fully comply with all statutory regulations. We aim to build transparent and respectful relationships with all of our supporters and remain incredibly grateful for their involvement in helping us make the discoveries that defeat cancer.

We are registered with the Fundraising Regulator and fully committed to the Code of Fundraising Practice and the Fundraising Promise. As part of our GDPR-compliant data protection policy, we ensure that all fundraising and marketing materials have a clear opt-out process, allowing supporters to choose not to receive further communication from the charity or to update their preferences on how they would like to hear from us. Any concerns relating to members of the public are recorded appropriately by our Supporter Engagement Team. The ICR is unaware of any failure, either by the organisation or any third parties operating on its behalf, to comply with any fundraising or marketing regulations or standards during 2022/23.

In addition to meeting all legal requirements, our fundraising, marketing and communications programme is enhanced by our commitment to ICR values, particularly our focus on acting with integrity and delivering the best possible supporter experience. Our fundraising staff also fully adhere to the Code of Fundraising Practice regarding vulnerable supporters, and we will not accept or seek donations from individuals identified to be vulnerable. We do not participate in door-to-door or other types of face-to-face fundraising.

In the year from 1 August 2022 to 31 July 2023, we received two complaints, both of which related to a direct mail appeal. We take any complaint seriously and genuinely appreciate the opportunity to receive feedback from our supporters. Any complaints are swiftly resolved – we respond within two working days – and help us improve our processes.

Although we have not used any third-party or commercial participators in this period, all third-party contractors working on our behalf are required to adhere to all statutory regulations, as well as the ICR's own best-practice guidelines. Training is given to third parties on how to deal with queries, and any more complex questions are passed back to the Supporter Engagement Team for a response. We also monitor fundraising activities conducted on our behalf through various means. For example, our Direct Mail programme is monitored by Supporter Engagement team members who are included in our mailing lists and receive the same appeals as our supporters. These team members also monitor and support the activity of our volunteer fundraisers, who have received appropriate training and have knowledge of fundraising standards.

We thank all our donors and supporters for investing in our work to create more and better treatments for cancer patients.

# Statement of the responsibilities of members of the Board of Trustees

In accordance with the ICR's Memorandum and Articles of Association, the Board of Trustees is responsible for the administration and management of the affairs of the Institution and is required to present audited financial statements for each financial year.

The Board of Trustees (members of which are also the directors of the ICR for the purposes of company law) is responsible for preparing the Strategic Report and Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Board of Trustees to prepare financial statements for each financial year.

Under that law, the Board of Trustees is required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". In addition, the Board of Trustees is required to prepare the financial statements in accordance with the Office for Students's (OfS's) Terms and Conditions of funding for higher education institutions for 2022/23 through its Accountable Officer.

Under company law, the Board of Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the ICR and the Group and of the surplus or deficit, gains and losses, changes in reserves and cash flows of the ICR and the Group for that year.

In preparing the financial statements, the Board of Trustees is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Trustees is responsible for keeping adequate accounting records that are sufficient to show and explain the ICR's transactions. The records must disclose with reasonable accuracy at any time the financial position of the ICR and enable it to ensure that the financial statements comply with the following: the OfS terms and conditions of funding for

higher education institutions (issued July 2022); the Statement of Recommended Practice – Accounting for Further and Higher Education as issued in October 2018, and any subsequent amendments; the Office for Students Accounts Direction (issued October 2019); and the Companies Act 2006. The Board of Trustees is also responsible for safeguarding the assets of the ICR and hence for adopting appropriate measures to prevent and detect fraud and other irregularities.

The Board of Trustees has taken reasonable steps to ensure that:

- funds from the OfS and other funding bodies are used only for the proper purposes for which they have been given and seek to achieve value for money in accordance with the OfS Terms and Conditions of funding for higher education institutions (issued July 2022) and any other conditions which the funding body may from time to time prescribe
- the ICR has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities
- there is regular, reliable, timely and adequate information to monitor performance and track the use of public funds
- it plans and manages the ICR's activities to remain sustainable and financially viable
- it informs the OfS of any material change in its circumstances, including any significant developments that could affect the mutual interests of the ICR and the OfS
- there are adequate and effective arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS, Research England and other funding or regulatory bodies
- there is an effective framework – overseen by the ICR's senate, academic board or equivalent – to manage the quality of learning and teaching and to maintain academic standards
- it considers and acts on the OfS's assessment of the ICR's risks specifically in relation to these funding purposes.

The Board of Trustees is 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.

The Board of Trustees confirms that:

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

Approved on behalf of the Board of Trustees by:



**Professor Julia Buckingham**  
Chair of The Institute of Cancer Research, London  
Date of approval: 28 November 2023

# Independent auditor's report to the Board of Trustees of The Institute of Cancer Research

## OPINION ON THE 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 2023 and of the Group's and the ICR's income and expenditure, gains and losses, changes in reserves and of the Group's and ICR's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Institute of Cancer Research ("the ICR") and its subsidiaries (the 'Group') for the year ended 31 July 2023 which comprise The Statement of Comprehensive Income and Expenditure, The Statements of Changes in Reserves, The Balance Sheet and the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) "ISAs (UK)" and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group and ICR in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Board of Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and ICR's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Trustees with respect to going concern are described in the relevant sections of this report.

## OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information including the Report of the Board of Trustees and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## OTHER COMPANIES ACT 2006 REPORTING

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

- the information given in the Report of the Board of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Trustees has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the ICR and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the Board of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Board of Trustees was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the report of the Board of Trustees and from the requirement to prepare a strategic report.

## OPINION ON OTHER MATTERS REQUIRED BY THE OFFICE FOR STUDENTS ("OFS") AND RESEARCH ENGLAND

In our opinion, in all material respects:

- Funds from whatever source administered by the ICR for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation
- Funds provided by the OfS, UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

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

- The ICR's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

**RESPONSIBILITIES OF THE BOARD OF TRUSTEES**

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

In preparing the financial statements, the Board of Trustees is responsible for assessing the Group and the ICR's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Trustees either intend to liquidate the Group or the ICR or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer
- Reviewing minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC, OfS and Research England to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility
- Reviewing items included in the fraud register as well as the results of internal audit's investigation into these matters
- Challenging assumptions made by management in their significant accounting estimates, including accruals of Royalty Income
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.

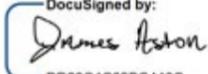
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the ICR have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding with the OfS and Research England.

**USE OF OUR REPORT**

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the ICR's Board of Trustees 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 Board of Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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BDO LLP, Statutory Auditor  
 2 City Place  
 Beehive Ring Road  
 Gatwick  
 RH6 0PA

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

The Institute of Cancer Research: Royal Cancer Hospital  
Consolidated and ICR statement of comprehensive income and expenditure  
Year ended 31 July 2023

	Notes	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £000	ICR £000	Consolidated £000	ICR £000
<b>Income</b>					
Tuition fees and education contracts	1	3,171	3,171	2,891	2,891
Funding body grants	2	29,522	29,522	28,742	28,742
Research grants and contracts	3	64,573	64,573	64,086	64,086
Donations and endowments	4	12,787	12,787	21,120	21,120
Investment income	5	7,962	7,962	4,703	4,703
Other income	6	20,628	20,636	39,611	39,625
<b>Total income</b>		<b>138,643</b>	<b>138,651</b>	161,153	161,167
<b>Expenditure</b>					
Staff costs	8	70,865	70,865	106,276	106,276
Other operating expenses		53,882	53,882	49,524	49,524
Depreciation	12	8,360	8,360	7,163	7,163
Interest and other finance costs	11	1,831	1,831	514	514
<b>Total expenditure</b>	<b>9</b>	<b>134,938</b>	<b>134,938</b>	163,477	163,477
<b>Surplus/ (deficit) before other gains and losses</b>		<b>3,705</b>	<b>3,713</b>	(2,324)	(2,310)
Loss on investments	13	(8,070)	(8,070)	(11,912)	(11,912)
<b>Deficit for the year</b>		<b>(4,365)</b>	<b>(4,357)</b>	(14,236)	(14,222)
Unrealised surplus on revaluation of land and buildings	12	18,151	18,151	9,470	9,470
Actuarial (loss)/ gain in respect of pension schemes	21	(739)	(739)	15,637	15,637
<b>Total comprehensive income for the year</b>		<b>13,047</b>	<b>13,055</b>	10,871	10,885
Represented by:					
Endowment comprehensive income for the year		507	507	(174)	(174)
Restricted comprehensive loss for the year		(912)	(912)	8,371	8,371
Unrestricted comprehensive income for the year		13,452	13,460	2,674	2,688
		<b>13,047</b>	<b>13,055</b>	10,871	10,885

All items of income and expenditure relate to continuing activities.

The Institute of Cancer Research: Royal Cancer Hospital  
Consolidated and ICR statement of changes in reserves  
Year ended 31 July 2023

Consolidated	Income and expenditure account			Revaluation reserve	
	Endowment £000	Restricted £000	Unrestricted £000	Reserve £000	Total £000
<b>Balance at 1 August 2021</b>	<b>1,736</b>	<b>127,142</b>	<b>230,446</b>	<b>93,525</b>	<b>452,849</b>
(Deficit)/ surplus from the income and expenditure statement	(174)	8,371	(22,433)	-	(14,236)
Other comprehensive income	-	-	25,107	-	25,107
Transfers between revaluation and income and expenditure reserve	-	-	(7,750)	7,750	-
	(174)	8,371	(5,076)	7,750	10,871
<b>Balance at 1 August 2022</b>	<b>1,562</b>	<b>135,513</b>	<b>225,370</b>	<b>101,275</b>	<b>463,720</b>
Surplus/ (deficit) from the income and expenditure statement	507	(912)	(3,960)	-	(4,365)
Other comprehensive income	-	-	17,412	-	17,412
Transfers between revaluation and income and expenditure reserve	-	-	(16,659)	16,659	-
<b>Total comprehensive income/(loss) for the year</b>	<b>507</b>	<b>(912)</b>	<b>(3,207)</b>	<b>16,659</b>	<b>13,047</b>
<b>Balance at 31 July 2023</b>	<b>2,069</b>	<b>134,601</b>	<b>222,163</b>	<b>117,934</b>	<b>476,767</b>
ICR	Income and expenditure account			Revaluation	
	Endowment £000	Restricted £000	Unrestricted £000	Reserve £000	Total £000
<b>Balance at 1 August 2021</b>	<b>1,736</b>	<b>127,142</b>	<b>230,259</b>	<b>93,525</b>	<b>452,662</b>
(Deficit)/ surplus from the income and expenditure statement	(174)	8,371	(22,419)	-	(14,222)
Other comprehensive income	-	-	25,107	-	25,107
Transfers between revaluation and income and expenditure reserve	-	-	(7,750)	7,750	-
	(174)	8,371	(5,062)	7,750	10,885
<b>Balance at 1 August 2022</b>	<b>1,562</b>	<b>135,513</b>	<b>225,197</b>	<b>101,275</b>	<b>463,547</b>
Surplus/ (deficit) from the income and expenditure statement	507	(912)	(3,952)	-	(4,357)
Other comprehensive income	-	-	17,412	-	17,412
Transfers between revaluation and income and expenditure reserve	-	-	(16,659)	16,659	-
<b>Total comprehensive income/(loss) for the year</b>	<b>507</b>	<b>(912)</b>	<b>(3,199)</b>	<b>16,659</b>	<b>13,055</b>
<b>Balance at 31 July 2023</b>	<b>2,069</b>	<b>134,601</b>	<b>221,998</b>	<b>117,934</b>	<b>476,602</b>

The Institute of Cancer Research: Royal Cancer Hospital  
Consolidated and ICR balance sheets  
Year ended 31 July 2023

	Notes	As at 31 July 2023		As at 31 July 2022	
		Consolidated £000	ICR £000	Consolidated £000	ICR £000
<b>Non-current assets</b>					
Fixed assets	12	254,505	254,505	232,764	232,764
Investments	13a	192,932	192,937	198,023	198,028
		447,437	447,442	430,787	430,792
<b>Current assets</b>					
Stock		132	132	215	215
Trade and other receivables	14	41,353	41,384	42,159	42,094
Investments	13b	52,851	52,851	65,908	65,908
Cash and cash equivalents		9,357	8,827	11,327	10,780
		103,693	103,194	119,609	118,997
Less: Creditors: amounts falling due within one year	15	(27,052)	(26,723)	(29,901)	(29,467)
<b>Net current assets</b>		76,641	76,471	89,708	89,530
<b>Total assets less current liabilities</b>		524,078	523,913	520,495	520,322
<b>Provisions</b>					
Pension provisions	16	(46,855)	(46,855)	(56,351)	(56,351)
Other provisions	16	(456)	(456)	(424)	(424)
<b>Total net assets</b>		476,767	476,602	463,720	463,547
<b>Restricted Reserves</b>					
Income and expenditure reserve - endowment reserve	18b	2,069	2,069	1,562	1,562
Income and expenditure reserve - restricted reserve	18a	134,601	134,601	135,513	135,513
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted	17a	222,163	221,998	225,370	225,197
Revaluation reserve	17b	117,934	117,934	101,275	101,275
<b>Total Reserves</b>		476,767	476,602	463,720	463,547

The financial statements were approved and authorised for issue by the Board of Trustees on 28 November 2023 and were signed on its behalf on that date by:



Professor Julia Buckingham  
Chair of the Board of Trustees



Professor Kristian Helin  
Chief Executive

The Institute of Cancer Research: Royal Cancer Hospital  
Consolidated statement of cashflows  
Year ended 31 July 2023

	Notes	31 July 2023 £000	31 July 2022 £000
<b>Cash flow from operating activities</b>			
Deficit for the year		(4,365)	(14,236)
<b>Adjustment for non-cash, working capital and other items</b>			
Depreciation	12	8,360	7,163
Investment income	5	(7,962)	(4,703)
Loss on endowments, donations and investment property		8,070	11,912
Decrease/ (increase) in stock		83	(26)
Decrease/ (increase) in debtors	14	806	(16,638)
(Decrease)/ increase in creditors	15	(2,849)	5,252
Increase in provisions	16	32	41
Pension costs less contributions payable	21	(1,892)	(1,054)
(Decrease)/ increase in USS pension provision	16	(8,342)	31,523
<b>Net cash (outflow) / inflow from operations</b>		(8,059)	19,234
<b>Cash flows from investing activities</b>			
Non-current investment disposal	13	87,634	62,228
New non-current asset investments	13	(90,613)	(96,136)
Investment income	5	7,962	4,703
Decrease/ (increase) in current investments	13	13,057	(1,778)
Payments made to acquire fixed assets	12	(11,949)	(6,928)
		6,091	(37,911)
<b>Decrease in cash and cash equivalents in the year</b>		(1,968)	(18,677)
Cash and cash equivalents at beginning of the year		11,326	30,003
Cash and cash equivalents at end of the year		9,358	11,326

### 1. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019) and in accordance with applicable accounting standards. The ICR is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable accounting standards. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets).

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

### 2. Basis of consolidation

The ICR owns 100% of the share capital of seven companies – ICR Enterprises Ltd (ICRE), ICR Chelsea Development Ltd (ICRCD), ICR Sutton Developments Ltd (ICRSD), ICR Equipment Leasing No.8 Limited (ICRENo8), Everyman Action Against Male Cancer, ICR London Cancer Hub Company Limited (ICRLCH) and ICR Chemical Probes Portal Limited (ICRCP). ICRE undertakes trading activities. 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. Everyman Action Against Male Cancer has not traded since incorporation. ICRLCH was set up in 2016/17 to undertake activities in respect of the London Cancer Hub project, and has not traded since incorporation. ICRCP owns the intellectual property in an online biomedical research portal. The consolidated statements include the financial statements of these companies.

The ICR makes a small contribution each year towards the costs of the Student Association. The ICR has no management responsibility for the Association and therefore does not consolidate their accounts into the ICR's accounts.

Associated companies and joint ventures are accounted for using the equity method.

### 3. Income recognition

Income is credited to the Consolidated Statement of Comprehensive Income and Expenditure (CSOCIE) in the year in which it is receivable.

#### 3.i) Grant accounting

Government grants including funding council block grant; research grants from government sources; other grants and donations from non government sources (including research grants from non government sources) are recognised within the CSOCIE when the ICR is entitled to the income and performance related conditions have been met.

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 received in full in year one but linked to a multi-year programme of research, then this is treated as funds received in advance of performance related conditions being met, and 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.

Capital grants are recorded in income when the ICR is entitled to the income subject to any performance related conditions being met. The depreciation of the asset is charged to the CSOCIE over the life of the asset.

#### 3.ii) Royalty income

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

Income from the sale of rights to future royalties is included in the CSOCIE in the year in which ICR is entitled to claim it, where there is certainty of receipt and the amount due can be identified.

### 3. Income recognition (continued)

#### 3.iii) Legacies and donations

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the CSOCIE when the ICR is entitled to the income. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions.

Legacies are included in the year that entitlement and probability of receipt is established. Receipt is normally probable when there has been grant of probate, the executors have established that there are sufficient assets in the estate, and any conditions attached to the legacy are either within the control of the Institute or have been met.

There are four main types of donations and endowments with restrictions:

1. Restricted donations - the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the Institute.
3. Restricted expendable endowments - the donor has specified a particular objective and the ICR can convert the donated sum into income.
4. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations with no restrictions are recorded within the CSOCIE when the ICR is entitled to the income.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

#### 3.iv) Investment income

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms of the restriction applied to the individual endowment fund.

### 4. Accounting for retirement benefits

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 multi-employer scheme for which it is not possible to identify the ICR's share of the assets and liabilities due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. A liability is recorded within provisions for the contractual commitment to fund past deficits within the USS 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.

The USS and NHSPS schemes are both therefore accounted for as defined contribution schemes. Obligations for contributions to these schemes are recognised as an expense in the CSOCIE in the periods during which services are rendered by employees.

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 CSOCIE 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 CSOCIE. Gains arising on a curtailment not allowed for in the actuarial assumptions are recognised in the CSOCIE 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.

#### 5. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the ICR. Any unused benefits are accrued and measured as the additional amount the ICR expects to pay as a result of the unused entitlement.

#### 6. Finance leases

Leases in which the ICR assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### 7. Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

#### 8. Foreign Currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the CSOCIE.

#### 9. Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, with the exception of land and buildings which are revalued under the depreciated replacement cost basis.

##### 9i) Land and buildings

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to depreciated replacement cost. The ICR has a policy of ensuring a full revaluation takes place on a sufficiently regular basis to ensure that the fair value is not materially different to the current value. Depreciation and impairment losses are subsequently charged on the revalued amount. The ICR will review annually whether interim valuations should be undertaken to ensure the value remains materially correct.

A full valuation took place on 31 July 2021, and an interim valuation at 31 July 2022 and 31 July 2023. 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 CSOCIE except to the extent that they reverse revaluation gains on the same asset.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the ICR.

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.

Freehold land is not depreciated.

#### 9. Fixed assets (continued)

##### 9ii) Equipment

Equipment costing less than £25,000 per individual asset are written off in the year of acquisition. All other equipment is capitalised. Capitalised equipment is stated at cost and depreciated over four years on a straight-line basis.

##### 9iii) Assets under construction

Buildings and furniture, plant and equipment under construction at year end are included in Note 12 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.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

#### 10. Investments

##### 10i) Non current 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 identifiable market value, are recorded at cost or a nominal amount. Investments in non basic instruments, where there is no readily available market value, are valued at fair value based on fair value modelling of the asset. Investments in subsidiaries are stated at cost less any provision for impairment. Revaluation gains or losses and impairments arising during the year are included in the CSOCIE. Investment income is the amount receivable by the ICR in the year.

##### 10ii) Current asset investments

Current asset investments are held at fair value with movements recognised in the CSOCIE.

#### 11. Stock

Stocks of research material are held at the lower of cost and net realisable value, and are measured using an average cost formula.

#### 12. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 13. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- the ICR has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the ICR a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the ICR. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the ICR a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the ICR.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

#### 14. Taxation

The ICR is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the ICR is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 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.

The ICR receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The ICR's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

#### 15. Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted endowment reserves include balances which, through endowment to the ICR, are held as a permanently restricted fund as the ICR must hold the fund to perpetuity.

Other restricted reserves include balances through which the donor has designated a specific purpose and therefore the ICR is restricted in the use of these funds.

Additional accounting of ICR's reserves is provided in Notes 17 and 18. This includes information on restricted endowments and other restricted reserves.

Unrestricted designated funds are accounted for in Note 17. 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.

Revaluation gains and losses in respect of non current investments are included in the unrestricted income and expenditure reserve.

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	ICR £000	Consolidated £000	ICR £000
<b>1. Tuition fees and education contracts</b>				
Tuition fees	1,213	1,213	1,388	1,388
Research training support grant	1,958	1,958	1,503	1,503
	<b>3,171</b>	<b>3,171</b>	2,891	2,891
<b>2. Funding body grants</b>	<b>Consolidated £000</b>	<b>ICR £000</b>	<b>Consolidated £000</b>	<b>ICR £000</b>
Recurrent grant				
Funding body grants	20,749	20,749	22,294	22,294
Specific grants				
Higher Education Innovation Fund	5,087	5,087	4,092	4,092
Other specific funds	681	681	647	647
Capital funding	3,005	3,005	1,709	1,709
	<b>29,522</b>	<b>29,522</b>	28,742	28,742
<b>3. Research grants and contracts</b>	<b>Consolidated £000</b>	<b>ICR £000</b>	<b>Consolidated £000</b>	<b>ICR £000</b>
Research councils	4,468	4,468	2,935	2,935
Research charities	41,405	41,405	44,982	44,982
Government (UK and overseas)	8,948	8,948	7,709	7,709
Industry and commerce	9,160	9,160	7,547	7,547
Other	592	592	913	913
	<b>64,573</b>	<b>64,573</b>	64,086	64,086

The source of grant and fee income, included in notes 1 to 3, and the Covid Job Retention Scheme grant included in Note 6 (below, for 2021/22), is as follows:

Grant income from the OfS	1,145	1,145	1,129	1,129
Grant income from other bodies	94,908	94,908	93,233	93,233
Fee income for research awards	767	767	903	903
Fee income from non-qualifying courses	144	144	197	197
Fee income for taught awards	301	301	288	288
	<b>97,265</b>	<b>97,265</b>	95,750	95,750
<b>4. Donations and endowments</b>	<b>Consolidated £000</b>	<b>ICR £000</b>	<b>Consolidated £000</b>	<b>ICR £000</b>
Unrestricted legacies	4,979	4,979	4,988	4,988
Unrestricted donations	3,093	3,093	2,682	2,682
Restricted donations	4,715	4,715	13,450	13,450
	<b>12,787</b>	<b>12,787</b>	21,120	21,120

5. Investment income	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	ICR £000	Consolidated £000	ICR £000
Investment income on endowments	35	35	14	14
Investment income on restricted reserves	2,248	2,248	1,426	1,426
Other investment income	5,679	5,679	3,263	3,263
	<b>7,962</b>	<b>7,962</b>	<b>4,703</b>	<b>4,703</b>
6. Other income	Consolidated £000	ICR £000	Consolidated £000	ICR £000
Royalty income	19,061	19,061	38,180	38,180
Covid Job Retention Scheme income	-	-	31	31
Other income	1,567	1,575	1,400	1,414
	<b>20,628</b>	<b>20,636</b>	<b>39,611</b>	<b>39,625</b>

The ICR acts as an agent in respect of certain royalty-sharing arrangements in place with key partner organisations. Under these arrangements, the ICR receives gross receipts generated by invention sales, and passes on a predetermined, fixed percentage of these receipts to the other entities. A summary of the gross and net position in respect of these arrangements is provided below:

#### 7. Agency arrangements

	Consolidated £000	ICR £000	Consolidated £000	ICR £000
Gross receipts	50,624	50,624	47,969	47,969
Amounts due to ICR partners	(31,563)	(31,563)	(9,789)	(9,789)
Net ICR income	<b>19,061</b>	<b>19,061</b>	<b>38,180</b>	<b>38,180</b>

8. Staff costs	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	ICR £000	Consolidated £000	ICR £000
Salaries	63,838	63,838	58,764	58,764
Social security costs	7,049	7,049	6,361	6,361
Other pension costs	10,006	10,006	9,346	9,346
	<b>80,893</b>	<b>80,893</b>	<b>74,471</b>	<b>74,471</b>
Movement on USS provision	(10,028)	(10,028)	31,805	31,805
	<b>70,865</b>	<b>70,865</b>	<b>106,276</b>	<b>106,276</b>

This note has been analysed to show the impact of the USS scheme valuation accounting. For more information please refer to Notes 21a and 24.

Average number of employees	Year ended 31 July 2023		Year ended 31 July 2022*	
	No.	No.	No.	No.
Research staff	895		893	
Research support staff	134		132	
Fundraising services	26		25	
Professional services including academic services	115		114	
	<b>1,170</b>		<b>1,164</b>	

\*We have restated 2022 numbers to provide a more accurate and consistent analysis of roles, after undertaking a review of the underlying data.

#### Compensation for loss of office

In 2022/23, payments for compensation for loss of office were made to 14 staff, totalling £60,000. (2021/22: £285,000 paid to 34 staff). Eleven of these, totalling £23,000, were contractual payments made to staff on fixed term contracts that were ending as research grants finished. Two members of staff received redundancy pay totalling £38,000 related to the departure of research teams from the ICR. No payments were made to senior post holders. The highest individual payment to a member of staff was £25,000.

#### Remuneration of the Chief Executive

The Chief Executive's remuneration package is set by the Remuneration Committee, at a level that reflects the skills required to lead a globally recognised and high performing medical research institute in the higher education sector. It is set at a level that appropriately rewards the Chief Executive in terms of their recruitment, retention and motivation through a process which is robust and proportionate in its use of funds. Benchmarking of market data of similar roles in leading international medical research organisations within the higher education sector is used when determining the remuneration package.

The Chief Executive's salary and performance are reviewed annually by the Remuneration Committee, following a performance assessment by the Chairman of the Board of Trustees who undertakes an annual review of the Chief Executive's performance, considering achievements over the past twelve months and sets agreed objectives and KPIs.

The Chief Executive has elected not to be a member of the USS pension scheme. This was taken into account when setting the CEO's pay. The Chief Executive does not have any accommodation provided by the ICR.

The Chief Executive's salary is 9.2 times the median pay of staff (2022: 10.4), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the ICR to its staff.

The Chief Executive's total remuneration is 9.0 times the median total remuneration of staff (2022:10.4), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the ICR to its staff.

	Year ended 31 July 2023		Year ended 31 July 2022	
	£000	£000	£000	£000
Salary	404		360	
Performance related bonus	15		-	

8. Staff costs (continued)	Year ended 31 July 2023		Year ended 31 July 2022	
		No.		No.
<b>Remuneration of higher paid staff</b>				
£100,000 - £104,999	7	4		
£105,000 - £109,999	3	4		
£110,000 - £114,999	7	2		
£115,000 - £119,999	5	2		
£120,000 - £124,999	3	1		
£125,000 - £129,999	10	-		
£130,000 - £134,999	-	2		
£135,000 - £139,999	1	4		
£140,000 - £144,999	2	-		
£145,000 - £149,999	1	-		
£150,000 - £154,999	-	1		
£155,000 - £159,999	-	3		
£165,000 - £169,999	1	1		
£170,000 - £174,999	-	3		
£175,000 - £179,999	1	1		
£180,000 - £184,999	-	3		
£185,000 - £189,999	1	1		
£195,000 - £199,999	-	3		
£200,000 - £204,999	-	1		
£215,000 - £219,999	-	1		
£230,000 - £234,999	1	-		
£285,000 - £289,999	1	-		
£325,000 - £329,999	-	1		
£360,000 - £364,999	-	1		
£415,000 - £419,999	1	-		

#### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institute. Staff costs includes compensation paid to key management personnel. These costs relate to the Chief Executive, Chief Financial Officer, Chief Research & Academic Officer, and the Dean of Academic and Research Affairs. The costs include salaries and employers pension contributions:

	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000
<b>Key management personnel compensation</b>	<b>843</b>	<b>840</b>

#### 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 and who receive only the normal remuneration of their appointments. This includes the Chief Executive and Academic Dean. The other staff member is the representative elected by the Academic Board to serve on the Board of Trustees – this role was undertaken by Professor Chris Bakal. Remuneration for these staff is included in the remuneration of higher paid staff above. In addition, Bastien Lecœur undertook the role of student representative on the Board of Trustees. Bastien received the normal PhD student stipend. The aggregate emoluments of those who serve on the Board of Trustees was £858,000 (2022: £819,000). The emoluments of the highest paid director were £419,000 (2022: £360,000). One of the three staff who are trustees participates in defined benefit pension schemes. Three non-executive trustees received a total of £4,000 (2022: three received £710) for reimbursement of travel and accommodation expenses.

9. Analysis of total expenditure by activity	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	ICR £000	Consolidated £000	ICR £000
Academic and related expenditure*	27,384	27,384	53,008	53,008
Administration and central services*	14,999	14,999	18,029	18,029
Premises*	18,135	18,135	20,605	20,605
Residences, catering and conferences	337	337	222	222
Research grants and contracts	70,506	70,506	67,308	67,308
Other expenses*	3,577	3,577	4,305	4,305
	<b>134,938</b>	<b>134,938</b>	<b>163,477</b>	<b>163,477</b>
<b>Other operating expenditure includes:</b>				
Investment management costs	615	615	652	652
External auditors remuneration:				
Fees payable to the ICR's auditor for the audit of the ICR's annual accounts	96	94	85	78
Fees payable to the ICR's auditors for the audit of the accounts of subsidiaries	7	-	6	-
Operating lease expenditure	392	392	644	644

\*The expenditure on these lines in 2022/23 includes a credit of £8,678,000 (2022: expenditure of £31,523,000) in respect of the movement in the USS provision, as analysed in Note 16.

#### 10. 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.

In 2022/23 the group incurred no Corporation Tax charges in respect of the activity of its subsidiary companies (2022: £ nil). The ICR incurred irrecoverable VAT of £2,912,000 in 2023 (2022: £2,967,000).

The Institute of Cancer Research: Royal Cancer Hospital  
Notes to the financial statements (continued)  
Year ended 31 July 2023

11. Interest and other finance costs	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	ICR £000	Consolidated £000	ICR £000
Net charge on ICRPS pension scheme	143	143	341	341
Unwinding of discount of USS pension provision	1,688	1,688	173	173
	<b>1,831</b>	<b>1,831</b>	514	514

12. Fixed assets (Consolidated and Institute)	Freehold land and buildings £000	Leasehold land and buildings £000	Furniture plant and equipment £000	Assets under construction £000	Total
<i>Cost or valuation</i>					
At 31 July 2022	226,112	795	42,607	-	269,514
Revaluation	14,098	-	-	-	14,098
Additions at cost	5,656	-	5,957	337	11,950
<b>At 31 July 2023</b>	<b>245,866</b>	<b>795</b>	<b>48,564</b>	<b>337</b>	<b>295,562</b>

<i>Depreciation</i>					
At 31 July 2022	-	537	36,213	-	36,750
Revaluation	(4,053)	-	-	-	(4,053)
Provided in the year	4,053	9	4,298	-	8,360
<b>At 31 July 2023</b>	<b>-</b>	<b>546</b>	<b>40,511</b>	<b>-</b>	<b>41,057</b>

<i>Net book value</i>					
<b>At 31 July 2023</b>	<b>245,866</b>	<b>249</b>	<b>8,053</b>	<b>337</b>	<b>254,505</b>
of which:					
Scientific properties	245,816	-	8,053	-	253,869
Other properties	50	249	-	337	636

At 31 July 2022	226,112	258	6,394	-	232,764
of which:					
Scientific properties	226,062	-	6,394	-	232,455
Other properties	50	258	-	-	309

<i>Historic cost - net book value</i>					
<b>At 31 July 2023</b>	<b>128,262</b>	<b>249</b>	<b>8,053</b>	<b>337</b>	<b>136,901</b>

At 31 July 2022	124,806	258	6,394	-	131,458
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ICR's scientific properties were revalued by Gerald Eve Chartered Surveyors as at 31 July 2023. The valuations were undertaken on a depreciated replacement cost basis. The laboratory buildings were valued at £219,341,000 with associated land valued at £26,480,000.

Furniture plant and equipment detailed above includes fully depreciated leasehold equipment originally costing £1,000,000 (2022: £1,000,000).

The Institute of Cancer Research: Royal Cancer Hospital  
Notes to the financial statements (continued)  
Year ended 31 July 2023

13. Investments (Consolidated)	Market value 31 July 2022 £000	Additions at cost £000	Disposals at book value £000	Gains/losses £000	Market value 31 July 2023
<b>a. Non-current investments</b>					
<i>Listed</i>					
UK Government	-	4,311	-	(274)	4,037
Other UK	45,007	13,525	(9,013)	(5,418)	44,101
Overseas	63,375	29,184	(23,163)	2,054	71,450
	108,382	47,020	(32,176)	(3,638)	119,588
<i>Unlisted</i>					
UK	41,238	-	(2,898)	(3,725)	34,615
Overseas	37,561	1,456	(4,593)	(1,013)	33,411
	78,799	1,456	(7,491)	(4,738)	68,026
Investment cash and deposits	10,842	42,137	(47,967)	306	5,318
	<b>198,023</b>	<b>90,613</b>	<b>(87,634)</b>	<b>(8,070)</b>	<b>192,932</b>

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

The historical cost of the Group and the ICR investments at 31 July 2023 was £186,196,000 (2022: £180,769,000) and £186,201,000 (2022: £180,774,000) respectively.

<b>b. Current Investments</b>	65,908	7,587	(20,644)	-	<b>52,851</b>
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Current investments comprise cash held in short term cash funds. These do not have fixed maturity dates. Access to funds takes greater than 24 hours.

14. Trade and other receivables	Year ended 31 July 2023		Year ended 31 July 2022	
Amounts falling due within one year	Consolidated £000	ICR £000	Consolidated £000	ICR £000
Revenue grants	11,584	11,584	10,902	10,902
Other trade debtors	3,979	3,979	1,284	1,203
Legacy debtors	2,823	2,823	1,877	1,877
Other debtors	1,108	1,108	303	303
Amounts due from subsidiary companies	-	31	-	16
Prepayments and accrued income	21,859	21,859	27,793	27,793
	<b>41,353</b>	<b>41,384</b>	42,159	42,094

The estimated value of legacies notified but neither received nor included in the income is £4,050,000 (2022: £2,123,000).

15. Creditors	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £000	ICR £000	Consolidated £000	ICR £000
Trade creditors	4,191	4,191	5,190	5,190
Accruals	17,933	17,598	17,850	17,385
Deferred research grants	-	-	1,876	1,876
Amounts due to subsidiary companies	-	-	-	101
Other creditors	1,473	1,473	1,326	1,326
Taxes and social security	3,455	3,461	3,659	3,589
	<b>27,052</b>	<b>26,723</b>	29,901	29,467

**The Institute of Cancer Research: Royal Cancer Hospital**  
**Notes to the financial statements (continued)**  
**Year ended 31 July 2023**

<b>16. Provisions for liabilities and charges (Consolidated and ICR)</b>	Obligation to fund deficit on USS Pension £000	Defined Benefit Obligations (Note 21) £000	Total Pensions Provisions £000	Leasehold dilapidation & decommissioning £000	Total other provisions £000
At 1 August 2022	51,002	5,349	56,351	424	424
Utilised in year	(2,704)	(3,397)	(6,101)	-	-
Additions in year	(5,638)	2,243	(3,395)	32	32
<b>At 31 July 2023</b>	<b>42,660</b>	<b>4,195</b>	<b>46,855</b>	<b>456</b>	<b>456</b>

The USS pension provision is the discounted value of the agreed deficit reduction payments, under the deficit recovery plan agreed as part of the 2020 valuation. More detail is given in Note 21.

The defined benefit obligations is the net liability under the obligation to the ICR Pension Scheme. More information on the calculation of this liability is provided in Note 21.

The dilapidation and decommissioning provisions are held to cover liabilities as a result of vacating leasehold premises and the safe removal of a caesium source.

**17. Unrestricted reserves (Consolidated)**

The Board of Trustees has designated elements of the unrestricted income and expenditure reserve for specific purposes. These designations represent an internal decision and are not imposed by donors or funding bodies.

	Balance at 1 August 2022	Income	Expenditure	Transfers, gains and losses	Balance at 31 July 2023
<b>a. Income and expenditure reserve - unrestricted</b>					
General Fund	30,100	62,384	(45,249)	(13,835)	<b>33,400</b>
Pension Reserve	(5,067)	-	(777)	1,649	<b>(4,195)</b>
Fixed Asset Fund	61,465	-	(1,754)	5,600	<b>65,311</b>
Development Fund	138,252	437	(8,325)	(3,333)	<b>127,031</b>
FC Hunter Studentship Fund	435	-	(79)	-	<b>356</b>
Faringdon Fund	29	-	-	75	<b>104</b>
Amenity Fund	156	-	(40)	40	<b>156</b>
	225,370	62,821	(56,224)	(9,804)	<b>222,163</b>
<b>b. Revaluation Reserve</b>	101,275	-	(1,853)	18,512	<b>117,934</b>
<b>Total unrestricted reserves</b>	<b>326,645</b>	<b>62,821</b>	<b>(58,077)</b>	<b>8,708</b>	<b>340,097</b>

The consolidated unrestricted reserves position includes £165,000 in respect of subsidiary company reserves. The ICR unrestricted reserves position is therefore as above, but with a Development Fund balance of £126,866,000 and total unrestricted reserves of £339,932,000

The Board of Trustees has decided that the ICR should maintain free reserves (General Fund) of £33,400,000 at 31 July 2023. These reserves are expendable at the Trustee's discretion and not designated for particular purposes. The General Fund includes £6,737,000 cumulative net unrealised gains on revaluation of fixed asset investments.

The pension reserve recognises the shortfall in funds attributable to the ICR Pension Scheme (ICRPS) deficit.

The Fixed Asset Fund represents the amount invested in Fixed Assets from unrestricted funds, and is designated to meeting the future depreciation costs of these assets.

**The Institute of Cancer Research: Royal Cancer Hospital**  
**Notes to the financial statements (continued)**  
**Year ended 31 July 2023**

**17. Unrestricted reserves (Consolidated) (Continued)**

The Development Fund is the amount set aside by the ICR for future commitments relating to the buildings, capital equipment and Research Strategy. 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:

	2023 £000	2022 £000
Capital projects and refurbishments	1,858	5,815
Scientific initiatives	92,158	100,618
Other development funds	33,015	6,797
	<b>127,031</b>	<b>113,230</b>

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

The Amenity Fund provides funds for staff welfare.

**18. Restricted reserves (Consolidated and ICR)**

	Balance at 31 July 2022 £000	Income £000	Expenditure £000	Transfers, gains and losses £000	Balance at 31 July 2023 £000
<b>a. Income funds</b>					
<i>Funds invested in fixed assets</i>					
Breast Cancer Now	3,096	-	(111)	-	<b>2,985</b>
The Bob Champion Cancer Trust	560	-	(20)	-	<b>540</b>
Everyman Appeal	443	-	(16)	-	<b>427</b>
The Garfield Weston Foundation	700	-	(20)	-	<b>680</b>
The Monument Trust	194	-	(7)	-	<b>187</b>
The Wolfson Foundation	3,847	-	(95)	-	<b>3,752</b>
The Ivan and Felicite Stoller Fund	584	-	(12)	-	<b>572</b>
Sir SK Tang Fund	593	-	(12)	-	<b>581</b>
Funding body capital funding	50,750	3,005	(2,908)	-	<b>50,847</b>
Wellcome Trust	4,781	-	(159)	-	<b>4,622</b>
Building funds	2,770	4	(61)	-	<b>2,713</b>
Equipment funds	1,724	3,130	(1,499)	-	<b>3,355</b>
	70,042	6,139	(4,920)	-	<b>71,261</b>
<i>Other restricted funds</i>					
Other restricted donations	16,450	4,080	(4,459)	-	<b>16,071</b>
Research grants	49,021	65,603	(67,355)	-	<b>47,269</b>
	65,471	69,683	(71,814)	-	<b>63,340</b>
<b>Total restricted income funds</b>	<b>135,513</b>	<b>75,822</b>	<b>(76,734)</b>	<b>-</b>	<b>134,601</b>

**The Institute of Cancer Research: Royal Cancer Hospital**  
**Notes to the financial statements (continued)**  
**Year ended 31 July 2023**

**18. Restricted reserves (Consolidated and ICR) (Continued)**

The ICR is proud to partner with a range of organisations in its investment in cutting edge laboratory facilities. Key examples reflected above include the following generous contributions from our partners:

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

The ICR received funds 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, The Wolfson Foundation, the Garfield Weston Foundation and the Ivan and Felicite Stoller Fund contributed to the Centre for Cancer Imaging.

UKRI, The Wolfson Foundation, the Ivan and Felicite Stoller Fund and the Sir SK Tang Fund were important funders for the Centre for Cancer Drug Discovery building.

Equipment funds represent grants which have been invested in fixed asset equipment. Building funds represent grants which have been invested in fixed asset buildings.

Other restricted donations relates to philanthropic donations received to support specific research projects.

The research grants are funds received by the ICR for specific cancer research projects. Within research grants, there are grants in deficit of £1,783,000 which represents grants where expenditure has been incurred ahead of funding expected to be received in 2023/24. There are no material individual fund deficits.

<b>b. Endowment funds</b>	Balance at 31 July 2021 £000	Income £000	Expenditure £000	Transfers, gains and losses £000	Balance at 31 July 2022 £000
<i>Permanent endowment funds</i>					
Sir SK Tang Fund	396	-	-	(2)	394
<i>Expendable endowment funds</i>					
Rhonda and Sean Ryan Postgraduate Scholarship Fund	-	-	(25)	642	617
Hensley Nankivell Studentship Fund	1,166	-	(103)	(5)	1,058
<b>Total endowment funds</b>	<b>1,562</b>	<b>-</b>	<b>(128)</b>	<b>635</b>	<b>2,069</b>

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 for cancer research.

The Rhonda and Sean Ryan Postgraduate Scholarship Fund is a new endowment to fund a research student working in the field of breast cancer.

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

The Sir SK Tang Fund has been classified 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:

<b>Balance as at 1 August 2022</b>	Endowment £000	Unapplied total return £000	<b>Total £000</b>
Gift component of the permanent endowment	333	-	333
Unapplied total return		63	63
<b>Total permanent endowments as at 1 August 2021</b>	<b>333</b>	<b>63</b>	<b>396</b>
<b>Movements in the period</b>			
Investment return: realised and unrealised gains		(2)	(2)
Less: Investment management costs	-	-	-
Less: Transfer to funds invested in fixed assets		-	-
	-	(2)	(2)
<b>Balance as at 31 July 2023</b>			
Gift component of the permanent endowment	333	-	333
Unapplied total return		61	61
<b>Total permanent endowments as at 31 July 2023</b>	<b>333</b>	<b>61</b>	<b>394</b>

**The Institute of Cancer Research: Royal Cancer Hospital**  
**Notes to the financial statements (continued)**  
**Year ended 31 July 2023**

**19. Capital commitments**

	2023 £000	2022 £000
Contracted but not provided for	2,264	2,373

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

**20. Lease commitments**

At 31 July 2023 the ICR had operating lease commitments in respect of all future payments for equipment and property leases which expire as follows:

	31 July 2023			31 July 2022
	Land and Buildings	Plant and machinery	Total	Total
<b>Payable during the year</b>	<b>217</b>	<b>301</b>	<b>518</b>	644
Future minimum lease payments due:				
Not later than 1 year	-	499	499	217
Later than 1 year and not later than 5 years	-	697	697	-
<b>Total lease payments due</b>	<b>-</b>	<b>1,196</b>	<b>1,196</b>	217

**21. 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 Dependents & 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)*

The ICR participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed 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 scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the ICR therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the ICR has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the ICR recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The total cost charged to the CSOCIE is £9,420,000 (2022: £8,769,000). This included deficit recovery contributions of £2,704,000 (2022: £981,000). Deficit recovery contributions due within the year to 31 July 2024 have been modelled as £2,979,000.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

Since the ICR cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles.

CPI assumption	<b>Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040.</b>
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.5%
Discount rate (forward rates)	Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

## 21. Superannuation schemes (continued)

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table		2020 valuation
		101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality		CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females
The current life expectancies on retirement at age 65 are:	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.62%	3.31%
Pensionable salary growth	6%	4%

### b) ICR Pension Scheme (ICRPS)

The Institute operates a funded final salary pension scheme in the UK. The Scheme is a registered scheme under UK legislation. The Scheme is subject to the scheme funding requirements outlined in UK legislation. The Scheme provides Final Salary (Defined Benefit) benefits. The Scheme provides benefits in retirement and death benefits to members. Pension benefits are linked to a members' final salary at retirement or earlier withdrawal, and their length of service, revalued between their date of leaving service and date of retirement if appropriate. The Scheme was established from 1 April 1975 under trust and is governed by the Scheme's Consolidated version of the Third Definitive Trust Deed and Rules including amendments to date. Since 31 July 2008 there has been no future accrual in the Defined Benefit section. The Trustees are responsible for the operation and the governance of the Scheme, including making decisions regarding the Scheme's funding & investment strategy in conjunction with the Institute. The Scheme exposes the Institute to actuarial risks such as market (investment) risk, interest rate risk, inflation risk and longevity risk.

The pension cost that would have been charged to the operating surplus under FRS 102 for the year amounts to £777,000 (2022: £796,000). This is equal to the past service cost of £634,000 (2022: £455,000) plus the finance income of £143,000 (2022: £341,000).

A full actuarial valuation was carried out at 31 July 2023 by a qualified independent actuary, based on membership data at 31 March 2022, updated to take account of actual inflation, actual pension increases, material member movements and expected benefit outgo, using actuarial assumptions at 31 July 2023. An allowance has been made for the discretionary increases awarded as at 1 April 2022 and 1 April 2023.

## 21. Superannuation schemes (continued)

Contributions to the Scheme for the year beginning 1 August 2023 are expected to be £1,773,660 based on the current Schedule of Contributions.

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

	As at 31 July 2023	As at 31 July 2022	As at 31 July 2021
Discount rate	5.10%	3.30%	1.60%
Consumer Prices Index ("CPI")	2.70%	2.50%	2.90%
Future 5%LPI pension increases	2.70%	2.50%	2.90%
Future 2.5%LPI pension increases	2.50%	2.50%	2.50%
Revaluation in deferment	2.70%	2.50%	2.90%
Assumed life expectancies on retirement at age 65 are:			
Retiring today			
	Males	21.4	21.4
	Females	24.0	24.2
Retiring in 20 years time			
	Males	22.7	22.7
	Females	25.4	25.7

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:

	Value at 31 July 2023 £000	Value at 31 July 2022 £000
Equities	25,901	30,440
Fixed Interest	12,481	12,080
Inflation Linked Bonds	17,458	26,160
Insured Annuities	14,333	17,921
Cash and Other	580	3,070
Fair value of scheme assets	70,753	89,671
The actual return on assets over the period was:	(18,191)	(18,857)
Present value of funded obligations	(74,948)	(95,020)
Fair value of scheme assets	70,753	89,671
Deficit in funded scheme	(4,195)	(5,349)
Deficit	(4,195)	(5,349)
Net liability in balance sheet	(4,195)	(5,349)

## 21. Superannuation schemes (continued)

### Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	As at 31 July 2023	As at 31 July 2022
Benefit obligation at beginning of year	95,020	131,460
Interest cost	3,090	2,085
Actuarial (gains)/losses	(20,399)	(36,238)
Benefits paid	(3,397)	(2,742)
Past service cost	634	455
Benefit obligation at end of year	74,948	95,020

### Reconciliation of opening and closing balances of the fair value of scheme assets

Fair value of scheme assets at beginning of year	89,671	109,422
Interest income on scheme assets	2,947	1,744
Return on assets, excluding interest income	(21,138)	(20,601)
Contributions by employers	2,670	1,848
Benefits paid	(3,397)	(2,742)
Fair value of scheme assets at end of year	70,753	89,671

### The amounts recognised in CSOCIE:

Service cost - including current service costs, past service costs and settlements	634	455
Net interest on the net defined benefit liability	143	341
Total expense	777	796

### Remeasurements of the net defined benefit liability to be shown in CSOCIE:

Actuarial losses on the liabilities	(20,399)	(36,238)
Return on assets, excluding interest income	21,138	20,601
Total remeasurement of the net defined benefit liability to be shown in CSOCIE	739	(15,637)

#### c) NHS pension scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at: [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period. In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that 'the period between formal valuations shall be four years, with approximate assessments in intervening years'. An outline of these follows:

## 21. Superannuation schemes (continued)

### i) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021 is based on valuation data at 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used. The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually.

### ii) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers. The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6%. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case. The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HM Treasury valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

### 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.

## 22. Subsidiary undertakings

The ICR has the following subsidiary undertakings:

- (i) 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 broke even in the year ended 31 July 2023 (2022: £nil profit). Its net assets at 31 July 2023 amounted to £189,985 (2022: £189,985). The accounts of ICR Sutton Developments Ltd have been consolidated into the accounts of the ICR.
- (ii) 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 did not trade in the year ended 31 July 2023. On 31 October, the directors of the company applied to Companies House to dissolve the company.
- (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 was dormant in 2023 (2022: £nil). Its net assets at 31 July 2023 amounted to £1,581 (2022: £1,581). The accounts of ICR Enterprises Ltd have been consolidated into the accounts of the ICR.
- (iv) 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 2023 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.
- (v) Everyman Action Against Male Cancer - The company is limited by guarantee and was dormant throughout the period ended 31 July 2023.
- (vi) Other investments - The ICR is a founder and shareholder of three companies whose aims are to exploit the intellectual property generated at the ICR. This includes Domainex Limited (3% shareholding), Chroma Therapeutics Limited (0.2% shareholding) and Monte Rosa Therapeutics (3.7% shareholding). The cost of the ICR's shareholding of these companies is included in investments.
- (vii) ICR London Cancer Hub Company Limited - the ICR owns 100% of the issued share capital of this company, which undertake activities in respect of the London Cancer Hub project. The company was incorporated on 2 March 2017 and has not traded since incorporation.
- viii) ICR Chemical Probes Portal Limited - the ICR owns 100% of the issued share capital of this company, which owns a database used for research purposes.

The ICR has the following associate and joint venture undertakings:

- (i) Diafora Medical Limited - the ICR owns 33.3% of the issued share capital of this company, which owns intellectual property licensed to Celescan Limited, Diafora Medical Limited owns a 49% shareholding in Celescan Limited. There were no material transactions in the year and this undertaking is recognised in the accounts as a joint venture.

## 22. Subsidiary undertakings (continued)

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

ICR Sutton Developments Limited	2023 £000	2022 £000
Turnover	122	357
Expenditure	(122)	(357)
Operating profit	-	-
Assets	546	665
Liabilities	(356)	(475)
Funds	190	190
ICR Chemical Probes Portal Limited	2023 £000	2022 £000
Turnover	-	16
Expenditure	(4)	(4)
Operating profit	(4)	12
Assets	8	12
Liabilities	-	-
Funds	8	12

ICR Chelsea Development Limited has net assets of £2 and ICR Enterprises Limited has net assets of £1,581. There were no transactions in either of these subsidiaries during 2022/23.

## 23. Related parties

The ICR has taken the exemption given by Financial Reporting Standard 102, from disclosing transactions with wholly owned subsidiaries. One of the Trustees is employed by Cancer Research UK which provides funding to the ICR in the form of grants awarded through open competition and external peer review. £20,282,000 of funding was received from Cancer Research UK during the year. This includes £2,394,000 in pending grant instalments included on the ICR's balance sheet 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 £5,276,000 and research grant income includes £5,073,000 in respect of collaborative research undertaken with The Royal Marsden. The year end accounts receivable balance includes £552,000 owed to ICR by The Royal Marsden and £103,000 was owed to The Royal Marsden by ICR.

## 24. Accounting estimates and judgements

These accounts have been prepared using a number of assumptions concerning the carrying amount of assets and liabilities within the next financial year.

Legacy income of £3,060,000 has been accrued based on the estimated value of legacy cases for which probate has been granted and any other related conditions met, for which no funds have yet been received.

The freehold and leasehold properties comprising the Institute of Cancer Research operational estate were valued as at 31 July 2023 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation - Professional Standards, January 2014 amendment, and April 2015 UK amendment and Financial Reporting Standard 102 and the 2019 Statement of Recommended Practice 'Accounting for Further and Higher Education'. The valuation was undertaken on a Fair Value basis, with specialised properties valued by reference to Depreciated Replacement Cost, and with non-specialised operational properties valued on a Fair Value basis equating to Market Value on the assumption of a continuation of the existing use. The valuation is reported under the special assumptions to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced.

ICR has considered whether building assets should be separated into components in order that different useful economic lives are reflected in the depreciation charge. ICR considers component accounting would not have a material impact on the depreciation charge.

The ICR has recognised a liability in respect of the commitment to contribute to a University Superannuation Scheme (USS) deficit recovery plan. FRS 102 makes the distinction between a group plan and a multi-employer scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The ICR is satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

The calculation of the liability uses a discount rate of 5.52% based on a discount rate for high quality corporate bonds. The calculation also uses assumptions around future salary inflation and changes in staff numbers.

The ICR also recognises a liability in respect of the ICR defined benefit pension scheme. The valuation of this liability uses a number of assumptions, laid out in more detail in Note 21.

# The Board of Trustees

The Board of Trustees is the governing body of the ICR and is constituted under Article 13 of its Articles of Association.

Name	Title/nominating body	Number of meetings could have attended*	Actual Attendance	Notes
Professor Chris Bakal PhD	Academic Board	6	3	
Professor Julia Buckingham FMedSci	Chair	6	6	
Mr William Burns BA(Hons)	Co-option	6	5	Until 30 September 2023
Mrs Mandy Donald BAcc	Co-option	6	5	Until 31 July 2023
Mr Charlie Foreman BA	Co-option	6	6	
Dr Iain Foulkes PhD	CRUK	6	4	Until 31 July 2023
Mr Charlie Geffen	Deputy Chair / Co-option	6	6	Until 31 July 2023
Professor Kristian Helin	Chief Executive and President	6	6	
Professor Clare Isacke FMedSci	Dean of Academic & Research Affairs	6	6	
Professor Nicholas Jones FMedSci	Co-option	6	5	
Mr Bastien Lecoer	Student representative	6	6	
Mr Chris Molloy	Co-option	6	5	From 1 September 2022
Mr Karl Munslow-Ong BA(Econ) MSc	Alternate Director to Cally Palmer / The Royal Marsden	1	1	July 2023
Dame Cally Palmer MSc MIHM DipHSM	The Royal Marsden	6	5	
Mr Ruchir Rodrigues MSc	Co-option	6	4	
Mr John Shakeshaft MA	Co-option	6	6	
Professor Margaret Frame	Co-option	3	3	From 1 March 2023

\*Includes Board of Trustees, Nomination Committee and Remuneration Committee meetings

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

Mr Paul Norris BSc(Hons) ACA MBA	Chief Financial Officer
Dr Barbara Pittam BSc, MPhil, PhD	Chief Research and Academic Officer (from May 2023)
Mr Gordon Stewart LLB (Hons)	Chief Operating Officer (to April 2023)
Professor Janet Shipley BSc, PhD, FRCPath	Head, Division of Molecular Pathology
Professor Jonathon Pines FRS, FMedSci, PhD	Head, Division of Cancer Biology
Professor Kevin Harrington PhD FRCP FRCR FRSB	Head, Division of Radiotherapy & Imaging

# Fellows, members and associates

## Fellows of the ICR

The honorary appointment of Fellow of the ICR is conferred upon distinguished individuals who have some connection with the ICR 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 ICR's objectives.

Sir John Michael Ashworth  
 Professor Sir Kenneth Charles Calman  
 Mr Edward Alexander Campbell Cottrell  
 Dr Michael Joseph Crumpton  
 Professor Mike Dexter  
 Lord Charles Michael Faringdon  
 Professor Peter Bryan Garland  
 Mr Jonathan Mark Kipling  
 Baroness Delyth Jane Morgan of Drefelin  
 Professor Sir Michael John Peckham  
 Professor Robert Anthony Weiss

## Members of the ICR

Members of the ICR 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 ICR. Members are subscribers to the ICR's Articles of Association and as such are entitled to attend any Extraordinary General Meeting which may be convened.

Mr Neil Ashley  
 Sir John Michael Ashworth  
 Dr Peter John Bailey  
 Dr David Barford  
 Mr Roger Nicholas Bird  
 Professor Sir Tom Leon Blundell  
 Dr Mark William Bodmer  
 Sir Marsom Henry Boyd-Carpenter  
 Professor Julia Buckingham  
 Mr William Murray Burns  
 Mr Andrew Campbell  
 Mr Graham John Clarke  
 Mr Edward Alexander Campbell Cottrell  
 Miss Phyllis Margaret Cunningham  
 Mr Marcus Basil Ziani de Ferranti

Mr Jeffrey Jack Defries  
 Ms Mandy Donald  
 Mr Anthony William Charlton Edwards  
 Mr Richard John Elliott  
 Lord Charles Michael Faringdon  
 Dr Susan Elizabeth Foden  
 Mr Charlie Foreman  
 Professor Margaret Frame  
 Mr Bernard William Freedman  
 Mr David Richard Fryatt  
 Professor Peter Bryan Garland  
 Ms Sandra Gallagher  
 Mr Charles Slade Henry Geffen  
 Mr Dermot James Gleeson  
 Dr Peter Neville Goodfellow  
 Mrs Jane Elizabeth Hamilton  
 Professor Adrian Llewellyn Harris  
 Mr Clive Andrew Heaphy  
 Mr Thomas Alexander Gavin Henderson  
 Dr Trevor Anthony Hince  
 Mr Ian Hodgson  
 Mr James Hollond  
 Mrs Susan Ann Johnson  
 Mr Luke Oliver Johnson  
 Professor Nicholas Jones  
 Mr Nigel Philip Jones  
 Mr Peter John Charles Keemer  
 Mr Jonathan Mark Kipling  
 Mr Artem Korolev  
 Professor Martin Leach  
 Professor Ronald Alfred Laskey  
 Mr Keith Cantwell Lawrance  
 Mr Anthony Edward Lightly  
 Mr Michael George Lillywhite  
 Mr Justin Nicholas Macklin  
 Mr Kenneth Alfred Markham  
 Mr Frederick Ian Maroudas  
 Professor Timothy Stanley Maughan  
 Mr Christopher Richard Molloy  
 Dr Michael James Morgan  
 Professor Howard Redfern Morris  
 Professor Ghulam Jeelani Mufti  
 Ms Sharmila Nebhrajani  
 Professor Stephen Neidle  
 Dr Brendan Richard O'Neill  
 Professor Robert John Ott  
 Lady Helen Margaret Otton  
 Ms Lianne Patterson

Miss Annabel Clare Pillman  
 Mrs Jenkin Rathbone  
 Professor Lesley Howard Rees  
 Mrs Marie-Christine Riachi  
 Mrs Winifred Robbins  
 Mr Anthony John Roberts  
 Mr Ruchir Rodrigues  
 Lord RT Hon Richard Andrew Ryder  
 Mr Michael John Lawson Sales  
 Mr Guy Edmund Sangster  
 Mrs Catherine Scivier  
 Mr Julian Seymour  
 Mr John Shakeshaft  
 Mr Farhan Shakoor  
 Mr Richard Simon Sharp  
 Mr Martin Stephen Smith  
 Dr Keith Snell  
 Mr Ronald Edwin Spurgeon  
 Ms Auriol Stevens  
 Professor Sir Michael Rudolf Stratton  
 Mr Stuart Arthur Taylor  
 Mr James Thorne  
 Mr Michael John Usher  
 Miss Monica Irena Watson  
 Professor Steve Webb  
 Mr Michael William Weston  
 Mr John Frank Williamson  
 Mr Andrew Wolstenholme  
 Sir David Hugh Wootton  
 Dr Michael Robert Young

#### Associates of the ICR

Appointment as an Associate of the ICR is conferred on long serving ex-employees of the ICR 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 ICR or having otherwise done something outstanding to enhance the reputation of the ICR.

Dr Gladys Wynne Aherne  
Mrs Rosemary Joan Atkins  
Ms Linda Margaret Baldwin  
Dr Susan Elaine Barrie  
Mrs Elizabeth Anne Bennett  
Mrs Susan Braddish  
Mr Dennis A Brunning  
Mrs Bridget Therese Carey-Watts  
Mr Paul Carnochan  
Professor Richard Lawrance Carter  
Mr Christopher Stephen Chandler  
Mr Nicholas David Clarke  
Miss Susan Clinton  
Mr Paul Frederick Collins  
Mrs Gillian Alice Coombes  
Mrs Jacqueline Ann Cordell  
Professor Dame Jessica Lois Corner  
Mrs Christine Croucher  
Dr Douglas Augustine Darcy  
Dr Lawrence Christopher Davies  
Professor Suzanne Amy Eccles  
Mr Paul Charles Farley  
Mrs Carol Ann Faux  
Dr Edwin Oscar Field  
Dr Margaret Alice Flower  
Mrs Ann Susan Ford  
Mr Frank Friedlos  
Professor Michelle Dawn Garrett  
Mrs Phyllis Maud Goddard  
Dr Graham Humphreys Goodwin  
Dr P Grover  
Professor Barry Austin Gusterson  
Mr John Gordon Harris  
Mr Alan John Hewer  
Professor Christopher Rowland Hill  
Mr Paul Stephen Hyett  
Professor Ann Lesley Jackman  
Ms Liz Jackson  
Professor Michael Jarman  
Mrs Marjorie Cameron Kipling  
Mrs Betty Dorothy Lloyd  
Mr Robert MacCormick  
Mrs Ruth Marriott

Mrs Christine Martin  
Dr Lesley-Ann Martin  
Dr Estella Matutes  
Dr Edward McDonald  
Mr Robert Kenneth Merrifield  
Mr Edward Reginald Howard  
Merryweather  
Ms Judith Mills  
Dr Martin Roy Osborne  
Mr Kwasi Ampadu Owusu-Ankomah  
Mr Geoffrey Douglas Parnell  
Dr John Peacock  
Mrs Rosemary Ann Pendry  
Ms Nina Padmini Perusinghe  
Professor Charles Ross Pinkerton  
Mrs Marcia Rangeley  
Dr Jane Renshaw  
Mr Dave Robertson  
Mrs Sheila Sanford  
Mr Derek Simmons  
Mrs Margaret Rosina Snigorska  
Professor Gordon G Steel  
Mr Arthur Leslie Stewart  
Mrs Sylvia M Stockbridge  
Mr Steve Surridge  
Ms Debbie Tandy  
Miss Dorothy Lilian Tharp  
Dr Ian Titley  
Mr Maurizio Luigi Piero Valeri  
Dr Stan Venitt  
Dr Mike Walton  
Mr William Warren  
Dr Kathy Weston  
Mrs Eileen Margaret Williams  
Mrs Marion Zanelli

# Legal and administrative information

#### Auditors

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