

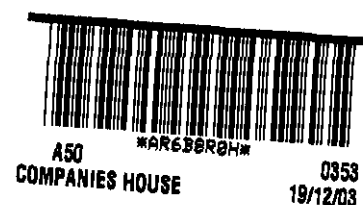
The Institute of Cancer Research: Royal Cancer Hospital

Company Number 534147

Financial Statements for the year ended 31 July 2003

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REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 JULY 2003

The Board of Trustees of The Institute of Cancer Research ('The Institute') present their Annual Report and Financial Statements for the year ended 31 July 2003.

1. **Accounting Policies**

The Institute follows accounting policies contained in the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued by the Charity Commission in October 2000.

2. **Objectives**

The Institute was established in 1909 to carry out research into the causes of cancer and to develop new strategies for its prevention, diagnosis, treatment and cure.

3. **Corporate Governance**

The Institute of Cancer Research together with The Royal Marsden Hospital forms the largest comprehensive cancer centre in Europe, and one of the leading centres in the world. The Institute has authorised a total of 1040 posts of which some 55 are Royal Marsden staff who work within The Institute. During the year The Institute had an average of 862 employees of whom 91% (2002 – 91%) are directly engaged in research and research support. It raised £51.7 million (2002 – £55.9 million) during the year from research grants and voluntary income and spent some £52.0 million (2002 - £54.8 million) which included £4.1 million (2002 - £12.1 million) of capital expenditure.

The Institute is

- a research enterprise
- a higher education institution
- a company limited by guarantee
- an exempt charity

The Institute's objects, powers and framework of governance are set out in its Memorandum and Articles of Association, the current version of which was approved by the Members of The Institute in March 2001.

The overall governing body of The Institute is its Board of Trustees. The Committees are as follows:

- **The Board of Trustees** (Chaired by Lord Faringdon)
As a charity The Institute is governed by charity trustees collectively known as the Board of Trustees. The trustees carry the responsibility of company directors of The Institute. The Board of Trustees comprises 21 individuals nominated by The University of London, The Royal Marsden Hospital, Cancer Research UK; individuals co-opted by the Board of Trustees itself and others elected by the Academic Board, together with ex-officio members (the Chief Executive, the Academic Dean and the Chairman of The Royal Marsden Hospital) and a student nominee.

The Board of Trustees carries the overall responsibility for ensuring that The Institute pursues its charitable objects, complies with its own constitution and relevant legislation and regulations, applies its resources exclusively to its objects and enacts cancer research of the highest international standard. In addition, the Board of Trustees recognises the principles underlying 'The Committee on Corporate Governance's Combined Code' and applies them within The Institute.

The Board of Trustees determines The Institute's strategies; approves its scientific and financial plans, annual report and accounts and governance structure, makes key appointments (Chief Executive, Academic Dean, Secretary of The Institute and Heads of Laboratories) and monitors The Institute's strategic performance. It also approves new initiatives and non-recurrent expenditure costing £500,000 or more.

During the financial year The Institute welcomed Mr Richard Hambro, Dr Michael Morgan, Miss Clare Pillman and Miss Monica Watson to its governing body. Mr Corey Gutierrez has been appointed to the Board of Trustees since 1 August 2003.

Professor Alistair Bellingham, Mr Rex Davie, Miss Nicola Ingram and Sir Paul Nurse have stepped down from the governing body. The Institute is extremely grateful for their valuable contributions during their appointments.

The Board of Trustees met six times in 2002/03. To facilitate the smooth running of The Institute, the Board of Trustees has established a number of sub-committees. The terms of reference of each committee have been approved by the Board of Trustees.

- **The Academic Board** (Chaired by Professor Robert Ott)
The Academic Board meets three times a year and advises, through the Academic Dean, the Board of Trustees on education strategies and priorities.

- **The Audit Committee** (Chaired by Mr Ronald Spurgeon)
The Audit Committee meets three or four times a year. The Committee supervises internal and external audit in order to safeguard the integrity of The Institute's financial systems and ensure economy, efficiency and effectiveness in the use of The Institute's resources. All meetings are attended by senior members of The Institute's external auditors and The Institute's Senior Internal Auditor. The Committee has full access to the internal and external auditors who in turn have access at all times to the chairman of the Audit Committee.
- **The Constitutional and Nomination Committee** (Chaired by Lord Faringdon)
The Constitutional and Nomination Committee meets at least twice a year and approves the balance of skills and attributes required of non-executive members of Institute committees so that The Institute may be properly and independently governed. The Committee appoints such individuals to fulfil that function (except to the Board of Trustees) and appoints Associates of The Institute. The Committee recommends to the Board of Trustees the admission of Members and Fellows of The Institute and appointments to the Board of Trustees.
- **The Remuneration Committee** (Chaired by Lord Faringdon)
The Remuneration Committee meets at least once a year. The Committee determines the remuneration policy and the salaries of senior members of staff. A Report from the Remuneration Committee is set out on pages 8-10.
- **The Corporate Management Group** (Chaired by Professor Peter Rigby)
The Corporate Management Group meets monthly to assist the Chief Executive in managing The Institute to achieve its strategic aim and objectives within the approved strategy for research and education, and within the approved budget.
- **The Joint Research Committee** (Chaired by Professor Chris Marshall)
The Joint Research Committee meets six times a year. The Committee advises the Chief Executives and through them, The Institute's Board of Trustees and The Royal Marsden Hospital's Board of Directors on all research strategies and priorities.
- **The Investments and Building Development Committee** (Chaired by Mr Edward Cottrell)
The Investments and Building Development Committee meets four times a year. The Committee manages The Institute's investments and building developments.

- **The Fundraising and PR Committee** (Chaired by Dr John Ashworth)
The Fundraising and PR Committee meets four times a year. The Committee manages The Institute's fundraising and public relations activities.

Declaration of Interests

The Board of Trustees has adopted the following policy on the 'Registration and Declaration of Interests':

- (1) All Board and committee members should declare any interests which may potentially cause a conflict in the course of fulfilling their duties and responsibilities as a Board or committee member.
- (2) Charities should work together for the public good and the betterment of cancer research. Cross trusteeship and committee membership between cancer charities should be seen as complementary and beneficial providing such trusteeship or committee membership is properly exercised.
- (3) Individuals who are a trustee or an employee of more than one charity or a director of a business will have to recognise that there may be occasions when, for example, joint ventures between such organisations require legal agreements or financial arrangements to be negotiated. On such occasions the individual will need to decide which organisation has his/her predominant allegiance and participate only in the discussion and decision of that organisation. Where The Institute is not the individual's predominant allegiance, the individual non-executive member will normally be expected to withdraw from The Institute meeting. Such withdrawal could, exceptionally, be waived at the Committee's discretion. Such interests, when declared, withdrawal or waiver thereof, will be recorded in the minutes.

4. Research Review

Some 83% (2002 – 86%) of The Institute's activities are funded from competitively won peer-reviewed grants or through the Higher Education Funding Council for England's Research Assessment Exercise. These mechanisms ensure the timely external review of all The Institute's research activities. Our ability to prosecute such research depends on our ability to win funds to do so.

5. Internal Control

The Institute is committed to following best practice in all aspects of corporate governance. The summary describes how The Institute has

applied the principles set out in Section 1 of the Combined Code on Corporate Governance issued by the London Stock Exchange in June 1998.

The Board of Trustees is responsible for the maintenance of a system of internal control which provides reasonable assurance that risks to the achievements of policies, aims and objectives are being satisfactorily managed, assets of The Institute are safeguarded, transactions are properly authorised, financial statements are prepared from reliable records and the requirements of applicable laws and regulations are met.

The Institute's financial affairs are overseen by the following sub-committees of the Board of Trustees - the Audit Committee, the Remuneration Committee and the Investments and Building Development Committee.

The Board of Trustees has designated the Chief Executive as its Accounting Officer and the Designated Office Holder for Higher Education Funding Council for England (HEFCE) purposes and has designated the Secretary of The Institute as its Principal Financial Officer. The Chief Executive is responsible to the Board of Trustees for managing The Institute within the approved budget and recommending the allocation of resources; the Secretary of The Institute is responsible for recommending the resources which are available for allocation.

The system of internal control is risk-based and encompasses a number of elements that facilitate an effective and efficient operation, enabling The Institute to respond to a variety of risks. These are described below.

a. Risk Management

The Corporate Management Group and Corporate Service Directors, assisted by the Risk Manager, are responsible for the identification and management of all the major risks to achievement of The Institute's strategic objectives. This review covers all risks including financial, business, operational and compliance risks. Each risk identified by the Group is assessed and prioritised with reference to the potential impact if the risk occurred and the likelihood of occurrence. The responsibility for specific risks is assigned to the relevant academic, scientific and support staff who provide assurance of the action taken.

The Risk Register which is considered three times a year by the Corporate Management Group, identifies for each key risk the *contributing factors, mitigating and improvement actions and the senior manager(s) responsible for management of the risk*. The Board of Trustees reviews the risk register and progress against

objectives and the actions taken to mitigate risks on the basis of reports from management three times a year.

b. Policies and Procedures

The Institute has a series of policies set by the Board of Trustees that have regard to risks and underpin the internal control process. Written procedures support the policies where appropriate.

c. Financial Controls

In managing its affairs, The Institute has put in place strict *authorisation, approval and control levels within which staff operate*. The Institute's financial controls are organised as follows:

- (i) The Financial Strategy is approved by the Board of Trustees
- (ii) The Standing Financial Instructions are approved by the Board of Trustees
- (iii) The Financial Regulations are approved by the Corporate Management Group
- (iv) Financial Procedures are approved by the Secretary, as Principal Financial Officer and/or the Director of Finance

The overall budget of The Institute is approved by the Board of Trustees. The Board of Trustees is required to authorise any proposal costing £500,000 or more. The Board of Trustees has set authorisation levels for operation by The Institute's staff for expenditure below this level.

d. Planning

A planning process is used to set objectives, agree action plans and allocate resources. Risk identification is integrated into the planning process and risk reporting into regular review of progress against plans.

e. External Consultants

External Consultants are used as necessary to report on specialist areas such as Health and Safety and Information Technology and provide advice on actions required to achieve improvements.

f. Internal Audit

Internal Audit adopts a risk based approach undertaking a programme of examinations covering all aspects of The Institute's activities and provides to the Board of Trustees and the Chief Executive an independent annual statement on the adequacy and effectiveness of the system of internal control and the management of risk.

In undertaking its work, Internal Audit has regard to the HEFCE Audit Code of Practice. Internal Audit was last reviewed for effectiveness by the HEFCE Audit Service in January 2001 and found to be satisfactory.

g. External Audit

The External Auditors provide feedback to the Audit Committee on the operation of internal financial controls reviewed as part of the external audit and include within their audit procedures the monitoring of The Institute's management of risk.

h. Audit Committee

The Audit Committee, on behalf of the Board of Trustees, keeps under review the effectiveness of The Institute's systems of risk management and internal controls in operation throughout the year, through examination of the work undertaken by Internal and External Audit, including consideration of all audit reports and through them the management of The Institute. In addition to financial control, this review covers the arrangements for Corporate Governance, Financial Management and Management of Risk, compliance with laws and regulations and the efficiency and effectiveness of operations.

i. Conclusion

The Audit Committee's opinion is that The Institute can place reliance on the risk management and internal control systems. The Board of Trustees has received and reviewed reports from the Audit Committee on its work.

The Board of Trustees is of the view that there is an ongoing process for identifying, evaluating and managing The Institute's significant risks, and that it has been in place for the year ended 31 July 2003 and up to the date of the approval of the annual report and accounts, that it is regularly reviewed by the Board of Trustees and that it accords with the internal control guidance for directors in the Combined Code as deemed appropriate for higher education.

6. Report of the Remuneration Committee

Remit of the Remuneration Committee

The Remuneration Committee comprises four Members of The Institute. Appointments are such that between them, the members of the Remuneration Committee have expertise in the management of medical/biomedical research, the commercial sector, the public sector and any other areas as the Committee deems necessary. The current membership comprises The Institute's Chairman, who chairs the Committee, the Deputy Chairman of The Institute, the Honorary Treasurer and one other co-opted member of the Board of Trustees.

The Committee determines, on behalf of the Board of Trustees, all matters concerning the terms and conditions and remuneration packages (including pension benefits and severance payments, if any, but see also below) of the Executive Directors of The Institute (the Chief Executive, the Secretary of The Institute, the Academic Dean, the Director of Clinical Research and Development and the Head of

the Chester Beatty and Haddow Laboratories) and other senior staff (the chairmen of the research sections, professors and the directors of corporate service functions).

Remuneration Policy

It is the aim of The Institute's Human Resource Strategy to provide a framework within which The Institute may direct and develop staff to realise their full potential to enact cancer research of the highest international standards.

To that end it is an objective of the strategy to create a climate where The Institute can recruit, retain and motivate the best staff to further its research aims and objectives by enabling The Institute to:

- compete selectively in the market place;
- encourage innovation and improve performance;
- develop the research leaders of tomorrow;
- identify and reward excellence.

Within this aim and objective it is current practice to:

- have regard to market rates;
- recognise achievement financially.

The Committee has therefore determined the pay policy for senior staff which takes account of the following factors:-

1. Individual performance assessed by reference to:
 - the responsibilities of the individual post;
 - the management and performance of the research section/team or service for which the individual is responsible;
 - the individual's contribution to The Institute's overall performance.
2. Individual remuneration determined by reference to:
 - pay awards agreed for other staff within The Institute;
 - sustained exceptional performance which may be rewarded by increases in basic pay (ie permanent additions);
 - exceptional contributions in a particular year which may be rewarded by one-off bonuses that are non-superannuable;
 - the need to recruit and retain rare skills and abilities, both nationally and internationally;
 - the strategic needs of the organisation.
3. Comparison with other relevant organisations.

Disciplinary Action

In the event that The Institute is considering disciplinary action against a member of staff whose remuneration falls within the remit of the Remuneration Committee, the Committee has determined that The Institute should make no financial commitment relating to the departure of the member of staff before completing the necessary disciplinary action.

The remuneration of the Executive Officers and other senior staff is disclosed in Note 18 of the Annual Accounts.

7. Overall results

The full accounts are reproduced on pages 18 to 38.

Incoming resources for 2003 were £51.7 million compared to £55.9 million in 2002. The lower level of incoming resources reflects the high level of capital grants towards the cost of the Brookes Lawley Building received in the previous year. A total of £8.8 million was received in 2002 (£7.9 million from The Wellcome Trust and £0.8 million from HEFCE). Excluding the effect of these exceptional capital grants the growth in income was 9.4% which reflects the increase in research grants awarded to The Institute.

The accounts show unrestricted net incoming resources before transfers for 2003 of £0.9 million (2002 – £3.8 million).

The Statement of Financial Activities also shows net incoming resources of £2.8 million (2002 – £9.4 million) on restricted funds. The high level in both years reflects the receipt of capital grants. In 2003 capital grants totalling £2.8 million were received mainly for equipment (2002 £10.1 million). These grants were fully expended in the year but in accordance with SORP the Statement of Financial Activities does not include capital expenditure.

8. Research expenditure

Expenditure on research was £44.1 million (2002 - £39.0 million). This rise is partly as a result of the laboratory rent rebate of £1.9 million that was received in 2002 which reduced expenditure in that year. In 2003 a total of £1.5 million was spent on laboratory refurbishment – an increase in the £717,000 incurred in 2002. After allowing for the impact of the rebate and the refurbishment costs there was an underlying increase of £1.8 million, a rise of 7.9%. This increase reflects further expansion in the Cancer Research UK Centre for Cancer Therapeutics which increased its research expenditure by £1 million compared to 2002, an increase of 22% and Cancer Genetics which increased its expenditure by £498,000, a rise of 34%.

9. **Fundraising**

Legacy income fell by £413,000 to £2.2 million in 2003. This was largely offset by the growth in fundraising income which increased by £342,000, a rise of 25% largely from the everyman campaign.

10. **Capital developments**

The construction of the Brookes Lawley Building in Sutton reached practical completion in June 2002. During 2003 there were costs of £1.2 million incurred in finalising the project.

A new project was started to provide a new facility for chemists from the Cancer Research UK Centre for Cancer Therapeutics. The facility will be located on the top floor of the Haddow Laboratories at Sutton and is expected to cost £2.4 million. By 31 July 2003 a total of £1.5 million had been incurred.

The Institute's scientific properties were subject to an interim valuation as at 31 July 2003. This resulted in a revaluation gain of £6.7 million.

11. **Reserves policy**

Approximately 60% of The Institute's work is financed from competitively won grants for specific research projects and programmes, a quarter from competitively won research funding resulting from the Higher Education Funding Councils' Research Assessment Exercise and the remainder from The Institute's voluntary and investment income.

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

In determining the level of free funds to be held in reserve the Board of Trustees considers The Institute's future needs and possible risks. In particular the Board of Trustees considers, having designated funds for particular research and infrastructure needs (if to be financed from reserves) and for capital developments, and in accordance with Charity Commission guidance:

- the forecast for levels of income in future years, taking into account the reliability of each source of income and the prospects for opening up new sources
- the forecasts of expenditure in future years on the basis of

planned activity

- its analysis of any future needs, opportunities, contingencies or risks the effects of which are not likely to be met out of income if and when they arise
- its assessment, on the best evidence available, of the likelihood of each of these needs, opportunities, contingencies or risks arising and the consequences for The Institute of not being able to meet them.

The Board of Trustees' opinion is that The Institute should maintain free reserves of between £18 million and £22 million or 21 to 26 weeks of The Institute's budgeted annual expenditure for the next year.

The Board of Trustees reviews this policy and the assessment and calculation of the level of free reserves each year. In explaining its overall reserves position and level of free reserves the Board of Trustees believes it is important to explain the composition of The Institute's total net assets.

The current position is shown on the face of the balance sheet. The Institute has total net assets of £104.7 million (2002 - £93.9 million) made up as follows:

	2003 (£m)	2002 (£m)
Funds invested in fixed assets		
- General funds	32.1	23.6
- Restricted funds	26.3	25.9
Designated funds		
- Development funds	15.1	16.0
- Other funds	4.9	3.9
Restricted funds	5.5	3.9
Endowment funds	1.6	1.6
Free reserve	<u>19.2</u>	<u>19.0</u>
	<u>104.7</u>	<u>93.9</u>

In holding such free reserves within its investments, the Board of Trustees has due regard to the need to seek a reasonable balance between investment risk, current income and capital growth.

12. Investment policy and performance

Under the Memorandum and Articles of Association The Institute can "invest and deal with any monies not immediately required for its purposes in such a manner as may be thought fit". The Institute is prohibited from investing in any company perceptibly involved in the sale of tobacco or tobacco products. The exercise of the investment

powers is the responsibility of the Investments and Building Development Committee.

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

For the first year since 1999 the capital value of The Institute's investment portfolio has risen resulting in a gain of £281,000 in unrestricted funds.

The General Fund is within the range set by the Board of Trustees, albeit at £19.2 million at the lower end of the range. The Board of Trustees are continuing to monitor the position.

13. **Pensions**

The first accounting period which will include details of FRS 17 will be the year ended 31 July 2005. In accordance with FRS 17 The Institute has included in a note to the Accounts the impact on the Statement of Financial Activities if the approach prescribed in FRS 17 had been followed.

This shows that The Institute of Cancer Research Pension Scheme is in deficit by £8.3 million. In common with many defined benefit schemes, the scheme has been affected by falling investment returns, annuity rates and the impact of increasing life expectancy forecast by the actuary.

In anticipation of this position changes were made to the scheme during the year. Contribution rates were increased for both employer and employee. The retirement age was increased to 65. The next actuarial valuation is due on 31 March 2004. On the basis of advice from the actuary The Institute is confident of the long-term viability of the scheme.

14. **Employees**

Disabled employees:

The Institute recognises its obligations to disabled persons. In accordance with the provisions of the Disability Discrimination Act 1995, The Institute endeavours to provide equality in recruitment, training, career development, working conditions and dismissal as the demands of its research work and the ability of each individual allows.

Employee involvement:

The Institute uses a number of methods to keep its staff fully informed of matters of concern to them. These include a joint Institute/Royal Marsden Hospital in-house magazine (LINK), four-monthly briefings by the Chief Executive of all staff, Board of Trustees' minutes, summaries of Corporate Management Group meetings and regular organisational updates which are distributed by e-mail and displayed throughout The Institute.

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

15. Charitable and political donations

The Institute made no charitable or political donations during the year.

16. Auditors

A resolution to re-appoint the auditors, BDO Stoy Hayward will be proposed at the Annual General Meeting.

17. Statement of the financial responsibilities of members of the Board of Trustees

The Institute is a company limited by guarantee, a College of the University of London, and an exempt charity under the Second Schedule of the Charities Act 1993. Members of the Board of Trustees, the governing body of The Institute, are therefore both its company directors and charity trustees.

Company law requires the members of the Board of Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of The Institute and of the net incoming or outgoing resources of The Institute for that period.

In preparing those financial statements, the members of the Board of Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Institute will continue

to pursue its objectives.

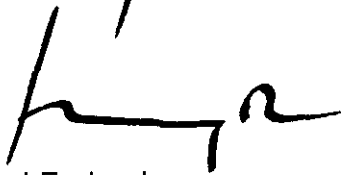
The members of the Board of Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of The Institute and enable them to ensure that the financial statements comply with the Companies Act 1985.

They are also responsible for safeguarding the assets of The Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

18. **Approval of the Financial Statements**

The Financial Statements were approved by the Board of Trustees on 25 November 2003.

Approved by the Board of Trustees 25 November 2003.

A handwritten signature in black ink, appearing to be 'Lord Faringdon', written over a horizontal line.

Lord Faringdon
Chairman

REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BODY OF THE INSTITUTE OF CANCER RESEARCH: ROYAL CANCER HOSPITAL

We have audited the financial statements of The Institute of Cancer Research for the year ended 31 July 2003 on pages 18 to 38 which have been prepared under the accounting policies set out on pages 22 and 23.

Respective responsibilities of Governing body and auditors

The Governing body's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out on pages 14 and 15.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if The Institute has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with The Institute is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board and the Audit Code of Practice issued by the HEFCE. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the governing body in the preparation of the financial statements, and of whether

the accounting policies are appropriate to the institution's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

1. The financial statements give a true and fair view of the state of affairs of the institution and the group at 31 July 2003, and of the group's incoming resources and resources expended, including its income and expenditure, and the expenditure, recognised gains and losses and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act.
2. Income from the Higher Education Funding Council for England, grants and income for specific purposes and from other restricted funds administered by the institution have been applied only for the purposes for which they were received.
3. Income has been applied in accordance with the institution's statutes and where appropriate with the Financial Memorandum (dated 1st August 2000) with the Higher Education Funding Council for England.

A handwritten signature in black ink, appearing to read 'BDO Stoy Hayward', is written over the company name.

BDO STOY HAYWARD

Chartered Accountants & Registered Auditors

LONDON

25 November 2003

The Institute of Cancer Research

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating the Consolidated Income and Expenditure Account)

for the year ended 31 July 2003

	Note	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds £000 2003	Total funds £000 2002
Incoming resources						
External grants	2	24,239	19,358	-	43,597	48,121
Legacies and donations	3	2,705	1,205	-	3,910	3,981
Income from investments	4	3,552	-	-	3,552	3,496
Other incoming resources		591	-	-	591	335
Total incoming resources		<u>31,087</u>	<u>20,563</u>	<u>-</u>	<u>51,650</u>	<u>55,933</u>
Cost of generating funds						
Fundraising and promotional costs	5	(1,317)	-	-	(1,317)	(1,034)
Net incoming resources available for charitable application		<u>29,770</u>	<u>20,563</u>	<u>-</u>	<u>50,333</u>	<u>54,899</u>
Charitable expenditure						
Research expenditure	6	26,530	17,586	-	44,116	38,992
Support costs	7	795	-	-	795	869
Management and administration	7	1,490	210	-	1,700	1,815
Total charitable expenditure		<u>28,815</u>	<u>17,796</u>	<u>-</u>	<u>46,611</u>	<u>41,676</u>
Total resources expended		<u>30,132</u>	<u>17,796</u>	<u>-</u>	<u>47,928</u>	<u>42,710</u>
Net incoming resources before transfers		<u>955</u>	<u>2,767</u>	<u>-</u>	<u>3,722</u>	<u>13,223</u>
Transfers between funds	14	847	(847)	-	-	-
Net incoming resources		<u>1,802</u>	<u>1,920</u>	<u>-</u>	<u>3,722</u>	<u>13,223</u>
Other recognised gains & losses						
Realised gains & losses on investments		(625)	-	-	(625)	(712)
Unrealised gains & losses on investments		906	-	24	930	(2,309)
Revaluation gains & losses on fixed assets		6,760	-	-	6,760	-
Net movement in funds		<u>8,843</u>	<u>1,920</u>	<u>24</u>	<u>10,787</u>	<u>10,202</u>
Fund balances at 1 August 2002		62,518	29,838	1,572	93,928	83,726
Fund balances at 31 July 2003		<u>71,361</u>	<u>31,758</u>	<u>1,596</u>	<u>104,715</u>	<u>93,928</u>

All The Institute's operations are continuing. There were no gains or losses other than those stated above.

The notes on pages 22 to 38 form part of these financial statements.

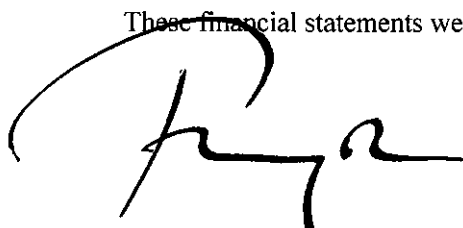
The Institute of Cancer Research

BALANCE SHEETS

31 July 2003

		Group		Institute	
	Note	2003 £000	2002 £000	2003 £000	2002 £000
FIXED ASSETS					
Tangible assets	8	58,372	49,551	58,372	49,551
Investments	9	69,202	65,471	69,202	65,471
		<u>127,574</u>	<u>115,022</u>	<u>127,574</u>	<u>115,022</u>
CURRENT ASSETS					
Stocks		175	121	175	121
Debtors	10	4,202	5,573	4,231	5,119
Cash at bank and in hand		226	365	197	365
		<u>4,603</u>	<u>6,059</u>	<u>4,603</u>	<u>5,605</u>
CREDITORS: Amounts falling due within one year	11(i)	(6,774)	(6,215)	(6,774)	(5,761)
NET CURRENT ASSETS		<u>(2,171)</u>	<u>(156)</u>	<u>(2,171)</u>	<u>(156)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		125,403	114,866	125,403	114,866
CREDITORS: Amounts falling due after more than one year	11(ii)	(20,688)	(20,938)	(20,688)	(20,938)
		<u>104,715</u>	<u>93,928</u>	<u>104,715</u>	<u>93,928</u>
UNRESTRICTED FUNDS					
General funds	13	19,241	19,018	19,241	19,018
Designated funds	13	52,120	43,500	52,120	43,500
		<u>71,361</u>	<u>62,518</u>	<u>71,361</u>	<u>62,518</u>
RESTRICTED FUNDS					
Income funds	14(i)	31,758	29,838	31,758	29,838
ENDOWMENT FUNDS	14(ii)	1,596	1,572	1,596	1,572
		<u>104,715</u>	<u>93,928</u>	<u>104,715</u>	<u>93,928</u>

These financial statements were approved by the Board of Trustees on 25 November 2003.



Lord Faringdon
Chairman of the Board of Trustees



Edward Cottrell
Honorary Treasurer

The notes on pages 22 to 38 form part of these financial statements.

The Institute of Cancer Research
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 July 2003

	Note	2003 £000	2002 £000
Net cash inflow from operating activities	1	5,566	18,351
Returns on investments and servicing of finance	2	1,789	3,827
Capital expenditure and financial investment	3	(9,138)	(11,216)
Financing	4	-	494
CASH (OUTFLOW)/INFLOW BEFORE USE OF LIQUID RESOURCES		<u>(1,783)</u>	<u>11,456</u>
Management of liquid resources	5	1,644	(11,278)
(DECREASE)/INCREASE IN CASH IN THE YEAR		<u>(139)</u>	<u>178</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	1 August 2002 £000	Cash flows £000	31 July 2003 £000
Cash at bank and in hand	365	(139)	226
Money market and other deposits	45,994	(1,644)	44,350
Finance leases	(20,688)	0	(20,688)
	<u>25,671</u>	<u>(1,783)</u>	<u>23,888</u>

The Institute of Cancer Research

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 July 2003

1	RECONCILIATION OF CHANGES IN RESOURCES TO NET INFLOW FROM OPERATING ACTIVITIES	2003 £000	2002 £000
	Net incoming resources	3,722	13,223
	Interest element of finance lease rental payment	1,800	(300)
	Depreciation charges	2,007	1,837
	Property income	(37)	(31)
	Investment income	(3,552)	(3,496)
	Revaluation of land and buildings	-	-
	Decrease/(increase) in stocks	(54)	(10)
	Decrease/(increase) in debtors	1,371	8,559
	Increase/(decrease) in creditors	309	(1,431)
		<u>5,566</u>	<u>18,351</u>
2	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2003 £000	2002 £000
	Investment income	3,552	3,496
	Rent receivable	37	31
	Interest element of finance lease rental payment	(1,800)	300
		<u>1,789</u>	<u>3,827</u>
3	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2003 £000	2002 £000
	Payments to acquire tangible fixed assets	(4,068)	(12,076)
	Purchases of investments	(19,001)	(9,796)
	Receipts from sales of investments	13,931	10,656
		<u>(9,138)</u>	<u>(11,216)</u>
4	FINANCING	2003 £000	2002 £000
	Capital element of finance lease rental payment	-	494
		<u>-</u>	<u>494</u>
5	MANAGEMENT OF LIQUID RESOURCES	2003 £000	2002 £000
	Decrease/(increase) in short term deposits	1,644	(11,278)

The Institute of Cancer Research

NOTE 1 : ACCOUNTING POLICIES

(i) ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention as modified by the revaluation of land and buildings and investments to market value, in accordance with applicable investments to accounting standards. They comply with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in October 2000. The Institute has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of The Institute's activities.

(ii) LAND AND BUILDINGS

Land and buildings are valued every five years in accordance with the Guidance Notes for the Valuation of Assets issued by the Royal Institute of Chartered Surveyors for the purpose of balance sheet valuations. The last full valuation took place on 31 July 2000 for scientific properties and 31 July 2001 for residential properties. There was an interim valuation of scientific properties on 31 July 2003.

Valuations are made on a Depreciated Replacement Cost basis for scientific properties and Open Market Value for residential properties. Unrealised gains arising at each revaluation are shown in the Revaluation Reserve. Unrealised losses are taken to the Statement of Financial Activities (SOFA) except to the extent that they reverse revaluation gains on the same asset.

(iii) INVESTMENTS

Investments are stated at the market value at the date of the balance sheet. Unrealised gains and losses arising during the year are included in the Statement of Financial Activities. Investment income is the amount received by The Institute in the year.

(iv) GRANTS ACCOUNTING

Income from external grants is recognised in the Statement of Financial Activities as soon as it is receivable unless it is receivable for future periods in which case it is treated as deferred income.

(v) CAPITAL GRANTS

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

(vi) LEGACIES AND DONATIONS

Legacies and donations are included in the Statement of Financial Activities in the year in which they are received except for items in excess of £50,000 where income is accounted for once it is known with certainty that an identifiable sum of money is going to be received. This includes the value of material properties which have been bequeathed to The Institute but not realised at the balance sheet date.

(vii) INCOMING RESOURCES

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

(viii) DEPRECIATION AND AMORTISATION

Amortisation 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 buildings	2% or the length of the lease if shorter than 50 years.

The Institute of Cancer Research

NOTE 1 : ACCOUNTING POLICIES

The cost of refurbishing and maintaining the buildings is written off in the year the expenditure is incurred.

(ix) EQUIPMENT AND DEPRECIATION

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

(x) STOCKS

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

(xi) RESOURCES EXPENDED

Central costs have been included in expenditure for individual research sections on the basis of work performed.

Research support costs reflect the staff costs incurred on Management Information and Personnel Services.

(xii) FUND ACCOUNTING

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

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

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

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

(xiii) PENSIONS

The Institute participates in three defined benefit schemes – details are shown in note 18.

The liabilities are valued periodically by a professionally qualified independent actuary. The rates of contribution payable are determined on the advice of the actuary. Pension costs are assessed in accordance with the advice of the actuaries based on the most recent actuarial valuation of the schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which The Institute benefits from the employees' services.

(xiv) CONSOLIDATION BASIS

The Institute owns 100% of the share capital of two companies - ICR Chelsea Development Ltd and ICR Sutton Developments Ltd. These companies have been set up to act as developers for the construction of laboratories. The consolidated statements include the financial statements of these companies as well as Everyman Action Against Male Cancer. As provided by Section 230 of the Companies Act 1985 no Statement of Financial Activities is presented for The Institute.

ICR Enterprises Ltd undertakes trading activities and is wholly owned by The Institute. The results are not consolidated into the results of The Institute as they are not material.

The Institute of Cancer Research

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2003

2. EXTERNAL GRANTS

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2003 £000	Total funds 2002 £000
Higher Education Funding Council for England	10,715	134	-	10,849	11,623
Grants for research	9,450	16,442	-	25,892	22,101
Grants and contracts for teaching and support services	3,500	587	-	4,087	4,258
Grants for equipment and building	574	2,195	-	2,769	10,139
	<u>24,239</u>	<u>19,358</u>	<u>-</u>	<u>43,597</u>	<u>48,121</u>

3. LEGACIES AND DONATIONS

Fund-raising income is largely derived from the UK. Legacy income includes £322,500 (2002: £195,000) which relates to legacies bequeathed to The Institute but not realised at the balance sheet date.

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2003 £000	Total funds 2002 £000
Legacies	2,246	-	-	2,246	2,659
Donations	459	1,205	-	1,664	1,322
	<u>2,705</u>	<u>1,205</u>	<u>-</u>	<u>3,910</u>	<u>3,981</u>

4. INVESTMENT INCOME

	2003 £000	2002 £000
Interest income	3,112	3,083
Dividend income	440	413
	<u>3,552</u>	<u>3,496</u>

All investment income is derived from investments held within the UK.

The Institute of Cancer Research

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2003

5. COST OF GENERATING FUNDS

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2003 £000	Total Funds 2002 £000
Fundraising costs	612	-	-	612	510
Legacy administration and development costs	385	-	-	385	206
Information and education costs	217	-	-	217	234
Investment managers fees	103	-	-	103	84
	<u>1,317</u>	<u>-</u>	<u>-</u>	<u>1,317</u>	<u>1,034</u>

Although the Fundraising department raises both restricted and unrestricted funds the costs have not been split.

6. RESEARCH EXPENDITURE

	Unrestricted funds £000	Restricted funds £000	Total funds	
			2003 £000	2002 £000
Research sections	14,604	16,309	30,913	28,734
Scientific services	2,400	-	2,400	2,487
Academic and research services	1,537	45	1,582	2,266
Laboratory development and renovations	3,313	-	3,313	417
Health, safety and welfare service	677	-	677	604
Amortisation and depreciation	693	1,232	1,925	1,764
Accommodation services	3,306	-	3,306	2,720
	<u>26,530</u>	<u>17,586</u>	<u>44,116</u>	<u>38,992</u>

Research expenditure includes interest payable under finance leases of £1,800,000. In 2002 there was a net refund of £300,000 following the receipt of an exceptional rebate of £1,839,000.

Research expenditure including amortisation and depreciation is analysed as follows:

	Staff costs £000	Other costs £000	Deprec -iation £000	Total 2003 £000	Total 2002 £000
Research sections	20,878	10,035	1,594	32,507	30,169
Scientific services	2,305	95	176	2,576	2,632
Academic and research services	1,057	525	81	1,663	2,383
Laboratory development and renovations	107	3,206	8	3,321	1,564
Health, safety and welfare services	323	354	25	702	625
Accommodation services	538	2,768	41	3,347	1,619
	<u>25,208</u>	<u>16,983</u>	<u>1,925</u>	<u>44,116</u>	<u>38,992</u>

The Institute of Cancer Research
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2003

7. MANAGEMENT AND ADMINISTRATION SERVICES

	Staff costs £000	Deprec- -iation £000	Other costs £000	Total 2003 £000	Total 2002 £000
Management and administration services	1,167	-	425	1,592	1,611
Audit fee	-	-	28	28	18
Amortisation and depreciation	-	80	-	80	73
Accommodation costs	-	-	-	-	113
	<u>1,167</u>	<u>80</u>	<u>453</u>	<u>1,700</u>	<u>1,815</u>

Management and administration services include the costs of directing and administering The Institute both as a research and a charitable organisation. Staff costs relating to Human Resources and Management Information Services are included under support costs.

Audit fee for 2003 includes an amount of £5,566 which represents the impact of an under accrual for audit fees in 2002.

8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Leasehold land and buildings £000	Furniture, plant and equipment £000	Total £000
Cost or valuation				
1 August 2002	32,948	16,233	9,874	59,055
Revaluation gain	2,070	3,062	-	5,132
Additions at cost	2,548	-	1,520	4,068
At 31 July 2003	<u>37,566</u>	<u>19,295</u>	<u>11,394</u>	<u>68,255</u>
Depreciation				
1 August 2002	562	655	8,287	9,504
Revaluation gain	(703)	(925)	-	(1,628)
Provided in the year	664	324	1,019	2,007
At 31 July 2003	<u>523</u>	<u>54</u>	<u>9,306</u>	<u>9,883</u>
Net book value				
31 July 2003	<u>37,043</u>	<u>19,241</u>	<u>2,088</u>	<u>58,372</u>
31 July 2002	<u>32,386</u>	<u>15,578</u>	<u>1,587</u>	<u>49,551</u>
Historic cost				
31 July 2003	<u>29,873</u>	<u>14,850</u>	<u>2,088</u>	<u>46,811</u>
31 July 2002	<u>27,891</u>	<u>15,175</u>	<u>1,587</u>	<u>44,653</u>

The Institute of Cancer Research
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2003

Revaluation Reserve	2003	2002
	£000	£000
Reserve at 1 August 2002	6,403	6,540
Revaluation gain	6,760	-
<i>Transfer to Fixed Asset fund in respect of depreciation</i>		
- Current year	(229)	(137)
- Prior year	(1,373)	-
Reserve at 31 July 2003	11,561	6,403

There were no fixed assets other than those held by The Institute.

Net book value of assets held under finance lease was £17.2 million (2002: £13.8 million) which comprised leasehold properties. The depreciation on these assets for the year was £324,000 (2002: £340,000).

The Institute's scientific properties were revalued by Gerald Eve Chartered Surveyors as at 31 July 2000. The valuations were undertaken on a depreciated replacement cost. Gerald Eve carried out an interim valuation on the scientific properties (excluding the Brookes Lawley Building which was completed in June 2002) as at 31 July 2003.

As a result of the arrangements stated in note 11 concerning the Chester Beatty Laboratories, it is not possible to obtain a valuation for this property under normal RICS guidelines. However in accordance with FRS 5 The Institute has, after making enquiries, valued the laboratories on the hypothetical assumption that it has an unfettered freehold title and the leases referred to in Note 11 did not exist. On this basis using the depreciated replacement cost method, the laboratories are included in the financial statements at a value of £20.4 million. The laboratories were valued at £32.2 million which includes the Chester Beatty Laboratories valued at £20.4 million.

The Institute's residential properties were valued by Frost Properties Surveyors as at 31 July 2001. The valuations were undertaken on an open market basis. The valuation was £1,504,000. The trustees are not aware of any material changes since the last valuation.

9. INVESTMENTS

	Listed fixed interest £000	Listed equities and unit trusts £000	Unlisted equities and unit trusts £000	Money market deposits £000	Total £000
Market value at 1 August 2002	7,872	11,588	17	45,994	65,471
Movements in deposits	-	-	-	(1,644)	(1,644)
Additions at cost	12,752	6,249	-	-	19,001
Disposals at book value	(8,269)	(6,287)	-	-	(14,556)
Unrealised (losses) /gains	(118)	1,057	(9)	-	930
Total at 31 July 2003	12,237	12,607	8	44,350	69,202
Historic cost as at:					
31 July 2003	12,152	12,416	53	45,994	70,615
31 July 2002	7,671	12,534	53	34,716	54,974

The Institute of Cancer Research

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2003

The listed investments held by the General Fund (£11.4 million) are a segregated investment portfolio managed by Merrill Lynch Investment Managers. The listed investments held by the Endowment Funds (£1.2 million) are invested in the Charishare Tobacco Restricted Fund which is a recognised charity common investment fund managed by Merrill Lynch Investment Managers.

At 31 July 2003 money market deposits included a fixed deposit of £21.7 million held by HSBC, £12.4 million invested in the Merrill Lynch Institutional Liquidity Fund, £7.2 million invested in the BGI Sterling Liquidity Plus Fund, £1.7 million invested in an HSBC money market deposit and £1.3 million of other deposits.

10. DEBTORS

	Group		Institute	
	2003	2002	2003	2002
	£000	£000	£000	£000
Grant debtors:				
-Capital grants due from HEFCE	-	826	-	826
-Capital grants due from The Wellcome Trust	-	875	-	875
-Capital equipment grants	-	56	-	56
-Revenue grants	2,791	2,457	2,791	2,457
Other trade debtors	415	620	415	166
Legacy debtors	323	284	323	284
Prepayments	418	125	418	125
Amounts due from subsidiary undertakings	-	-	174	115
Other debtors	255	330	110	215
	<u>4,202</u>	<u>5,573</u>	<u>4,231</u>	<u>5,119</u>

11. CREDITORS:

	Group		Institute	
	2003	2002	2003	2002
	£000	£000	£000	£000
(i) Amounts falling due within one year				
Trade creditors	1,304	2,049	1,304	1,595
Accruals	2,343	1,880	2,343	1,880
Deferred grant income	754	-	754	-
Other creditors	1,709	1,705	1,709	1,705
Taxes and social security	664	581	664	581
	<u>6,774</u>	<u>6,215</u>	<u>6,774</u>	<u>5,761</u>
(ii) Amounts falling due after more than one year				
Other creditors – over one year	-	250	-	250
Finance lease payable – over five years	20,688	20,688	20,688	20,688
	<u>20,688</u>	<u>20,938</u>	<u>20,688</u>	<u>20,938</u>

The Institute has entered into an arrangement with Lloyds Bank Property Company Ltd (Lloyds) whereby a long leasehold has been granted on The Institute's freehold property, the Chester Beatty Laboratories, to Lloyds. Lloyds have undertaken to pay for the development of the laboratories up to a maximum of £20.6 million exclusive of VAT. It has granted an occupational lease to The Institute to occupy the laboratories.

The Institute of Cancer Research

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2003

HSBC Plc have granted an irrevocable Letter of Credit to Lloyds in respect of costs related to the project. At 31 July 2003, The Institute has placed on deposit at HSBC a sum of £21.7 million (2002: £21.7 million) which includes security for the Letter of Credit. In accordance with Financial Reporting Standard 5 the transaction has been accounted for by treating the amounts paid to the contractor in respect of the development as additions to the fixed assets of The Institute. The corresponding entry, which represents the amounts paid by Lloyds, has been treated as a long-term loan.

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General funds £000	Designated funds £000	Restricted funds £000	Endow- ment funds £000	Total funds 2003 £000
Tangible fixed assets	-	32,106	26,266	-	58,372
Investments	47,607	15,716	4,283	1,596	69,202
Net current assets	(7,678)	4,298	1,209	-	(2,171)
Long term creditors	(20,688)	-	-	-	(20,688)
Total net assets	19,241	52,120	31,758	1,596	104,715

13. UNRESTRICTED FUNDS

	Balance at 1 August 2002 £000	Income £000	Expen- diture £000	Transfers, gains and losses £000	Balance at 31 July 2003 £000
Designated funds					
Fixed asset funds	17,226	-	-	3,319	20,545
Revaluation Reserve	6,403	-	-	5,158	11,561
Development Fund	15,963	-	-	(830)	15,133
FC Hunter Studentship Fund	569	-	-	-	569
Joan Francis Stowe Fund	14	-	-	-	14
Unrestricted external funds	3,325	10,124	(9,243)	92	4,298
	<u>43,500</u>	<u>10,124</u>	<u>(9,243)</u>	<u>7,739</u>	<u>52,120</u>
General Fund	<u>19,018</u>	<u>20,963</u>	<u>(20,889)</u>	<u>149</u>	<u>19,241</u>
Total unrestricted funds	<u>62,518</u>	<u>31,087</u>	<u>(30,132)</u>	<u>7,888</u>	<u>71,361</u>

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

The Institute of Cancer Research

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2003

	£'000
Capital commitments (see note 16)	4,824
Scientific initiatives	1,042
Other development funds	9,267
	<u>15,133</u>

The FC Hunter Studentship Fund is a legacy from the estate of Mr FC Hunter designated by The Institute for the purpose for supporting research studentships. The Joan Frances Stowe Fund finances the Joan Frances Stowe Prizes in Palliative and Nursing Care.

The Unrestricted external funds are grants awarded to The Institute for which The Institute has discretion as to their use. The transfers to and from unrestricted funds reflect adjustments to grant funds following the review of balances held.

14. RESTRICTED FUNDS

(i) Income funds	Balance at 1 August 2002 £000	Income £000	Expen- diture £000	Transfers, gains and losses £000	Balance at 31 July 2003 £000
Funds invested in fixed assets					
Breakthrough Breast Cancer	5,309	-	(111)	-	5,198
The Bob Champion Cancer Trust	960	-	(20)	-	940
Everyman Appeal	723	-	(15)	40	748
The Garfield Weston Foundation	480	-	(10)	-	470
The Monument Trust	333	-	(7)	-	326
The Wolfson Foundation	740	500	(25)	-	1,215
HEFCE	8,275	-	(166)	-	8,109
The Wellcome Trust	7,963	-	(159)	-	7,804
Equipment funds	1,138	1,037	(719)	-	1,456
	<u>25,921</u>	<u>1,537</u>	<u>(1,232)</u>	<u>40</u>	<u>26,266</u>
Other restricted funds					
Everyman Appeal	360	592	-	(952)	-
Cancer Research UK	493	-	-	(10)	483
Epidemiology Fund	-	113	-	(113)	-
Other restricted donations	-	-	-	-	-
Research grants	3,064	18,321	(16,564)	188	5,009
	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Sub total	3,917	19,026	(16,564)	(887)	5,492
Total restricted funds	<u>29,838</u>	<u>20,563</u>	<u>(17,796)</u>	<u>(847)</u>	<u>31,758</u>

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

The Institute of Cancer Research

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2003

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

The Higher Education Funding Council, Wellcome Trust and The Wolfson Foundation have contributed to the building of the Brookes Lawley Building.

The Cancer Research UK Epidemiology Fund represents the accumulated surplus on an endowment originally received from, and subsequently returned to Cancer Research UK. This surplus continues to fund The Institute's Epidemiological research.

The transfer from the Everyman Appeal represents amounts raised to fund expenditure on male cancers incurred in the unrestricted funds.

The research grants are funds received by The Institute for specific cancer research projects.

The transfers to and from restricted funds reflect adjustments to restricted grant funds following the review of balances held.

ii) Endowment funds	Balance at 1 Aug 2002 £000	Income £000	Expen- diture £000	Transfers, gains and losses £000	Balance at 31 July 2003 £000
Hensley Nanikvell Studentship Fund	848	-	-	13	861
Sir SK Tang Fund	437	-	-	6	443
The Ivan and Felicite Stoller Fund	287	-	-	5	292
Total endowment funds	1,572	-	-	24	1,596

The endowment funds are permanent and as such the capital cannot be expended.

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

15. LEASE COMMITMENTS

At 31 July 2003 the Institute had annual operating lease commitments (excluding the lease arrangements of the Chester Beatty laboratories) in respect of property leases which expire as follows:

	2003 £000	2002 £000
Within one year	1	2
Over five years	321	321
	322	323

The Institute of Cancer Research
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2003

16. CAPITAL COMMITMENTS	2003 £000	2002 £000
Contracted but not provided for	1,255	570
Authorised by the Board of Trustees but not contracted for	3,569	5,446
	<u>4,824</u>	<u>6,016</u>

The contracted commitments represent the cost to complete the Brookes Lawley Building in Sutton.

17. EMOLUMENTS OF THE BOARD OF TRUSTEES

No fees are paid to members of the Board of Trustees for their services as charity trustees. Those members of the staff of The Institute who are members of the Board of Trustees receive only the normal remuneration of their appointments.

Five non-executive trustees received a total of £942 for reimbursement of travel expenses.

18. STAFF COSTS	2003 No.	2002 No.
(i) Average number of employees		
Research staff	707	699
Research support staff	74	91
Fundraising services	20	16
Corporate services including Academic services	61	65
	<u>862</u>	<u>871</u>

Research student numbers exclude students who do not appear on the payroll and research staff who are registered for higher degrees.

	2003 £000	2002 £000
(ii) Remuneration		
Wages and salaries	23,025	22,639
Social security costs	1,795	1,718
Other pension costs	2,836	2,641
	<u>27,656</u>	<u>26,998</u>

The Institute of Cancer Research
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for the year ended 31 July 2003

(iii) Remuneration of Executive Directors

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

	2003	2002
	£000	£000
Chief Executive	121	131
Head of Chester Beatty and Haddow Laboratories	95	77
Head of Clinical Laboratories	143	133
Academic Dean	65	74
Secretary of The Institute	87	87
Chief Executive including employer's pension contributions	138	148

(iv) Remuneration of Higher Paid Staff

	2003	2002
	No.	No.
£50,001 - £60,000	10	15
£60,001 - £70,000	11	7
£70,001 - £80,000	7	9
£80,001 - £90,001	5	3
£90,001 - £100,000	4	6
£100,001 - £110,000	3	2
£110,001 - £120,000	-	1
£120,001 - £130,000	4	-
£130,001 - £140,000	-	3
£140,001 - £150,000	3	-
£150,001 - £160,000	-	-
£160,001 - £170,000	1	1
£170,001 - £180,000	-	-
£180,001 - £190,000 (included significant relocation costs)	-	1
£190,001 - £200,000 (included significant relocation costs)	-	1

(v) Superannuation schemes

The Institute participates in three superannuation schemes. The majority of scientific staff are in the Universities Superannuation Scheme (USS) (and the Universities Supplementary Dependants & Ill- Health Retirement Pension Scheme (USDPS)). The majority of clinical staff are in the National Health Service Superannuation Scheme (NHSPS) and other staff are in the ICR Pension Scheme (ICRPS). All three schemes provide benefits based on final pensionable salary.

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

This is a defined benefit scheme which is externally funded and contracted out of the State Second Pension Scheme (S2P). The assets of the scheme are held in a separate trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it were a defined contribution scheme. The cost recognised within the surplus for the year in the income and expenditure account being equal to the contributions payable to the scheme for the year.

The Institute of Cancer Research

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2003

The latest actuarial valuation was at 31 March 2002. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest) and the rates of increase in salary and pensions. In relation to the past services liabilities the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 5.0% per annum, salary increases would be 3.7% per annum and pensions would increase by 2.7% per annum. In relation to the future service liabilities it was assumed that the valuation rate of interest would be 6% per annum, including an additional investment return assumption of 1% per annum, salary increases would be 3.7% per annum and pensions would increase by 2.7% per annum. The valuation was carried out using the projected unit method.

At the valuation date, the market value of the assets of the scheme was £19,938 million and the value of past service liabilities was £19,776 million leaving a surplus of assets of £162 million. The assets therefore were sufficient to cover 101% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The institution contribution rate required for future service benefits alone at the date of the valuation was 14.25% of salaries but it was agreed that the institution contribution rate will be maintained at 14% of salaries. To fund this reduction of 0.25% for the period of 12 years from the date of the valuation (the average outstanding working lifetime of the current members of the scheme) required the use of £82.5 million of the surplus. This left a past service surplus of £79.5 million (including the Supplementary Section) to be carried forward.

Surpluses or deficits which arise at future valuations may impact on The Institute's future contribution commitment. The next formal actuarial valuation is due as at 31 March 2005 when the above rates will be reviewed.

The total pension cost for The Institute was £984,000 (2002: £1,004,000). This includes £121,000 (2002: £120,000) outstanding contributions at the balance sheet date. The contribution rate payable by The Institute was 14% of pensionable salaries.

b) National Health Service Superannuation Scheme (NHSPS)

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

The Scheme is subject to a full valuation every four years. The last valuation took place as at 31 March 1999. Between valuations, the Government Actuary provides an update of the scheme liabilities on an annual basis. The latest assessment of the liabilities of the Scheme is contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published every October.

The Institute charges employer's pension costs contributions to operating expenses as and when they become due. Employer contribution rates are reviewed every four years, following a scheme valuation carried out by the Government Actuary. On advice from the actuary the contribution may be varied from time to time to reflect changes in the scheme's liabilities. At the last valuation on which contribution rates were based (31 March 1994) employer contribution rates for 2002/03 were set at 7% (7% for 2002) of pensionable pay. The total employer contribution payable in 2002/03 was £157,000 (£157,000 for 2002). Employees pay contributions of 6% of their pensionable pay.

c) ICR Pension Scheme (ICRPS)

This is a defined benefit scheme which is externally funded and contracted out of the SERPS. The assets of the scheme are held in a separate trustee-administered fund.

The Institute of Cancer Research

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2003

The most recent actuarial valuation was carried out by the actuary as at 31 March 2001. The valuation based on the projected unit method indicated that the funding of the ICRPS was satisfactory, with the actuarial value of the assets covering the accrued liabilities based on estimated final pensionable salaries at retirement to the extent of 108%, a surplus of £2.3 million.

The assumptions used in the valuations were as follows:

Investment returns	6.8%
Discount rate	5.3%
Salary inflation	3.8%
Pensions increases	2.3%
Price inflation	2.3%

This valuation only allows for increases of up to 5.5% and any additional increase is funded by The Institute.

The Valuation has been updated to 31 July 2003 in accordance with FRS17 by an independent actuary. The major assumptions used by the actuary at 31 July were:

	2003	2002
Discount rate	5.5%	6.0%
Salary inflation	4.2%	4.0%
Pensions increases	2.7%	2.5%
Price inflation	2.8%	2.5%

The assets and liabilities of the scheme at 31 July 2003 and the expected return on assets over the following year measured in accordance with the requirements of FRS 17 were:

	2003 £'million	2002 £'million	Expected return (2002 & 2003)
Bonds	3.5	3.2	5.0%
Equities	22.8	19.8	7.5%
Other	<u>3.0</u>	<u>2.2</u>	4.5%
Total assets	29.3	25.2	
Liabilities	<u>(37.6)</u>	<u>(27.5)</u>	
(Deficit)/Surplus	<u>(8.3)</u>	<u>(2.3)</u>	

If the above amounts had been recognised in the financial statements, The Institute's net assets and reserves at 31 July would have been as follows:

	2003 £'m	2002 £'m
Net assets excluding pension (liability)/asset	98.1	93.9
Pension (liability)/asset	(8.3)	(2.2)
Net asset including pension (liability)/asset	<u>89.8</u>	<u>91.7</u>
	2003 £'m	2002 £'m
General fund excluding pension (liability)/assets	19.2	19.0
Pension (liability)/asset	(8.3)	(2.2)
General fund including pension (liability)/asset	<u>10.9</u>	<u>16.8</u>

The Institute of Cancer Research

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2003

If pension costs had been recognised in accordance with FRS 17, the following components of the pension charge would have been recognised in the Statement of Financial for the year ended 31 July 2003:

	£'m
Expected return on scheme asset	1.8
Interest cost	(1.7)
Net expected return on pension asset/(liability)	0.1
Current service cost	2.3
Net amounts charged to Statement of Financial Activities	2.4

	£'m
Actual return less expected return on scheme assets	-
Loss from change in assumptions underlying the present value of scheme liabilities	(5.6)
Experience gain/(loss) arising on scheme liabilities	0.1
Total loss charged to Statement of Financial Activities	(5.5)

The employer's contributions rate was increased from 13% to 15% on 1 May 2002 and increased to 16% on 1 August 2003 and will rise to 17% on 1 April 2004 and 18% on 1 August 2004. Members joining the scheme after 1 May 2002 will contribute 6%. Contributions from members joining prior to 1 May 2002 are being introduced from 1 August 2003, starting at 2.5% and rising to 6% by 1 April 2006. On 31 July 2003 an amount of £128,000 was payable to the scheme (2002 - £128,000).

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

(vi) Health and Safety at Work

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

19. VALUE ADDED TAX

The Institute incurred irrecoverable VAT amounting to some £906,000 during the year (2002 - £723,000). It is a member of the Charities Tax Reform Group which campaigns on behalf of its members for a reduction in their VAT burden.

20. SUBSIDIARY UNDERTAKINGS

The Institute has the following subsidiary undertakings:

- (i) **ICR Chelsea Development Limited** - The Institute owns 100% of the issued share capital of this company which has been set up to act as the developer of the Chester Beatty Laboratories. It did not make a profit or a loss for the period ended 31 July 2003 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 Institute.

The Institute of Cancer Research

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2003

- (ii) **ICR Sutton Developments Limited** - The Institute owns 100% of the issued share capital of this company which has been set up to act as the developer of the Male Urological Cancer Research Centre and the Brookes Lawley Building. It did not make a profit or a loss for the period ended 31 July 2003 and its net assets at that date amounted to £2. The accounts of ICR Sutton Developments Ltd have been consolidated into the accounts of The Institute.
- (iii) **ICR Enterprises Limited** - This company undertakes trading activities (e.g. the sale of Christmas Cards) for the benefit of The Institute that it cannot carry out itself as an exempt charity. The Institute owns 100% of the issued share capital. The company made a profit of £283 for the year ended 31 July 2003 (2002 - £15,578) which was paid to The Institute by means of a covenanted payment. Its net assets at 31 July 2003 amounted to £2. The results have not been consolidated into the accounts of The Institute as they are not material.
- (iv) **Everyman Action Against Male Cancer** - The company is limited by guarantee and was dormant throughout the period ended 31 July 2003.
- (v) **Other investments** - The Institute is a founder and shareholder of six companies whose aims are to exploit the intellectual property generated at the Institute. The companies and The Institute's shareholding are EPTTCo Ltd (19.9%), PETRRA Limited (20.2%), PROACTA Therapeutics Limited (16.7%), Domainex Limited (9.8%), Chroma Therapeutics Limited (5.3%) and PIRamed Limited (4.4%). The investment in Domainex Limited was acquired in December 2002. The investment in PIRamed Limited was acquired in July 2003. None of these companies has undertaken any significant trading. The results of these companies have not been consolidated into the accounts of The Institute as they are not material. The cost of The Institute's share holding of these companies is included in unlisted investments.

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

	2003 £000	2002 £000
ICR Enterprises Limited		
Turnover	5	19
Expenditure	(5)	(3)
Operating profit	-	16
Covenanted payment to The Institute	-	(16)
Profit for the year	-	-
Assets	1	18
Liabilities	(1)	(18)
Funds	-	-

The Institute of Cancer Research
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2003

Development companies	2003	2002
ICR Sutton Developments and ICR Chelsea Development Limited	£000	£000
Turnover	1,894	741
Cost of sales	(1,894)	(741)
Gross profit	-	-
Assets	174	10,187
Liabilities	(174)	(10,187)
Funds	-	-

21. THE MOULTON TRUST FUND

The Moulton Trust Fund is an independent charity of which The Institute of Cancer Research is the sole trustee. The Fund's income of £2,000 (2002: £2,000) was entirely donated to The Institute to fund postgraduate medical research. The Fund's net assets at 31 July 2003 were £42,000 (2002: £42,000). Audited accounts are available from The Institute.

22. RELATED PARTIES

The Institute has a joint project with Breakthrough Breast Cancer for the building of The Breakthrough Toby Robins Breast Cancer Research Centre at The Institute within the Chester Beatty Laboratories.

23. INDEMNITY INSURANCE

The Institute has purchased indemnity insurance to provide the Board of Trustees and Officers with an indemnity against a wide range of legal actions which they might face in carrying out their duties. The cost of this insurance was £4,525 (2002: £4,115).

THE BOARD OF TRUSTEES

The Board of Trustees is the governing body of The Institute and is constituted under Article 23 of The Institute's Articles of Association.

	Nominating Body
LORD FARINGDON ^{1,3} <i>Chairman</i>	Co-option
S R DAVIE ^{1,3,4} CB <i>Deputy Chairman (to 3/2003)</i>	Co-option
J M ASHWORTH ^{1,3,4,5} MA PhD DSc <i>Deputy Chairman (from 4/2003)</i>	Co-option
E A C COTTRELL ^{1,3} <i>Honorary Treasurer</i>	Co-option
PROFESSOR P W J RIGBY PhD FMedSci <i>Chief Executive</i>	Ex Officio
PROFESSOR R J OTT PhD FInstP CPhys <i>Academic Dean</i>	Ex Officio
PROFESSOR A J BELLINGHAM CBE FRCP FRCPath <i>(to 3/2003)</i>	Co-option
SIR HENRY BOYD-CARPENTER KCVO MA	Co-option
S E FODEN ¹ MA DPhil	Co-option
MRS T M GREEN ⁶ MA	Ex Officio
C GUTTIEREZ <i>(from 10/2003)</i>	Student
R A HAMBRO <i>(from 7/2003)</i>	Co-option
MISS N INGRAM BSc <i>(to 9/2003)</i>	Student
PROFESSOR M O LEACH PhD FInstP FIPEM FMedSci	Academic Board
M J MORGAN ³ BA PhD <i>(from 1/2003)</i>	Co-option
PROFESSOR H R MORRIS FRS	Co-option
SIR PAUL NURSE FRS <i>(to 4/2003)</i>	(Cancer Research UK
T A HINCE MSc PhD – alternate Director	(The Royal
MISS C A PALMER MSc MHSM DipHSM	(Marsden Hospital
D WEIR-HUGHES MA RN Neuro Cert – alternate Director	Academic Board
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MISS A C PILLMAN OBE <i>(from 4/2003)</i>	Co-option
R E SPURGEON ²	University of
PROFESSOR M WATERFIELD FRS FMedSci	London
MISS M I WATSON MA MBA FCIPD <i>(from 4/2003)</i>	Co-option
D E V WILMAN PhD CChem MRSC ARPS	Academic Board

J M KIPLING FCA *Secretary of The Institute*

PROFESSOR A HORWICH PhD FRCP FRCR FMedSci *Director of Clinical Research & Development and Head of the Clinical Laboratories*
 PROFESSOR K R WILLISON PhD *Head of the Chester Beatty and Haddow Laboratories*
 PROFESSOR C J MARSHALL FRS FMedSci *Chairman of the Joint Research Committee*

NOTES:

¹Member of the Constitutional and Nomination Committee

²Member of the Audit Committee

³Member of the Remuneration Committee

⁴Senior member of the Board of Trustees

⁵Dr Ashworth was a member of the Board of Trustees prior to his appointment as Deputy Chairman

⁶Mrs Green is Chairman of The Royal Marsden Hospital

ACADEMIC BOARD

The Academic Board advises the Board of Trustees upon all academic and teaching matters and questions of education policy.

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PROFESSOR P W J RIGBY PhD FMedSci *Chief Executive*
PROFESSOR A L JACKMAN PhD *Deputy Dean (Non-Clinical)*
K PRITCHARD-JONES BM BCh PhD FRCPE FRCPCH *Deputy Dean (Clinical)*
K ALLEN PhD
PROFESSOR A ASHWORTH PhD FMedSci
J BAMBER PhD
PROFESSOR D BARFORD DPhil FMedSci
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G ter HAAR* DSc PhD FIPEM FAIUM
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K WESTON PhD
PROFESSOR K R WILLISON PhD
D E V WILMAN PhD CChem MRSC ARPS
H WILSON
PROFESSOR P WORKMAN PhD FIBiol FMedSci
A WOTHERSPOON
PROFESSOR J YARNOLD MBBS MRCP FRCR
A ZELENT* PhD

*Reader

FELLOWS OF THE INSTITUTE

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

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PROFESSOR SIR KENNETH CALMAN KCB DL FRSE
PROFESSOR D CATOVSKY MD DSc(Med) FRCPath FRCP FMedSci
M J CRUMPTON PhD CBE HonFRCPath FRS FMedSci
PROFESSOR T M DEXTER FRS FMedSci
PROFESSOR SIR RICHARD DOLL CH OBE DMFRCP FRS
LORD FARINGDON
PROFESSOR P B GARLAND CBE MA MB PhD LLD(hc) FRSE
PROFESSOR P D LAWLEY MA PhD DSc
PROFESSOR SIR MICHAEL PECKHAM MA MD FRCP FRCP(G) FRCR FRCPath FRCS
SIR KENNETH STOWE GCB CVO
PROFESSOR R A WEISS PhD HonFRCP FRCPath FRS FMedSci
PROFESSOR G WESTBURY OBE MB BS FRCP FRCS HonFRCSEd

MEMBERS OF THE INSTITUTE

The Members of The Institute are persons who, by reason of their past and present contributions, are, in the opinion of the Board of Trustees, likely to assist the furtherance of the objects of The Institute.

J M ASHWORTH MA PhD DSc
PROFESSOR A J BELLINGHAM CBE FRCP FRCPATH
R BENTINE
PROFESSOR J W BOAG DSc FInstP FIEE
SIR HENRY BOYD-CARPENTER KCVO MA
J M CARTWRIGHT FCA ATII
E A C COTTRELL
MISS P M CUNNINGHAM CBE
PROFESSOR G A CURRIE MD FRCP FRCPATH
S R DAVIE CB
PROFESSOR A J S DAVIES PhD DSc FIBiol
J J DEFRIES BCom IPFA
HIS HONOUR JUDGE KEITH DEVLIN PhD
PROFESSOR SIR RICHARD DOLL CH OBE DM FRCP FRS
R ELLIOTT
LORD FARINGDON
W O FARRER CVO
G G FERGUSON DL
J M FIRTH CB PhD
S E FODEN MA DPhil
PROFESSOR A B FOSTER DSc
B W FREEDMAN
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R A HAMBRO
LORD HUSSEY OF NORTH BRADLEY
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P J KEEMER MPhil
K C LAWRANCE
A E LIGHTLY FRICS FBEEng ACI Arb
M G LILLYWHITE¹
M J MORGAN BA PhD
PROFESSOR H R MORRIS FRS
PROFESSOR G J MUFTI MBBS DM FRCP FRCPATH
PROFESSOR A R MUNDY MS FRCP FRCS
PROFESSOR S NEIDLE DSc PhD ARCS DIC FRSC
A R OLDHAM
J M PEARCE¹
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A C PILLMAN OBE
S READ BA
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G E RICHARDSON FRICS
DAME STELLA RIMINGTON DCB
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R E SPURGEON¹
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M I WATSON MA MBA FCIPD

PROFESSOR G WESTBURY OBE MB BS FRCP FRCS HonFRCSEd
SIR DAVID INNES WILLIAMS MA MD MChir FRCS
E WILTSHAW OBE MD FRCP FRCOG

NOTES:

¹Member of the Audit Committee

ASSOCIATES OF THE INSTITUTE

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

D A BRUNNING ALA
PROFESSOR R L CARTER CBE MA DM DSc FRCP FRCPATH FFPM
PROFESSOR J CHAMBERLAIN MB FRCP FFPHM
N CLARKE
P F COLLINS
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A R CRATHORN PhD
D A DARCY DPhil
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P M GODDARD BA MPhil
J W GOODWIN
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H S GREER MD FRCPsych
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PROFESSOR B A GUSTERSON PhD FRCPATH
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A STEWART
J A STOCK DSc FRSC
S M STOCKBRIDGE
PROFESSOR SIR TOM SYMINGTON MD DSc(Hon) FRSC FRCPG FRCPATH FRSE
PROFESSOR D M TAYLOR DSc FRSC FRCPATH
D L THARP BSc
S VENITT PhD
T WEST

Legal and administrative information

Auditors

BDO Stoy Hayward
8 Baker Street, London W1M 1DA

Bankers

Coutts & Co
Chandos Branch, 440 Strand, London WC2R 0QS

HSBC plc

Onslow Square Branch, 1 Sydney Place, London SW7 3NW

Investment Managers

Merrill Lynch Investment Managers
33 King William Street, London EC4R 9AS

Solicitors

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66 Lincoln's Inn Fields, London WC2A 3LH

Registered Office

123 Old Brompton Road
London SW7 3RP

Company number

534147