

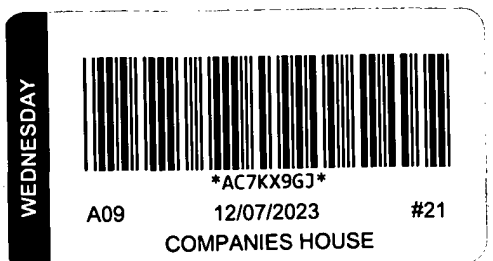
**Company Registration No. 1626049**

**CANCER RESEARCH TECHNOLOGY LIMITED**

**CANCER RESEARCH TECHNOLOGY LIMITED**

**Report and Financial Statements**

**31 March 2023**



Company Registration No. 1626049

**CANCER RESEARCH TECHNOLOGY LIMITED**

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**Company Registration No. 1626049**

**CANCER RESEARCH TECHNOLOGY LIMITED**

**Officers and professional advisers**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

**DIRECTORS**

P Chambré (Chairman)  
Dr I Foulkes  
Dr D Harland  
A C Hickson  
P D Moss  
Dr A J M Richards  
A L M Jenkins (from 1 April 2023)  
C Lengauer (from 1 April 2023)

**SECRETARY**

G Fairfield

**REGISTERED OFFICE**

2 Redman Place  
London  
England  
E20 1JQ

**BANKERS**

National Westminster Bank Plc  
Connaught House  
65 Aldwych  
London  
WC2B 4EJ

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

## CANCER RESEARCH TECHNOLOGY LIMITED

### STRATEGIC REPORT

The directors present their strategic report on Cancer Research Technology Limited ('the company' or 'CRT') for the year ended 31 March 2023.

#### Review of the business

CRT is one of the world's leading cancer translation organisations. The company is responsible for the development and commercialisation of the intellectual property arising from the Cancer Research UK ('CRUK') annual research portfolio. CRT ensures that CRUK's research results in the development of new therapeutics, diagnostics, data, digital products or devices to benefit patients with cancer. CRT works in partnership with the biopharmaceutical sector, innovators and investors to accelerate progress towards CRUK's ambition of bringing about a world where everybody can lead longer, better lives, free from the fear of cancer.

#### Results and performance

The profit before the provision for Gift Aid and taxation for the year ended 31 March 2023 was £14,283k (2022: £38,619k). Provision has been made for a Gift Aid payment of £22,175k to be made to CRUK (2022: £37,749k). There was a loss after Gift Aid of £7,892k in the financial year (2022: profit of £870k). There was a net investment loss of £2,642k in the financial year (2022: gain of £6,634k).

Operating profit for the year was £16,803k (2022: £31,970k) with a gross margin of 55% (2022: 51%) and total turnover for the year of £76,352k (2022: £92,194k). The financial position at the end of the year included reserves of £12,507k (2022: £20,399k).

Turnover includes income from royalties from the sale of abiraterone acetate of £44,978k (2022: £57,150k). Royalty income in the year from abiraterone acetate reduced due to expiry of the Rest of World patent. Royalty income from other drugs, predominantly two PARP inhibitor drugs (olaparib and rucaparib), of £13,933k (2022: £12,123k); the licensing of intellectual property rights to the value of £2,674k (2022: 3,802k); income generated from Therapeutic Innovation alliances with industry partners of £7,959k (2022: £13,211k); and the sale and licensing of research reagents which generated £6,502k (2022: £5,473k).

The company's costs of sales principally comprise revenue share costs payable to universities and research institutes at which CRUK's funded cancer research is carried out and is likely to be reinvested by those universities in support of research. In addition to the income generated from the commercialisation of intellectual property reported in these financial statements, the company enters into arrangements with pharmaceutical and other companies which result in a significant level of commercial sponsorship of university research which the company does not benefit from directly but which is aligned to CRUK's research strategy and may generate intellectual property from which future revenue benefiting the company may be generated.

CRT has had a successful year across a range of activities, including the continued pursuit of drug discovery research with industrial partners, and 45 licence and research collaboration deals (2022: 32 deals), all of which represent effective means through which research funded principally by CRUK is being translated towards patient benefit.

#### Business environment

The company engages extensively with both the biopharmaceutical industry and academic research sectors. The continued focus within academia upon translational research outputs, combined with industry continuing to seek innovation and new approaches to improving outcomes for cancer patients, position the company well for the future. The continued evolution of pharmaceutical companies, including merger and acquisition activity, presents both opportunities and challenges. After a number of years of a positive funding environment for emerging biotechnology companies and life science venture capital organisations, the financing market has contracted recently and the impact of this creates some translational uncertainty. However, there remains an opportunity for the continued creation of new partnerships with these organisations to develop CRUK science. Also, the evolution of the science and market for immune-oncology therapeutics, diagnostics and data-led technologies has continued to generate additional opportunities for the company to commercialise academic discoveries.

## CANCER RESEARCH TECHNOLOGY LIMITED

### STRATEGIC REPORT (continued)

#### Strategy

The company continues to play an important role in supporting CRUK in achieving the ambitions described in its research strategy, which has recently been refreshed. CRT creates an environment to stimulate innovation and brings together CRUK's researchers with partners and providers of capital. The company supports CRUK's ambitions through a number of activities including its work in enabling development and commercialisation of information and data, licensing intellectual property to partners, early detection and diagnostic markers, conducting translational research and development, raising capital for the translational development of CRUK's research, and forming alliances. The company also delivers biotherapeutics partnerships with industry, invests in drug discovery projects, creates and finances translationally focused new companies to develop the innovations and results of CRUK's research into breakthrough diagnostic approaches and treatments, and works directly in drug discovery in the company's Therapeutic Innovation.

As a critical element of the company's new therapeutic discovery strategy the company has consolidated the Therapeutic Discovery Laboratories and the CRUK Group's drug discovery activity in the Company. Previously, the CRUK Group had additional drug discovery activity within the Beatson Institute (a subsidiary of CRUK), in Newcastle (through CRUK's grant funding), and in CRUK's Antibody Alliance Laboratory (AAL) within its Research & Innovation department. In order to enhance the effectiveness of our drug discovery activities, the company decided to consolidate all of its drug discovery capabilities into a single organisation, with a unified management team and strategy from the start of this financial year. This includes the activities taking place at the Beatson, Newcastle and AAL.

In April 2022, CRT began trading as Cancer Research Horizons, to better reflect the company's profile in the life sciences sector and its ambitions to increase further its translational capabilities and output.

The strategy continues to evolve, but key areas of focus remain:

- Continue to build entrepreneurship skills and culture among CRUK's research community
- Develop an international search and evaluation network aligned to CRUK funded research locations
- Continue to build our capabilities in order to advance and commercialise a diverse range of research outputs, including therapeutics, diagnostics, digital and data assets
- Develop a world-class therapeutic innovation organisation

#### Key performance indicators

In addition to meeting its patient impact and financial objectives, the company has two key performance objectives – the provision of a high-quality service to support cancer researchers, and the commercialisation of new technologies. The former is assessed qualitatively, and the latter is partly assessed by the number of significant transactions completed and partly on the income received from such deals. In another period of good performance, during the financial year 45 commercial agreement transactions were completed (2022: 32).

#### Principal risks and uncertainties

The principal risks and uncertainties facing the company are largely those which are systemic to a company engaged in commercialising discoveries in the biopharmaceutical industry. The costs of developing new therapeutics and diagnostics are high and so is the attrition rate for early stage discoveries. Although income from royalties on sales of olaparib increased during the year, the majority of the company's income comes currently from royalties paid on the sales of abiraterone acetate, which will continue to decline as the period of patent protection has come to an end. Royalties on sales of rucaparib in line with the prior year.

The company addresses the risks noted above by continuing to enter into licensing and other agreements for a significant number of new discoveries annually and monitors carefully the agreements completed in previous years to ensure it receives the consideration due to it. The future development of the company is also dependent on continuing to secure intellectual property rights arising from research work supported by CRUK and other publicly funded research.

#### Financial risks

**Liquidity risk.** The risk that the company will be unable to meet its liabilities as they fall due is believed to be well managed. Through its commercialisation activities, CRT generates significant amounts of cash and its creditors are principally universities, pharmaceutical companies and other third parties who have been involved in the discovery of intellectual property which CRT has commercialised and with whom the company shares net revenue after it has itself received the associated gross revenue. Patent and other operating costs are within the control of CRT's management.

**CANCER RESEARCH TECHNOLOGY LIMITED**

**STRATEGIC REPORT (continued)**

*Solvency risk.* The risk that the company will be unable to meet its liabilities as they fall due has been considered.

The company's ability to build financial reserves has been limited. Specifically: (a) the company shares part of the income it receives from the commercialisation of intellectual property with the universities and other third parties who have been involved in the discovery of such intellectual property; and (b) pursuant to a deed of covenant, the company pays to CRUK its profit before tax annually subject to ensuring capital maintenance.

Over the past 10 years, the company has gift aided more than £300m to CRUK to reinvest into research. This has limited the company's ability to build its own reserves. The directors expect the company has adequate resources to continue as a going concern for at least 12 months from the authorisation of the financial statements. The company has obtained a letter of support from Cancer Research UK to fund its patient benefit activities. Cancer Research UK is committed to the success and sustainability of the Company and has provided this support as it aligns to Cancer Research UK's primary purpose of developing new treatments which will result in cancer patient benefits. This support remains in place for the period of the Company's going concern assessment.

Royalty payments which depend upon patents are vulnerable to legal challenges. The timing and impact of such legal challenges can be difficult to predict and are unlikely to be within CRT's control. Development of new therapeutics, diagnostics, devices and information products can result in product liability and other legal claims, and although CRT seeks to insulate itself against such risks in the commercialisation arrangements into which it enters, it is impossible to eliminate such risks entirely. In recognition of these risks, CRT is established as a wholly owned subsidiary of CRUK in order that CRUK's assets and reputation as a charity can be protected and for CRT to be able to undertake activities to benefit cancer patients which would present inappropriate risks to CRUK if it undertook such activities itself. The operating costs of the Therapeutic Innovation's drug discovery activity are expected to be partly met by CRT's industrial partners, as part of drug discovery alliance arrangements. However, these alliance arrangements may be impacted by decisions made by its partners to change their strategy and priorities and may also be affected adversely by merger and acquisition activity and the financing environment in the life sciences sector. Although it is not believed to represent a current risk to the company's solvency, the medium term impact of the COVID-19 pandemic is uncertain and the insolvency of counterparties caused by the outbreak could conceivably affect the company's solvency.

*Price Risk.* The company negotiates all contracts through which sales are generated. Salary costs are communicated to staff during the formal review of salaries. Prices of material purchases are subject to contracts with suppliers, based on current market prices.

*Credit Risk.* An active approach to post signature management is operated to assess the risk of licensees being unable to develop technology licensed to them by the company and unable therefore to pay related milestones and royalties.

*Currency Risk.* CRT is affected by exchange rate variability, as much of its income is earned in dollars or euros (although income receipts are principally settled in sterling). Forward exchange contracts are sometimes entered into. During 2022/23, no swap contracts were entered into (2021/22: 1).

**Environmental, social and governance**

The Company aims to become a sustainable organisation – environmentally, financially and operationally. This means considering the sustainability of our operations, research, financing, supply chains, investments, products and partnerships. And being a diverse and inclusive organisation, bringing in the best ideas and being reflective of the people and communities we serve.

We will:

- create an organisation where everyone feels like they belong and participates in and benefits from the work we do,
- make sure all our people have the skills, capabilities and ways of working they need to succeed,
- embed environmental sustainability in what we do, and influence our partners to do the same,
- build diverse and sustainable sources for financing our work over the long term,
- improve the agility, efficiency and cost-effectiveness of our operations, and
- be a great organisation to work for and one that our people are proud to be part of.

**CANCER RESEARCH TECHNOLOGY LIMITED**

**STRATEGIC REPORT (continued)**

We recognise the impact our work has on the environment and our responsibility to support the global effort to reduce emissions and climate change. As part of the CRUK Group, we have joined the UN Race to Zero to reduce our scope 1, 2 and 3 emissions by 50% from our 2019 baseline by 2030. We have also committed to achieving net zero by 2050. Over the next year, to help us understand where we can have the best focus and biggest impact, working with CRUK, we will continue to complete a comprehensive map of our indirect ('Scope 3') emissions from our activities, including our supply chain and research activities.

**The Stakeholders and section 172 of the Companies Act 2006**

The company is the wholly owned subsidiary of CRUK and the directors have approved the company operating in close alignment with the CRUK strategy. CRUK has included within its financial statements a statement reporting upon how its trustees have had regard to wider stakeholder needs as required by section 172 of the Companies Act 2006 and reference should be made to that statement in relation to certain stakeholder relationships described below (employees and suppliers of standard goods and services).

The company supports CRUK, as the company's shareholder and stakeholder, in the delivery of CRUK's charitable objects and the directors are kept apprised of CRUK's strategy and goals, which information supports the directors in making decisions in the interests of its shareholder.

The company's board of directors has always, and continued during the year, to take account of the long-term consequences of decisions. This is particularly evident in the consideration and approval by the board of commercial transactions entered into by the company, because the delivery of patient benefit and achievement of financial returns from the results of academic research is necessarily a long-term activity and relies on strong relationships being created and sustained with academia, industry and healthcare investors.

The company's stakeholders include employees, suppliers, customers and the community. Suppliers of standard goods and services are engaged through, and paid in accordance with, CRUK's standard procurement processes and terms and conditions which are set at group level. Because the company's employees are operationally integrated into CRUK and are subject to terms and conditions of employment and working arrangements that are set by CRUK, the statement provided by CRUK under section 172 is relevant to them. It is worth mentioning additionally that during the year, CRUK has continued to adopt measures to promote equality, diversity and inclusion, which the company has applied (including manager training).

With the exception of suppliers of standard goods and services referred to above, the suppliers, customers of the company and the community within which it operates are perhaps best expressed as encompassing the academic and commercial research community, including universities and life sciences companies (particularly pharmaceutical and biotechnology companies) and healthcare investors. As an example of the directors' role in considering these stakeholder interests during the year, the company's board of directors has approved measures to promote entrepreneurship within the academic research community through the company's participation in and funding of 'accelerator' programmes and to approve increasing seed funding available to new cancer start-up companies in the next financial year. The directors have been active in considering and approving transactions entered into by the company during the year and, as part of this activity, they have sought to balance the often competing interests of the commercial and academic research communities, and the interests of patients, for example by seeking to ensure that its contractual terms provide that where the company's commercial partners cease to develop diligently the results of research licensed to those partners rights revert to CRT promptly.

The company has only one member and so no report is provided on the obligation to act fairly between members.

Streamlined energy and carbon reporting for the company is provided at the group level in CRUK's financial statements.

**Future developments**

The principal future developments anticipated by the company are described in the strategy section above. In particular, the company will:

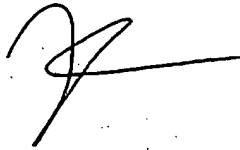
- work closely with CRUK to support the delivery of CRUK's research strategy;
- continue to maximise cancer patient benefit and deliver financial returns to CRUK by commercialising the results of CRUK funded research; and
- continue to develop strategic relationships with partners across the world who can help CRT and CRUK achieve their missions.

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**CANCER RESEARCH TECHNOLOGY LIMITED**

**The Stakeholders and section 172 of the Companies Act 2006 (continued)**

Approved and authorised for issue by the Board of Directors on 29 June 2023 and signed on behalf of the Board by:

A handwritten signature in black ink, appearing to be 'I Foulkes', with a long horizontal stroke extending to the right.

Dr I Foulkes  
Director  
29 June 2023



**Company Registration No. 1626049**

## **CANCER RESEARCH TECHNOLOGY LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements of Cancer Research Technology Limited ('the company' or 'CRT') for the year ended 31 March 2023. CRT is a company limited by share capital, incorporated in England and Wales. The officers and professional advisers, on page 3, forms part of this report.

#### **Future developments**

Likely future developments in the business of the company are discussed in the strategic report.

#### **Dividends**

It is not the company's practice to pay dividends. Instead, in line with prior years, a deed of covenant is in place whereby profits generated by the company are distributed to the parent charity in the form of a 'Gift Aid' payment subject to ensuring capital maintenance.

#### **Research and development activities**

The activities of the company in the field of research and development are explained in the strategic report.

#### **Financial instruments and risk management**

There is limited risk arising from financial instruments. No forward exchange contracts were entered into for the year 2022/23. The management of identified forms of financial risk is explained in the 'Financial risks' section of the Strategic report (page 6).

#### **Employees**

It is the company's policy to provide equal opportunities to job applicants and employees of any race, nationality, ethnic origin, marital status, religion or belief, gender, disability, sexual orientation, age or employment status. The company does not condone or tolerate any form of discrimination in its recruitment or employment practices. All employees and applicants are treated on merit, fairly, with respect and dignity, recognised as individuals and valued for the contribution they make, provided fair and equal access to training, development, reward and progression opportunities and are accountable for the impact of their own behaviour and actions. All the company's policies follow these principles. During the year, regular communications to employees have been provided on matters affecting them, including factors affecting the company's progress, and they have been consulted on decisions affecting them.

The company continues to evolve in line with the strategy outlined in this report. An average of 248 staff were employed by the company during the year, split between the research and development activities of the therapeutic innovation division (167 people) and the commercial division (81 people) who are responsible for IP management and business development. We continue to operate in a buoyant life science marketplace and staff retention is a challenge in the face of strong private sector recruitment campaigns. However, we continue to attract excellent people and provide rich and varied opportunities to develop and train people. We also benefit from a supportive alumni network and a wide community of life science industry expertise who are prepared to support our various initiatives, training programmes and entrepreneurial activities.

#### **Directors and their interests**

The directors serving during the year to 31 March 2023 and up to the date of signing this report are shown on page 3. None of the directors has any interests in the ordinary shares of the company or any fellow group company.

#### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

#### **Independent auditors**

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at a Board meeting of CRT.

**CANCER RESEARCH TECHNOLOGY LIMITED**

**DIRECTORS' REPORT (continued)**

**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

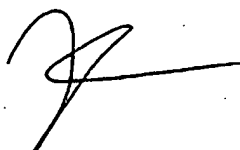
The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

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

Approved and authorised for issue by the Board of Directors on 29 June 2023 and signed on behalf of the Board by:



Dr I Foulkes  
Director  
29 June 2023

**CANCER RESEARCH TECHNOLOGY LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANCER RESEARCH TECHNOLOGY LIMITED**

**Report on the audit of the financial statements**

**Opinion**

In our opinion, Cancer Research Technology Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2023; the profit and loss account and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have

**CANCER RESEARCH TECHNOLOGY LIMITED**

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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

**Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

**Responsibilities for the financial statements and the audit**

**Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals to manipulate financial results or conceal the misappropriation of assets and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- identifying and testing journal entries, in particular journal entries posted with unusual account combinations to income or expenditure accounts, and understanding and evaluating any significant transactions outside the normal course of business;
- obtaining independent confirmations for cash at the year end;
- enquiring of management and the board of directors, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of the board of directors; and

**Company Registration No. 1626049**

**CANCER RESEARCH TECHNOLOGY LIMITED**

- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

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

**Use of this report**

This report, including the opinions, has been prepared for and only for the company's directors as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Other required reporting**

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

*D Chan*

Daniel Chan (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

29 June 2023

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**CANCER RESEARCH TECHNOLOGY LIMITED**

**PROFIT AND LOSS ACCOUNT**

For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
<b>TURNOVER</b>	3	76,352	92,194
Cost of sales		(34,728)	(45,617)
<b>GROSS PROFIT</b>		41,624	46,577
Research and development costs		(16,629)	(4,910)
Other operating expenses		(10,700)	(11,160)
Other operating income		2,508	1,463
<b>OPERATING PROFIT</b>	4	16,803	31,970
Other interest receivable and similar income		122	15
Net investment (losses)/gains	5	(2,642)	6,634
<b>PROFIT BEFORE GIFT AID AND TAXATION</b>		14,283	38,619
Gift Aid payable to Cancer Research UK	6	(22,175)	(37,749)
Tax on profit	7	-	-
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(7,892)	870

All activities in the current and preceding year are continuing.

All amounts relating to continuing activities and all gains and losses in the year are recorded in the profit and loss account and therefore no separate statement of other comprehensive income has been presented.

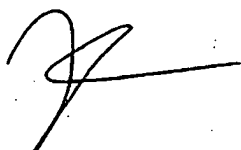
The notes on pages 17 to 31 form part of these financial statements.

**CANCER RESEARCH TECHNOLOGY LIMITED****BALANCE SHEET**  
As at 31 March 2023

	Note	2023 £'000	2022 £'000
<b>FIXED ASSETS</b>			
Intangible assets	9	34	94
Tangible assets	10	2,972	1,881
Investments	11	376	7,717
		<u>3,382</u>	<u>9,692</u>
<b>CURRENT ASSETS</b>			
Debtors	12	66,862	94,478
Cash at bank and in hand		1,153	2,593
		<u>68,015</u>	<u>97,071</u>
<b>CREDITORS: amounts falling due within one year</b>	13	(58,888)	(86,362)
<b>NET CURRENT ASSETS</b>		<u>9,127</u>	<u>10,709</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>12,509</u>	<u>20,401</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14	(2)	(2)
<b>NET ASSETS</b>		<u>12,507</u>	<u>20,399</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	200	200
Profit and loss account		12,307	20,199
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>12,507</u>	<u>20,399</u>

The notes on pages 17 to 31 form part of these financial statements.

The financial statements on pages 14 to 31 were approved and authorised for issue by the Board of Directors on 29 June 2023 and signed on behalf of the Board by:



Dr I Foulkes  
Director  
29 June 2023

Company Registration No. 1626049

**CANCER RESEARCH TECHNOLOGY LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 March 2023**

	<b>Called up share capital</b>	<b>Profit and Loss Account</b>	<b>Total 2023</b>	<b>Total 2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Brought forward balance at 1 April	200	20,199	20,399	19,529
(Loss)/Profit for the year	-	(7,892)	(7,892)	870
Carried forward balance at 31 March	<b>200</b>	<b>12,307</b>	<b>12,507</b>	<b>20,399</b>

Included within the profit and loss account are cumulative unrealised losses of £1,664k (2022: cumulative unrealised gains of £7,042k). Called up share capital was consistent with 2022.



**CANCER RESEARCH TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with 'FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS102') and the Companies Act 2006. CRT is a private company limited by shares registered in England & Wales.

**Accounting convention**

The directors expect the company has adequate resources to continue in operational existence for at least 12 months from the authorisation of the financial statements. Therefore, the financial statements have been prepared on a going concern basis under the historical cost convention as modified by revaluation of listed investments. These accounting policies have been applied consistently in both accounting periods.

The company has prepared cash flow forecasts for the period to the end of 31 December 2024, and under a base case scenario maintains sufficient liquidity throughout the period of assessment.

The company has obtained a letter of support from Cancer Research UK to fund its patient benefit activities in the event of downside scenarios. Cancer Research UK is committed to the success and sustainability of the Company and has provided this support as it aligns to Cancer Research UK's primary purpose of developing new treatments which will result in cancer patient benefits, and remains in place for the period of assessment.

As such, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**Group accounting**

In accordance with paragraph 400 of the Companies Act 2006, the company has taken advantage of the exemption available to not prepare and deliver group financial statements. Accordingly, the company's financial statements present information about it as an individual undertaking and not about it as a group.

**Profit and loss**

All expenditure is recognised in the financial statements on an accruals basis.

**Cash flow statement**

The company is a wholly owned subsidiary and the consolidated financial statements in which the company's results are included are available to the public. It has therefore taken advantage of the exemption, under FRS102 paragraph 1.12(b), from preparing a cash flow statement, on the basis that it is a qualifying company and its cash flows are included in the consolidated results of Cancer Research UK.

**Revenue recognition**

Income is generated in North America and Europe.

Turnover comprises income from the exploitation of intellectual property rights. This includes licence fees and payments, royalty income, reimbursement of staff costs, assignment and option fees, evaluation fees and income from technology transfer services provided to other organisations.

Revenue is recognised gross before the distribution under revenue sharing agreements to third parties, which is included in the cost of sales, on the basis that risks and rewards remain with the company.

Where contracts and similar arrangements contain the right to receipt of payments, these receipts are recognised when they fall due and on completion of the company's contractual or constructive obligations for the period.

Accrued income relates to revenue receivable at the year-end not yet invoiced. This includes royalty income which has been estimated based on sales data from the manufacturer or commercial partner, or based on past experience of royalty history where sales data is not yet available. Where appropriate, an expenditure accrual is recognised for any amounts owed in relation to this income to third parties or universities in line with the underlying revenue share agreements.

Where the company receives non-refundable fees related to alliance collaboration agreements, the revenue is recognised in line with the stage of completion of the research term (see critical accounting judgements and sources of estimation uncertainty, page 19)

**CANCER RESEARCH TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Patent costs**

All costs incurred in the acquisition of patents are written off in the period in which they are incurred.

**Tangible fixed assets**

Fixed assets over £5,000 are capitalised at cost. Fixed assets are depreciated over their estimated useful lives by equal annual instalments at the following rates:

Short leasehold improvements	20%
Laboratory equipment	20%

**1. ACCOUNTING POLICIES (continued)**

Fixtures, fittings and office equipment	20%
---	-----

Fixed assets within Project Work In Progress (WIP) are not depreciated until they are fully operational, after which the assets are transferred from WIP to the appropriate category and depreciated at the relevant rate.

**Intangible assets**

Intangible assets over £5,000 are capitalised at cost. Batches of items below this threshold are capitalised where they form part of one project and together cost more than £50,000. Amortisation is charged in other operating expenses. They are amortised over their estimated useful lives by equal annual instalments at the following rates:

Website development costs	20%
---------------------------	-----

**Investments**

Investments comprise equity investments in subsidiaries, associates and other quoted and unquoted companies. Investments in subsidiaries and associates are valued at cost. Foreign subsidiaries are held at cost translated at the spot rate on the date the investment was made. Investments in quoted companies that are not investments in subsidiaries or associates are valued at market value, and changes in the valuation of such investments are recognised in the profit and loss account.

The valuation of other unquoted investments is often intrinsically uncertain because of the stage of development of its technology. Thus, the directors consider it impractical to attribute a market value to such shareholdings in the absence of clear information to the contrary. If the company has reliable evidence that the fair value of an unquoted investment can be measured with reasonable certainty, this will be recognised. All other unquoted investments are held in the balance sheet at their original cost with an appropriate provision made against the cost of investment for impairment on the bases noted below.

**Impairment of fixed assets and investments**

Fixed assets and investments are subject to review for impairment when there is an indication of a reduction in their carrying value. Any impairment is recognised in the year in which it occurs in other operating expenditure.

**Gift Aid**

Current and future Gift Aid payments are made under a deed of covenant arrangement to the parent undertaking, Cancer Research UK, being charged to the profit and loss account. The estimate of Gift Aid payable is the lesser of the company's taxable profits for the period and the balance of the company's reserves which is available for distribution. There is the intention to pay over within 9 months of the year end as a wholly owned subsidiary.

**Pension costs**

CRT employees benefit from enrolment in the CRUK pension schemes. The cost of providing retirement pensions and related benefits under the defined contribution scheme is charged to the profit and loss account as pension contributions are incurred.

The company is unable to identify its share of the assets and liabilities of the CRUK Pension Scheme (a multi-employer defined benefit scheme - see note 18). As such, the costs of participating in this scheme are also recognised as they are incurred.

**Leases**

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

**CANCER RESEARCH TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**Research and development**

Research and development expenditure is written off to the profit and loss account as it is incurred. Where CRT recognises income from Research and Development expenditure credits (RDEC), it is classified as Government assistance and is disclosed as such in the notes to the financial statements.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the balance sheet date. All differences are taken to the profit and loss account.

**Financial instruments**

The company has financial assets and financial liabilities of a kind that qualify as basic and complex financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Foreign currency forward contracts are classified as complex; complex financial instruments are initially measured at contract value, re-measured at the balance sheet date and subsequently measured at their settlement value. CRT has opted to take advantage of the disclosure exemptions available in paragraph 1.12 (c) in relation to financial instrument disclosures required by sections 11 and 12 since CRT is a qualifying entity and equivalent disclosures are made in CRUK's group financial statements (see note 20).

**Deferred taxation**

Deferred taxation would normally be recognised on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

However, deferred tax assets and liabilities are not recognised as the company has a policy to eliminate taxable profits by making Gift Aid payments and therefore no asset or liability is likely to arise.

**2. CRITICAL ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

Cancer Research Technology Limited (CRT) has investments in a number of companies where it receives shares in return for the grant of intellectual property rights that the company wishes to exploit to generate new cancer treatments or related technologies. These are highly speculative ventures. The directors consider that it is not straightforward to apply any of the standard valuation techniques to fairly value these investments due to the uncertainty involved. As a result, these investments are carried in this financial statement at cost less impairment unless there is clear evidence that a fair value can be established with reasonable certainty. There are no significant estimates on any of the investments.

During the year, the Company sold an investment with a possible maximum deferred contingent consideration of \$6,998k due to the company from the sale of all its shareholding. The amount the company could get is very uncertain and is made up of Holdback Consideration and Milestone Consideration. As at 31 March 2023, the company considers the likelihood of reaching the milestones to be very uncertain and therefore the deferred contingent consideration is held at a fair value of £nil.

**CANCER RESEARCH TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**3. TURNOVER**

In the opinion of the directors, all turnover and profit before taxation derives from the company's principal activity.

The analysis of turnover is summarised as follows:

Income source:	2023 £'000	2022 £'000
Income from licences	61,537	73,075
Income from alliance collaborations to fund research	7,958	13,211
Income from research reagents	6,502	5,473
Other	355	435
	<u>76,352</u>	<u>92,194</u>

A geographic analysis of turnover has not been presented because the directors do not believe the markets supplied to (Europe and North America) differ substantially from each other.

**CANCER RESEARCH TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**4. OPERATING PROFIT**

	Note	2023 £'000	2022 £'000
Operating profit is stated after charging/(crediting):			
Operating lease payments – land and buildings		1,228	1,317
Depreciation	10	986	787
Amortisation	9	60	60
Foreign exchange (gains)/losses		(253)	(136)
Auditors' remuneration		21	19
<b>Other Operating Income</b>			
Government Assistance (RDEC)	17	(1,734)	(1,177)
Coronavirus Job Retention Scheme	17	-	(6)

No non-audit fees were charged by the auditors in the year to 31 March 2023 (2022: £nil).

**5. NET INVESTMENT (LOSSES)/GAINS**

	2023 £'000	2022 £'000 (restated)
Realised (losses)/gains on investments	(901)	1,895
Unrealised (losses)/gains on investments	(1,670)	4,668
Unrealised (losses)/gains on derivative financial instruments	(71)	71
	<u>(2,642)</u>	<u>6,634</u>

The unrealised (losses)/gains is the sum of the reversal of prior year unrealised gains which have now crystallised into realised gains, plus current year movements on unrealised (losses)/gains.

We have restated the 2022 comparatives for Realised (losses)/gains and Unrealised (losses)/gains on investments as these were presented as grossed up totals.

**CANCER RESEARCH TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**6. GIFT AID PAYABLE TO CANCER RESEARCH UK**

	2023 £'000	2022 £'000
Current year Gift Aid payable	22,175	37,749
	<u>22,175</u>	<u>37,749</u>

**7. TAX ON PROFIT**

**Analysis of tax charge**

	2023 £'000	2022 £'000
United Kingdom corporation tax at 19% (2022: 19%)	-	-

**Factors affecting the tax charge**

The tax assessed for the year is lower (2022: lower) than that resulting from applying the standard rate of corporation tax in the UK of 19% (2022: 19%).

The differences are explained below:

	2023 £'000	2022 £'000
Profit before Gift Aid and taxation	14,283	38,619
Corporation tax at 19% (2022: 19%) thereon	2,714	7,338
Effects of:		
Unrealised gain on listed investments	1,653	(323)
Capital allowances (in excess of) depreciation	(275)	15
RDEC	81	74
Net licence fee income charged	26	48
Gift Aid payment provided for	(4,217)	(7,172)
Charge for impairment of investment	-	-
Disallowed expenditure	18	19
Pension contributions not paid by year end	-	1
Total tax charge for the year	<u>-</u>	<u>-</u>

A deferred tax asset has not been recognised in respect of timing differences relating to RDEC, tangible fixed assets, licence fees and other sundry timing differences as the company has a deed of covenant in place to pay taxable profits by Gift Aid to CRUK and therefore no liability or asset is likely to arise. The amount of the deferred tax asset not recognised is £1,290k applying a rate of 25% (2022: deferred tax asset of £1,265k at 19%).

Should the listed investments be realised at their carrying value, there would be a potential deferred tax liability of £61k applying a rate of 25% (2022: deferred tax liability of £1,445k at 19%).

**CANCER RESEARCH TECHNOLOGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****8. STAFF COSTS AND DIRECTORS' EMOLUMENTS**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Staff costs</b>		
Wages and salaries	12,514	8,815
Social security costs	1,422	946
Other pension costs	1,384	894
	<u>15,319</u>	<u>10,655</u>

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
<b>Monthly average number of employees</b>		
Research and development	167	114
Other	81	66
Monthly average number of employees	<u>248</u>	<u>180</u>

The staff numbers and staff costs have increased substantially in the year. This is mainly driven by consolidation the Group's drug discovery capabilities into the company.

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Directors' emoluments</b>		
Directors' remuneration	287	281
Company pension contributions	30	21
	<u>317</u>	<u>302</u>

The highest paid director received emoluments of £197,600 during the year (2022: £191,527) with company pension contributions of £19,760 (2022: £13,714). The lump sum pension benefit accrued for the highest paid director as at 31 March 2023 was £nil (2022: £nil).

At 31 March 2023, there were no directors who had accrued benefits under a defined benefit pension scheme (2022: none) and 2 directors (2022: 2) were members of CRUK Stakeholder Pension Plan, a defined contribution scheme. Of the 6 directors of CRT to serve during the year, two received a salary, two received retainers (one of which is donated to CRUK through Give As You Earn), and two were unpaid non-executive directors.

Some ex-employees and directors of Cancer Research Ventures Limited are part of a permanent health insurance scheme. There have been no claims against this scheme in the reporting financial year (2022: no claims).

**CANCER RESEARCH TECHNOLOGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****9. INTANGIBLE ASSETS**

	<b>Website development total costs £'000</b>
<b>Cost</b>	
At 1 April 2022	290
At 31 March 2023	290
<b>Accumulated amortisation</b>	
At 1 April 2022	196
Charge for the year	60
At 31 March 2023	256
<b>Net book value</b>	
At 31 March 2023	34
At 31 March 2022	94

**10. TANGIBLE ASSETS**

	<b>Short leasehold improvements</b>	<b>Laboratory equipment</b>	<b>Fixtures, fittings and office equipment</b>	<b>Project Work in Progress</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>					
At 1 April 2022	174	6,601	278	207	7,260
Additions	-	2,107	98	-	2,205
Transfers	-	(258)	(17)	(118)	(393)
At 31 March 2023	174	8,450	359	89	9,072
<b>Accumulated depreciation</b>					
At 1 April 2022	174	4,966	239	-	5,379
Charge for the year	-	955	31	-	986
Disposal	-	(248)	(17)	-	(265)
At 31 March 2023	174	5,673	253	-	6,100
<b>Net book value</b>					
At 31 March 2023	-	2,777	106	89	2,972
At 31 March 2022	-	1,635	39	207	1,881



**CANCER RESEARCH TECHNOLOGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****11. INVESTMENTS**

	Note	2023 £'000	2022 £'000
<b>Total Fixed Asset Investments comprise:</b>			
Investments in subsidiaries & associates	11(a)	58	58
Other Fixed Asset Investments	11(b)	318	7,659
		<u>376</u>	<u>7,717</u>

**(a) Investments in subsidiaries & associates**

At 31 March 2023, the company owned 20% or more of the share capital in the following undertakings:

	Share- holding 2023 %	Net book value 2023 £'000	Share- holding 2022 %	Net book value 2022 £'000	Country of incorporation
<b>Shares in wholly owned dormant subsidiaries:</b>					
Cancer Research Ventures Limited (2 ordinary shares)	100	-	100	-	England & Wales
Cancer Research Horizons Limited (formerly Imperial Cancer Research Technology Limited) (200,000 ordinary shares)	100	2	100	2	England & Wales
<b>Shares in wholly owned trading subsidiaries</b>					
Cancer Research Technology Inc. (1 share of ordinary stock)	100	56	100	56	USA
<b>Total</b>		<u>58</u>		<u>58</u>	

Company	Registered Address
Cancer Research Ventures Limited	2 Redman Place, London, England, E20 1JQ
Cancer Research Horizons Limited (formerly Imperial Cancer Research Technology Limited)	
Senectus Therapeutics Limited	
Cancer Research Technology Inc.	745 Atlantic Ave FL 8 Boston MA 02111 USA

**CANCER RESEARCH TECHNOLOGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****11. INVESTMENTS (continued)**

Cancer Research Technology Inc. (CRT Inc.), a wholly owned subsidiary, incorporated in the state of Delaware. The principal activity of CRT Inc. is to provide a service to its parent company by marketing the company's projects. A secondary activity is to widen the company's intellectual property sourcing in the United States of America and increase business development. For the year ended 31 March 2023, CRT Inc. made a profit after tax of £64k (2022: £44k) and had net assets of £704k (2022: £640k).

Imperial Cancer Research Technology Limited changed its name to Cancer Research Horizons Limited on 8 April 2022.

**Investments in subsidiaries & associates**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>	656	656
<b>Provisions</b>	(598)	(598)
<b>Net book value</b>	<b>58</b>	<b>58</b>

**(b) Other Fixed Asset Investments**

	<b>Unlisted investments</b>	<b>Listed investments</b>	<b>Total other fixed asset investments</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Valuation</b>			
At 1 April 2022	4,066	3,593	7,659
Additions	1,369	-	1,369
Disposals	(4,021)	(3019)	(7,040)
Net unrealised (losses)	(1,319)	(351)	(1,670)
<b>At 31 March 2023</b>	<b>95</b>	<b>223</b>	<b>318</b>

**CANCER RESEARCH TECHNOLOGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****11. INVESTMENTS (continued)**

	Unlisted investments £'000	Listed investments (restated) £'000	Total other fixed asset investments (restated) £'000
<b>Valuation</b>			
At 1 April 2021	54	5,654	5,708
Additions	250	-	250
Transfers	(7)	7	-
Disposal proceeds	-	(2,967)	(2,967)
Net unrealised gains/(losses)	3,769	899	4,668
At 31 March 2022	<b>4,066</b>	<b>3,593</b>	<b>7,659</b>

The historic cost of listed investments is £nil (2022: £8k).

During the year, the Company sold an investment with a possible maximum deferred contingent consideration of \$6,998k due to the company from the sale of all its shareholding. The amount the company could get is very uncertain and is made up of Holdback Consideration and Milestone Consideration. As at 31 March 2023, the company considers the likelihood of reaching the milestones to be very uncertain and therefore the deferred contingent consideration is held at a fair value of £nil.

We have restated the 2022 comparatives for Listed investments and Total other Fixed Asset investments as these were presented as grossed up totals.

**12. DEBTORS**

	2023 £'000	2022 £'000
Trade debtors	4,276	10,213
Amounts owed by group undertakings	38,753	50,766
Prepayments & other debtors	1,278	850
Accrued income	19,536	30,421
Government Assistance (RDEC)	3,019	2,228
	<b>66,862</b>	<b>94,478</b>

The Government Assistance number comprises of £1,751k of outstanding debtor relating to the 2022/23 claim and £1,285k of outstanding debtor relating to the 2021/22 claim.

**CANCER RESEARCH TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	1,819	3,379
Gift aid owed to parent company	20,968	37,542
Amounts owed to group undertakings	730	41
Holiday pay accrual	304	207
Deferred income	513	1,759
Other Creditors	6,469	7,645
Accruals	28,085	35,789
	<u>58,888</u>	<u>86,362</u>

Other Creditors is made of mainly output VAT for £6,035k (2022:7,042k)

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings	2	2
	<u>2</u>	<u>2</u>

The amounts owed to group undertakings comprise £2k (2022: £2k) of loans to fund the equity investments in Cancer Research Horizons Limited (formerly Imperial Cancer Research Technology Limited) and £2 in Cancer Research Ventures Limited (2022: £2). Both are dormant subsidiaries of CRT.

**15. CALLED UP SHARE CAPITAL**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised:</b>		
200,000 ordinary shares of £1 each (2022: same)	200	200
<b>Called up, allotted and fully paid:</b>		
200,000 ordinary shares of £1 each (2022: same)	200	200

**CANCER RESEARCH TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**16. OPERATING LEASE COMMITMENTS**

At 31 March the company had the following future minimum lease payments under non-cancellable operating leases for the following periods:

	Land & Buildings	Land & Buildings
	2023 £'000	2022 £'000
<b>Future minimum lease payments under non-cancellable operating leases expiring:</b>		
Within one year	799	840
Within two to five years	1,332	8
	<u>2,131</u>	<u>848</u>

There is one further lease (previous annual rent: £389,170), which expired on 1 April 2023, for which the company is in the process of negotiating an extension. This is currently being occupied by the company under a tenancy at will agreement.

**17. GOVERNMENT GRANTS**

Income from government grants relates to RDEC. In the year to 31 March 2023, CRT has recognised RDEC in respect of qualifying expenditure incurred as £1,734k (2022: £1,177k).

During the previous financial year, the company received government assistance under the Coronavirus Job Retention Scheme of £6k in relation to furloughed staff, which was included within Other operating income in the Profit & Loss account. In the current financial year, the company received £nil in respect of this scheme.

**18. PENSION SCHEMES**

The company is a party to a defined benefit pension scheme and a defined contribution scheme.

**Defined benefit pension schemes**

Retirement benefits are provided through the CRUK Pension Scheme, which is an externally funded defined benefit scheme based on final basic salary. This scheme is now closed to future accrual.

In relation to FRS102 valuations, as at 31 March 2023 the CRUK Pension Scheme was in a surplus position (2022: surplus position). As required by FRS102, the defined benefit surplus for the CRUK Pension Scheme has been measured using the projected unit method. As the company is unable to identify its share of the underlying assets and liabilities, under FRS102, payments into the Scheme are accounted for as if the scheme were a defined contribution scheme.

The latest triennial actuarial valuation of the Scheme took place as at 31 March 2022. The valuation resulted in a surplus of £4.0 million and therefore no deficit recovery plan is required. Further details of the plans and the assumptions applied can be found in the audited financial statements of CRUK available from 2 Redman Place, London, England, E20 1JQ. 18.

From 1 April 2003, retirement benefits are provided through a defined contribution scheme under the CRUK Stakeholder Pension Plan.

The total pension costs for all schemes charged to the profit and loss account in the year were £1,256k (2022: £894k).

Employer and Employee Pension contributions that were outstanding at the year-end in respect of these schemes amounted to £180k (2022: £124k).

**CANCER RESEARCH TECHNOLOGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****19. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption available under FRS 102 section 33 "Related Party Transactions"; that permits non-disclosure of transactions with wholly-owned group undertakings.

Peter Chambré, Chairman of CRT, is a Director of Immatics N.V., a speciality pharmaceuticals company, with which CRT and CRUK entered into an agreement to develop a drug as part of the Clinical Developments Partnership in December 2010. On 4 April 2014, a licence agreement was concluded relating to a clinical trial undertaken by CRUK. No income was received by CRT in respect of this agreement during the year (2022: £nil) and there were no outstanding balances at 31 March 2023 (2022: £nil).

**Other notable positions of influence**

Dr Iain Foulkes is a trustee of the Institute of Cancer Research: Royal Cancer Hospital ('the ICR'). This relationship does not meet the definition of a related party because although this is a position of significance in the ICR, Dr Iain Foulkes does not have significant influence or control. The company has chosen to disclose these transactions due to their value.

The company has revenue sharing agreements in place with the ICR as shown below:

	Opening debtor £'000	Receivable by CRT £'000	Payable by CRT £'000	VAT £'000	Cash paid/ (received) by CRT £'000	Closing debtor £'000
Revenue share payable	-	-	(30,587)	(6,170)	36,757	-
Revenue share receivable	6,610	8,703	-	1,736	(14,266)	2,783
Net 2022/23	6,610	8,703	(30,587)	(4,434)	22,491	2,783

	Opening debtor £'000	Receivable by CRT £'000	Payable by CRT £'000	VAT £'000	Cash paid/ (received) by CRT £'000	Closing debtor £'000
Revenue share payable	-	-	(31,017)	(6,204)	37,221	-
Revenue share receivable	1,619	10,190	-	2,038	(7,237)	6,610
Net 2021/22	1,619	10,190	(31,017)	(4,166)	29,984	6,610

Dr Iain Foulkes is a trustee of the Francis Crick Institute Limited ('the Crick'). This relationship does not meet the definition of a related party because although this is a position of significance in the Crick, Dr Iain Foulkes does not have significant influence or control. The company has chosen to disclose these transactions due to their value.

During the year, the company had transactions with the Crick as shown below:

	Opening creditor £'000	Payable by CRT £'000	VAT £'000	Cash paid by CRT £'000	Closing debtor £'000
Rent payable	-	(1,072)	(214)	1,287	-
Research costs	(92)	(316)	(43)	303	(147)
Total transactions 2022/23	(92)	(1,388)	(257)	1,590	(147)

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**CANCER RESEARCH TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**19. RELATED PARTY TRANSACTIONS (continued)**

During the previous year, the company had transactions with the Crick as shown below:

	Opening debtor £'000	Payable by CRT £'000	VAT £'000	Cash paid by CRT £'000	Closing debtor £'000
Rent payable	(297)	(569)	(173)	1,039	-
Lab modifications and furniture	(67)	(69)	(14)	150	-
Research costs	(9)	(167)	(12)	96	(92)
Total transactions 2021/22	(373)	(805)	(199)	1,285	(92)

**20. ULTIMATE PARENT COMPANY**

The ultimate and immediate parent undertaking and controlling entity is Cancer Research UK, a charitable company limited by guarantee and incorporated in Great Britain and registered in England and Wales and Scotland with company number 4325234 and in the Isle of Man (5713F), (charity number in England & Wales 1089464, Scotland SCO41666, the Isle of Man 1103 and in Jersey 247). This is the largest and smallest group for which consolidated financial statements have been produced. Consolidated financial statements for this entity have been prepared and are available from 2 Redman Place, London, England, E20 1JQ.

**21. GUARANTEES**

The company is party to a Group registration for VAT purposes and is jointly and severally liable for any VAT liabilities of the companies that are part of the same VAT registration.