
The Beatson Institute for Cancer Research

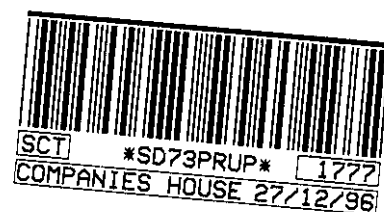
(Limited by Guarantee)

Report and Accounts

31 March 1996

Company Number 84170

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THE BEATSON INSTITUTE FOR CANCER RESEARCH

(Limited by Guarantee)

REPORT AND ACCOUNTS

March 31, 1996

Company No 84170

THE BEATSON INSTITUTE FOR CANCER RESEARCH (Limited by Guarantee)

GOVERNORS' REPORT

The Governors of the Beatson Institute for Cancer Research submit their report and accounts for the year ended March 31, 1996.

Review of operations

During this past year, the Institute continued to pursue research into cancer using the techniques of cell genetics and molecular biology. This work has led to the publication of numerous scientific reports, many of them attracting international attention, and this has resulted in a number of the staff being invited to contribute to international scientific meetings, mainly in the United States and on the continent of Europe. Significant shifts in the balance of work have occurred, and will continue to occur, to keep the Institute in the forefront of this very active field of research. Notable among these are an increasing emphasis on cell signalling, cell behaviour, the cell cycle and human cancer genetics. Such shifts are effected by changes in the research programmes of existing staff and by recruitment of new staff with relevant interests. These rely on collaborations with our clinical colleagues in the Cancer Research Campaign Beatson Laboratories and elsewhere, which are now well established.

The income for the provision of salaries in support of research is provided mainly in the form of Grants from the Cancer Research Campaign. Some of these Grants are held jointly with our collaborators in the CRC Beatson Laboratories. There is an increasing incentive and tendency to generate income from other sources, which include the Leukaemia Research Fund, the Medical Research Council, the Wellcome Trust, the Ministry of Agriculture, Fisheries and Food, the United Kingdom Coordinating Committee on Cancer Research, The British Council, Genetics Institute, Ipsen Biotech, CANTAB Pharmaceuticals, Glaxo Research and Development Ltd, NATO Scientific Affairs Division and the Association for International Cancer Research. The Cancer Research Endowment Fund of the Royal Beatson Memorial Hospital and the Endowment Fund of the Beatson Institute for Cancer Research also continued to provide a channel for financial contributions from many individuals and charitable organisations. The Endowment Fund is being used increasingly to promote new research through the provision of salaries and laboratory expenses. In addition, a major claim on the Endowment Fund will be a new laboratory block within the Cancer Research Campaign Beatson Laboratories, work on which is nearing completion.

Governors and their interests

None of the Governors, who are listed below, has a financial interest in the company.

The Governors in post during the year to which the accounts relate, were:

Prof Colin C Bird, Faculty of Medicine, University of Edinburgh
 Dr Henry J G Burns, Greater Glasgow Health Board
 Dr Diana R Dunstan, Medical Research Council
 Sir Robin G Duthie, CBE, R G Duthie & Co Ltd
 Prof H John Evans, formerly MRC Human Genetics Unit, Edinburgh
 Sir William Kerr Fraser, University of Glasgow
 Prof Robert B Jack, CBE, formerly Messrs McGrigor Donald, Glasgow
 Dr Robert E Kendell, CBE, President, Royal College of Psychiatrists
 Prof Rona M MacKie, Department of Dermatology, University of Glasgow
 Prof J Gordon McVie, Cancer Research Campaign
 Dr Malcolm S Muir, Scottish Home and Health Department (deceased June 21, 1995)

THE BEATSON INSTITUTE FOR CANCER RESEARCH
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GOVERNORS' REPORT
(Continued)

Since March 31, 1996, the following changes of Governors have occurred:

Appointments

Dr Trevor Hince, Cancer Research Campaign (from May 23, 1996)

Resignations

Dr Henry J G Burns, Greater Glasgow Health Board (resigned July 18, 1996)

Prof J Gordon McVie (resigned May 23, 1996)

The Eleventh Annual General Meeting was held in the Institute on Monday, 20th November 1995. All of the serving Governors retired, as required by the Articles of Association, and were duly re-elected.

Auditors

A resolution to reappoint Ernst and Young as auditors will be put to the members at the Annual General Meeting.

Governors Responsibilities Statement

Company law requires the Governors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the results of the Company for that period. In preparing those accounts, the Governors are required to

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE BOARD


PROFESSOR J WYKE
Secretary

December 20, 1996

**REPORT OF THE AUDITORS TO THE MEMBERS OF
THE BEATSON INSTITUTE FOR CANCER RESEARCH
(Limited by Guarantee)**

We have audited the accounts on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of Governors and Auditors

As described on page 2 the Company's Governors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

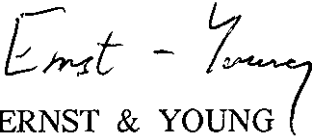
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts, and of whether the accounting policies are appropriate to the Company'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 accounts are free from material misstatement, 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31st March 1996 and of its results for the year then ended and have been properly prepared in accordance with the Companies Acts 1985.


ERNST & YOUNG
Chartered Accountants
Registered Auditor
GLASGOW

December 20, 1996

THE BEATSON INSTITUTE FOR CANCER RESEARCH
(Limited by Guarantee)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31, 1996

	Notes	£	1996 £	1995 £
Turnover	2		4,060,792	4,112,401
Income from The Beatson Institute Endowment Fund	10		<u>113,607</u> 4,174,399	<u>210,928</u> 4,323,329
Other Operating income			<u>35,808</u>	<u>13,549</u>
			4,210,207	4,336,878
Research Costs		1,110,934		1,019,415
Staff Costs	3	2,698,203		2,734,854
Other operating charges		<u>401,070</u>		<u>582,609</u>
			4,210,207	4,336,878
	4		-	-

The notes on pages 8 to 12 form part of these accounts.

THE BEATSON INSTITUTE FOR CANCER RESEARCH
(Limited by Guarantee)

STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED MARCH 31, 1996

	Notes	1996 £	1995 £
Gain/(Loss) on realisation of endowment investments	10	12,211	(3,598)
New and additional endowment bequests	10	284,534	179,548
Endowment income retained for year	10	37,056	30,547
Income tax recoverable	10	3,966	3,305
Endowment income withdrawn for current expenditure	10	(108,855)	(212,918)
Total recognised gains and losses relating to the year		<u>228,912</u>	<u>(3,116)</u>

RECONCILIATION OF MOVEMENT IN TOTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 1996

Total recognised gains and losses relating to the year	228,912	(3,116)
Opening total funds	556,161	559,277
	<u>785,073</u>	<u>556,161</u>

THE BEATSON INSTITUTE FOR CANCER RESEARCH
(Limited by Guarantee)

BALANCE SHEET AT MARCH 31, 1996

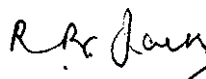
	Notes	£	1996 £	1995 £
Fixed assets: Investments	5		227,146	<u>406,855</u>
Current assets:				
Debtors	6	740,092		806,016
Cash at Bank	7	<u>570,124</u>		<u>163,763</u>
		1,310,216		969,779
Creditors: amounts falling due within one year	8	<u>752,289</u>		<u>820,473</u>
Net current assets			<u>557,927</u>	<u>149,306</u>
Total assets less current liabilities			<u>785,073</u>	<u>556,161</u>
Representing: Endowment Fund	10		<u>785,073</u>	<u>556,161</u>

PROF COLIN C BIRD



Governor

PROF ROBERT B JACK, CBE



Governor

December 20, 1996

The notes on pages 8 to 12 form part of these accounts.

THE BEATSON INSTITUTE FOR CANCER RESEARCH
(Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 1996

	Notes	1996 £	1995 £
Net cash (outflow)/inflow from operating activities	a	<u>(1,599)</u>	<u>160</u>
Taxation			
Income tax paid		(3,966)	(3,305)
Income tax recovered		<u>3,305</u>	<u>2,464</u>
Taxation (paid)		<u>(661)</u>	<u>(841)</u>
Investing activities			
Payments to acquire investments	b	(23,853)	(42,215)
Receipts from sales of investments	b	<u>215,773</u>	<u>35,218</u>
Net cash inflow/(outflow) from investing activities		<u>191,920</u>	<u>(6,997)</u>
Net cash inflow/(outflow) before financing		189,660	(7,678)
Financing			
Increase in Endowment Fund, net of gains/losses on sale of investments	b	<u>216,701</u>	<u>483</u>
Increase/decrease in cash and cash equivalents		<u>406,361</u>	<u>(7,195)</u>

a. Reconciliation of operating profit to net cash flow from operating activities.

Operating surplus	-	-
Decrease/increase in operating debtors	(66,585)	271,210
Decrease/increase in operating creditors	<u>(68,184)</u>	<u>271,370</u>
Net cash (outflow)/inflow from operating activities	<u>(1,599)</u>	<u>160</u>

b. See Notes 5 and 10 for details of the movements on the Investments and on the Endowment Fund.

THE BEATSON INSTITUTE FOR CANCER RESEARCH
(Limited by Guarantee)

NOTES TO THE ACCOUNTS AT MARCH 31, 1996

1. Basis of accounting and operations

The Company is a registered charity whose objects are to undertake research into cancer.

Going concern

A Memorandum of Understanding with the Cancer Research Campaign endorses the Campaign's intention to provide the Company with major long term financial support. On this assumption, the Accounts are prepared on a going concern basis.

Employees

Staff are employed by the Company. Their employment costs are paid by the Company and are funded by grants.

Research

All research expenditure is written off in the year in which it is incurred.

Fixed assets

All fixed assets are fully funded by grants and as such are capitalised at nil.

Premises

Premises are leased by the Company from the University of Glasgow at a nominal rent. The University assumes responsibility for rates and maintenance of the external fabric but the Company is responsible for all internal maintenance and running costs.

Endowments

Gifts and donations received by the Company are credited to the endowment fund which is available for expenditure not met from grants. Income from investments held on behalf of the endowment fund is credited to that fund. Realised gains or losses arising during the year on investments are credited or charged to endowments.

Stocks

The value of stock held for research purposes is not considered material and any purchases are charged to revenue in the year in which the expenditure takes place.

Leasing commitments

Rentals paid under operating leases are charged to income in the year in which they occur.

2. Turnover

Turnover represents grant income received and receivable in respect of expenditure incurred during the year.

THE BEATSON INSTITUTE FOR CANCER RESEARCH
(Limited by Guarantee)

NOTES TO THE ACCOUNTS AT MARCH 31, 1996

3. Staff Costs	1996	1995
	£	£
Wages and salaries	2,296,819	2,331,960
Social security costs	172,781	171,053
Other pension costs	<u>228,603</u>	<u>231,841</u>
	<u>2,698,203</u>	<u>2,734,854</u>

The average weekly number of employees during the year was made up as follows:

	No.	No.
Scientific	70	72
Technical	33	38
Secretarial and Administrative	9	8
Supportive	<u>17</u>	<u>15</u>
	<u>129</u>	<u>133</u>

4. Results	1996	1995
	£	£
The results are stated after charging:		
Auditors' remuneration	<u>2,820</u>	<u>2,820</u>

5. Investments	1996	1995
	£	£
Cost:		
As at April 1	406,855	403,457
Additions	23,853	42,215
Disposals	<u>203,562</u>	<u>38,817</u>
As at March 31	<u>227,146</u>	<u>406,855</u>
 Listed investments	 227,146	 376,855
National Savings Income Bonds	<u>-</u>	<u>30,000</u>
	<u>227,146</u>	<u>406,855</u>
 Valuation:		
Listed investments - market value	263,782	407,142
National Savings Income Bonds	<u>-</u>	<u>30,000</u>
	<u>263,782</u>	<u>437,142</u>

THE BEATSON INSTITUTE FOR CANCER RESEARCH
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NOTES TO THE ACCOUNTS AT MARCH 31, 1996
(Continued)

6.	Debtors	1996 £	1995 £
	Grant income	736,126	802,711
	Tax recoverable	<u>3,966</u>	<u>3,305</u>
		740,092	806,016
		<hr/>	<hr/>

Grant income includes the amount of £8,147 which had not at that time been released from the Beatson Institute Endowment Fund.

7.	Cash at bank	1996 £	1995 £
	Current accounts	196,124	3,763
	Call and term deposits	<u>374,000</u>	<u>160,000</u>
		570,124	163,763
		<hr/>	<hr/>

8.	Creditors: amounts falling due within one year	1996 £	1995 £
	Trade creditors	536,821	379,850
	Grant income in advance	33,466	231,770
	Accruals	<u>182,002</u>	<u>208,853</u>
		752,289	820,473
		<hr/>	<hr/>

9. **Share capital**

The company has no share capital and is limited by guarantee.

THE BEATSON INSTITUTE FOR CANCER RESEARCH
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NOTES TO THE ACCOUNTS AT MARCH 31, 1996
(Continued)

10. The Beatson Institute for Cancer Research Endowment Fund	1996 £	1995 £
As at April 1	556,161	559,277
Legacies and donations received	284,534	179,548
Interest received and investment income	37,056	30,547
Income tax recoverable	3,966	3,305
Gain on Sale of Investment	<u>19,608</u>	<u>452</u>
	901,325	773,129
Loss on Sale of Investment	7,397	4,050
Withdrawn for current expenditure	<u>108,855</u>	<u>212,918</u>
As at March 31	<u>785,073</u>	<u>556,161</u>

The sum of £400,000 will be withdrawn from the Endowment Fund in 1996-97 and will be applied as a Grant to the University of Glasgow for the building of the new laboratory block. In preparation for this release in April/May 1996, many investments were realised.

Included under the heading of donations is the sum of £8,806 the income of which will be used specifically for the provision of an annual John Paul Career Development Award.

The donations received also include the sum of £4,471 to be used specifically for Staff amenities. The Balance in the Staff amenity fund at 31st March, 1996, was £4,872.

11. Leasing commitments

At March 31, 1996, the company had no annual commitments under non-cancellable operating leases:

1996 £	1995 £
-	-

THE BEATSON INSTITUTE FOR CANCER RESEARCH
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NOTES TO THE ACCOUNTS AT MARCH 31, 1996
(Continued)

12. Pensions

The Institute, on behalf of its Scientific Staff, participates in the Universities' Superannuation Scheme (USS), a pension scheme which provides benefits based on final pensionable salary for employees of all UK universities and some other employers. The assets of the Scheme are held in a separate trustee-administered fund.

The total pension cost in respect of USS for the Institute was £189,743 (1994/95 - £177,858).

The pension cost is assessed using the projected unit method.

The last actuarial valuation of the Scheme was as at 31st March, 1993. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salary and pensions. It was assumed that the investment return would be 8.5% per annum, that salary increases would be 6.5% per annum and that pensions would increase by 5% per annum. At the date of the valuation, the market value of the assets of the Scheme was £7,838 million and the actuarial value of the assets was sufficient to cover 97% of the benefits which had accrued to members after allowing for expected future increases in earnings. The level of contributions paid by the employing Institutions takes into account this actuarial deficiency. The current employers' rate is 18.55%.

The Institute, on behalf of its Support Staff, also participates in the Scottish National Health Service Superannuation Scheme. This Scheme is notionally funded, guaranteed by statute, and provides members with defined benefits based on final pensionable salary. The employer's contributions are assessed every five years by an actuary, the current employer's rate being 4.0%.

The total pension cost in respect of this scheme for the Institute was £38,860 (1994/95 - £53,983) and represents a fair estimate of the annual pension cost as defined by SSAP 24 and, accordingly, this is the amount charged in the accounts.