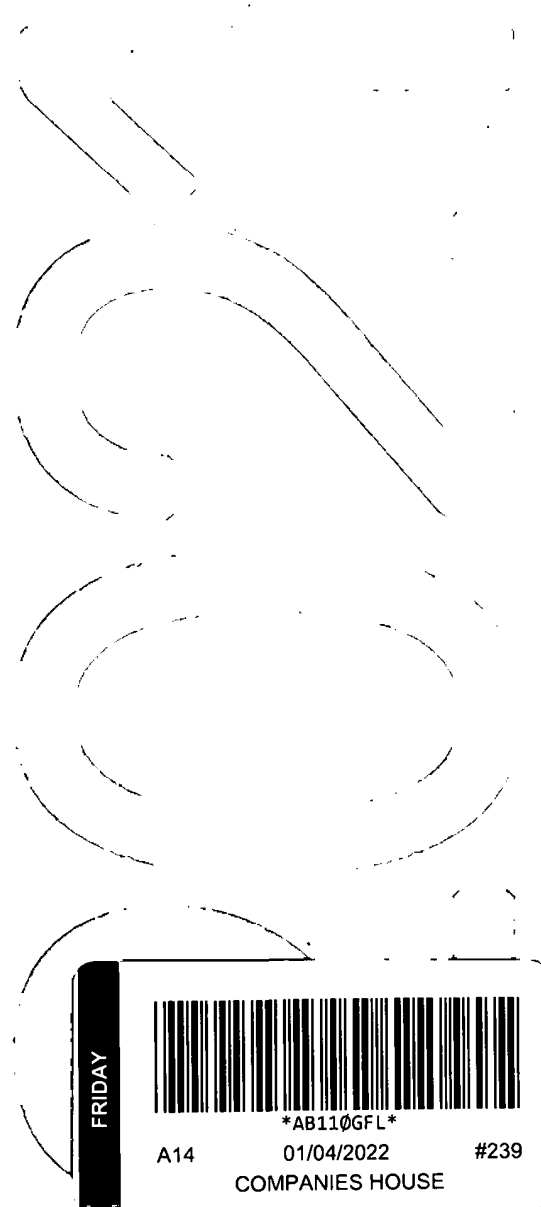




Our year in



FRIDAY



AB110GFL

A14

01/04/2022

#239

COMPANIES HOUSE

Annual Report and Financial Statements for the year ended 31 July 2021

Introduction from the Chair



“ ”

I knew I was joining an organisation that not only has a world-class reputation for the quality of its research, but also an unfailing focus on the wellbeing of cancer patients – and that has never felt so vital.

It was a great honour to become Chair of The Institute of Cancer Research, London in August 2021. I knew I was joining an organisation that not only has a world-class reputation for the quality of its research, but also an unfailing focus on the wellbeing of cancer patients – and that has never felt so vital. The 2020/21 academic year covers the most challenging period that most of us can remember, and one in which people with cancer have often felt that they have been ignored as the world has been absorbed by the Covid-19 pandemic. Fortunately, the Institute of Cancer Research (ICR) has weathered the storm more strongly than many organisations, and its dedicated, talented staff and students have continued to carry out pioneering research bringing real benefits to cancer patients. There have been many incredible discoveries over the last year, in areas as varied as cancer biology and genetics, drug discovery and development, cancer imaging and radiotherapy.

I feel hugely optimistic about the future for this great organisation. In September 2021, Professor Kristian Helin joined the ICR as Chief Executive – bringing a world-class track record of research leadership in Denmark, Italy and the US. His recruitment is a sign that the UK remains a fantastic place for research and that the opportunities for tapping into the global talent market are as alive today as ever. The ICR has made great strides in further enhancing its organisational culture, through a strong commitment to equality, diversity and inclusivity. As one of the top academic research institutions in the world, the ICR can continue to attract the best and the brightest researchers and students, and go from strength to strength.

Professor Julia Buckingham

Contents

| | | |
|----------|---|---------------|
| | Introduction from the Chair | |
| | Introduction from the Chief Executive | 4–5 |
| | Year at a glance | 6–7 |
| | Financial summary | 8–9 |
| 1 | Our mission and strategy | 10–61 |
| | <i>Making the discoveries: our research strategy</i> | <i>14–23</i> |
| | <i>Inspiring tomorrow's leaders: our learning and teaching strategy</i> | <i>24–29</i> |
| | <i>Powering our research: our operational strategy</i> | <i>30–37</i> |
| | Our people and culture | 38–40 |
| | Community and stakeholder engagement | 41–43 |
| | Risks | 44–45 |
| | Future developments | 46–47 |
| | Financial review | 48–53 |
| | Governance and management | 54–59 |
| | Statement of responsibilities of members of Board of Trustees | 60–61 |
| 2 | Independent Auditor's Report | 62–67 |
| 3 | The Financial Statements | 68–95 |
| 4 | ICR information | 96–101 |
| | <i>The Board of Trustees</i> | <i>98</i> |
| | <i>Governing committees, fellows, members and associates</i> | <i>99–100</i> |
| | <i>Legal and administrative information</i> | <i>101</i> |

The Institute of Cancer Research:
Royal Cancer Hospital
Company Number 00534147
Financial Statements for the
year ended 31 July 2021

Introduction from the Chief Executive



This is my first Annual Report as Chief Executive of the ICR. I joined the organisation after the end of the 2020/21 academic year so I can't claim credit for the fantastic achievements of the last 12 months, but I am in a good position to reflect on what these successes mean for cancer research and for patients, and to bring a fresh perspective on the challenges ahead.

First, I want to congratulate everyone involved with the ICR – from its staff, students and Trustees, to its funders, donors and partners – for how well the organisation has coped during an extremely challenging 12 months. The impact of the Covid-19 pandemic has been severe and far-reaching, and like so many other higher education institutions and charities, we have had to manage disruption to our research, our funding, and our programmes of education and training. It is impressive how well these challenges have been navigated, and I would like to pay tribute to my predecessor as CEO, Professor Paul Workman, for his excellent leadership in keeping the organisation on track.

Despite the pandemic, and the safety restrictions it imposed on our labs and sites, the last academic year was one of great achievement for the ICR. We made some important strategic advances, had successes in fundraising and commercial partnerships, and our researchers revealed a series of exciting discoveries – some of which are already delivering benefits for patients.

One of the most significant milestones of the year was the opening of the ICR's £75 million Centre for Cancer Drug Discovery, following a major capital appeal and construction programme. We formally unveiled this state-of-the-art building in November 2020, and all 21 research teams – working in drug discovery and evolutionary science – have now moved in and started work. The Centre will host the world's first 'Darwinian' drug discovery programme, focused on understanding, predicting and overcoming cancer evolution and drug resistance, and will have a profound impact on the ICR's research for years to come.

Introduction from the Chief Executive (continued)

33 99

I am delighted to be
leading the ICR into
what promises to be
an exciting next phase
of its history

The ICR believes strongly that we can deliver for cancer patients faster by working together with other organisations. We have taken important steps over the last year to strengthen relationships with partners by establishing a series of new collaborative centres to drive forward research advances for patients. We have established a new Centre for Translational Immunotherapy, bringing together staff and students from the ICR and The Royal Marsden to understand better how immunotherapy works and identify biomarkers to guide treatment. And we have set up a new Cancer Epidemiology and Prevention Unit with Imperial College London, aiming to advance research on the causes of cancer and identify new prevention strategies.

Despite the impact of Covid-19, our finances remain strong. We continued to put in place steps to mitigate the financial and operational impact of the pandemic, and our 'kick-start' fundraising appeal became our most successful ever, raising more than £210,000 to support researchers returning to our labs after lockdown. Invention income from drugs like olaparib has been healthy and the ICR's Business and Innovation Office has delivered a record-breaking year of commercial collaboration income.

We made important discoveries across the full range of our cancer research, from advances in our fundamental understanding of cancer biology, to studies finding innovative new ways to attack cancer, to a series of major clinical trials, some of which are already changing practice. It is gratifying too to see how our relationships with industry are progressing new ICR-discovered drugs into clinical trials.

I am delighted to be leading the ICR into what promises to be an exciting next phase of its history. We will shortly be entering our next strategic cycle, and will be considering how best to respond to the challenges that remain in understanding and treating cancer, and the opportunities opened up by advances in research, technology and data science. I look forward to the journey that awaits.

DocuSigned by:

Kristian Helin

PROBEP-A070470

Professor Kristian Helin

Chief Executive

The Institute of Cancer Research, London

30-11-2021

Year at a glance

The ICR has continued to drive forward its research and strategic activities over the last year, even as it has had to manage the impacts of the pandemic and plot a route to recovery. Our researchers have done what they do best, making exciting discoveries which are advancing our understanding of cancer and in some cases are already delivering benefits for patients.

Throughout this report, we showcase examples of the progress our researchers have made in unravelling cancer's complexity and evolution, opening up innovative new ways to target tumours, developing smarter and kinder treatments for people with

cancer, and embedding advances into patient care. We also update you on our work to educate and train the next generation of cancer scientists and clinicians, and introduce you to some of the people involved with or touched by our research – bringing faces to the work that we do and the impact we have.

Earlier in the year, we were delighted to celebrate the opening of our new £75 million Centre for Cancer Drug Discovery. The building is a testament to the hard work and determination of everyone at the ICR – bringing together hundreds of researchers from different disciplines to lead a pioneering 'Darwinian' programme

of cancer drug discovery, focused on overcoming cancer evolution and drug resistance. It was made possible through the generosity of our funders, supporters and donors. We also made important progress over the academic year in enhancing the ICR's wider workplace culture – launching a new culture and engagement strategy, leading work on gender and race equality, and learning lessons from the pandemic to introduce new, more flexible models of working.

In September 2021, after the period covered by this report, we welcomed our new Chief Executive Professor Kristian Helin. He, alongside our new Chair of the Board of Trustees,

Year at a glance (continued)

Professor Julia Buckingham, will lead the ICR through the next phase of our journey. We thank Professor Paul Workman and Luke Johnson for their leadership and achievements as Chief Executive and Chair of the ICR respectively – and for steering our organisation through such a challenging period.

Thanks to the efforts of colleagues across the ICR, and our wide network of supporters, partners and collaborators, we head into the next academic year with a healthy financial position. Our income has been buoyed by strong faculty recruitment and early successes in diversifying our research funding portfolio. This,

combined with our resilience in keeping our laboratory research activity going despite the challenges of the pandemic, has resulted in some £10m of additional grant income. We achieved our most successful ever fundraising appeal and have benefitted from strong philanthropic support, royalties from drugs like olaparib and increased commercial collaboration income. Thank you to everyone involved.

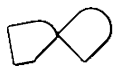
There are however still myriad challenges ahead, as we navigate a changing funding landscape for research and higher education. Traditional areas of research funding remain at risk through pressures

on medical charity finances and government budgets, and have resulted in major cuts to a number of core research grants. We also face increasing competition for our invention income. We aim to continue building on our success this year to grow and diversify our funding, so that we can fulfil and sustain our mission in the years to come.

As we look to the future, we will be developing a new strategic approach to the challenges ahead for cancer research while also prioritising work to help address the climate crisis and continuing to champion equality and diversity.

42%

A major clinical trial in women with early-stage breast cancer and inherited BRCA mutations found olaparib reduced the risk of cancer returning by 42 per cent.



ICR scientists have identified a new class of drug, **PARP** inhibitors, which could target cancers with **BRCA** gene mutations and overcome resistance to treatment.

45%

A combination of olaparib and a new drug called capivasertib – discovered following collaborative work between the ICR and partners – halted tumour growth in 45 per cent of patients in an early trial.



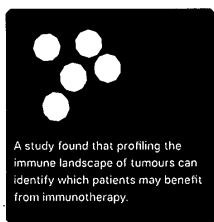
Hundreds of researchers from different disciplines have come together to take forward a pioneering 'Orbiter' programme of drug discovery in the ICR's new £75 million Centre for Cancer Drug Discovery.

10%

We were ranked in the top ten per cent for four out of seven measures of industry and public engagement in the Knowledge Exchange Framework, a new Government assessment.



We launched new research centres at the ICR in partnership with The Royal Marsden NHS Trust and Imperial College London.



A study found that profiling the immune landscape of tumours can identify which patients may benefit from immunotherapy.

2,600

ICR scientists used data from more than 2,600 tumour samples to develop artificial intelligence (AI) that reconstructs genetic faults in tumours.



Fadradiclib, a drug jointly discovered by scientists at the ICR in collaboration with the company Cyclacel, is now ready for trials in children with high-risk cancers.

£28.7m

Figures released in 2021 show that we achieved the most invention income per head of academic staff for the eight year running, earning £28.7m in 2019/20.



We raised £210,000 with a 'kick-start' emergency appeal to get our research going again after the initial Covid-19 lockdown.

£12.7m

The ICR had a record year for the amount of income from collaborations with industrial partners, receiving £12.7m in 2020/21 to support a wide range of research projects.

Financial summary

Our finances over 2020/21

£142.0m

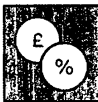
of income in 2020/21



In 2020/21 the ICR had total income of £142m. Some 49% of our income came from research funding, which grew by £10.4m compared with 2019/20 despite cuts to several core grants. In addition, 20% of our income came from public funding as a higher education institution, 17% from royalties on our discoveries, 9% from donations and endowments, and 5% from tuition fees, investments and other sources.

£124.6m

of expenditure in 2020/21



Expenditure was £124.6m, of which 76% was spent directly on research and education. We spent 19% on supporting this research by creating the best possible working environment – including investment in cutting-edge new laboratories, ongoing programmes to realise our digital vision and provide world-class research data capability, and the infrastructure to accommodate new, effective ways of working for the organisation.

£17.4m

surplus in 2020/21



Our surplus (before gains and losses) of £17.4m includes a surplus on research grant activity of £7m, as our scaling up in research activity allowed us to meet a number of significant research project milestones and trigger related income – often in relation to several years of work. Our underlying surplus of unrestricted funds, excluding gains and adjustments for pensions and property revaluations, was £8.0m. Overall, our funds have increased by £54.3m, due to the above movements combined with pension scheme adjustments and growth in investments following the losses of 2020.

£9.7m

investment in new buildings and equipment in 2020/21



Capital expenditure was £9.7m, including £1.7m on the new Glacios Cryo-TEM microscope facility and an extensive laboratory refurbishment campaign. We continue to invest in new faculty, team recruitments and research infrastructure in key strategic areas as part of a £30m five-year Research Investment Fund.

Financial summary (continued)

Total income 2020/21



49%
Research grants and contracts of which:
39% Cancer Research UK
18% Industrial collaborations
13% Breast Cancer Now
4% Wellcome
2% MRC

20%
Funding Body income

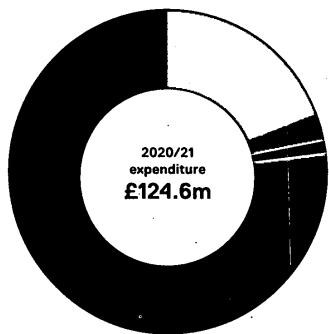
17%
Royalty income

9%
Donations and endowments

3%
Investments and other income

2%
Tuition fees and education contracts

Total expenditure 2020/21



76%
Direct research costs

19%
Research support costs

3%
Fundraising

1%
Information and education

1%
Other

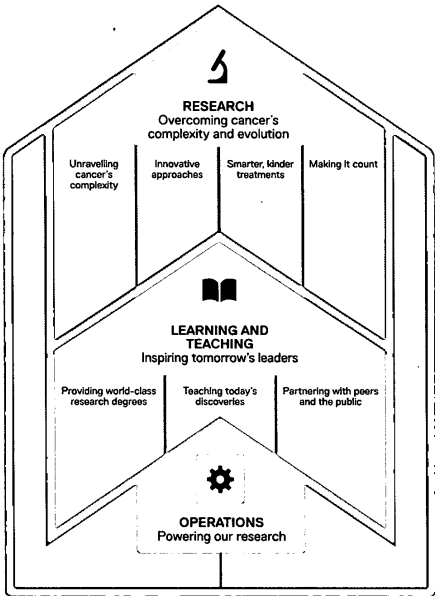
Our mission and strategy

1

Our mission: Making the discoveries that defeat cancer

Our strategy
The ICR is one of the world's most influential cancer research organisations. We are dedicated to making advances which improve the lives of cancer patients. We are a higher education institution and a charity.

The ICR's strategy brings together three major goals, in research, learning and teaching, and world-class operations – so we can make the discoveries that defeat cancer and enhance our position as a world leader in cancer research.



Research: making the discoveries



Together with our clinical partner The Royal Marsden, we seek to undertake world-leading research that can overcome the challenges posed by cancer's complexity, adaptability and evolution.

Find out more about each of our research pillars and our people who are making the discoveries on page 14

Learning and teaching: inspiring tomorrow's leaders



We offer internationally excellent learning and teaching for the very best researchers and clinicians – helping to bring forward the next generation of cancer scientists and to enhance knowledge about the latest cancer advances and treatments.

Meet some of our students and hear what it's like to study at the ICR on page 24

Operations: powering our research



The ICR works to deliver world-class operations so we can provide excellent services, infrastructure and support across our organisation, and underpin research and education of the highest quality.

Highlights from the work we are doing to build our strength as an organisation on page 31

Making the discoveries

Making the discoveries

We aim to combat cancer's complexity and evolution through scientific and clinical excellence, innovation and partnership.

Our pioneering research strategy, developed with our hospital partner The Royal Marsden, aims to confront cancer's huge complexity and ability to adapt and evolve.

The strategy, *Making the discoveries: our strategy to defeat cancer*, seeks to deliver world-leading research that can overcome the central clinical challenge of cancer evolution and drug resistance.

Our four central pillars are:

- unravelling cancer's complexity to identify new weaknesses
- exploiting those weaknesses through innovative approaches to therapy
- developing smarter, kinder treatments for patients
- making our research count by helping embed advances into routine care.

These pillars are underpinned by strong foundations – investing in our people and their skills, putting in place world-leading digital infrastructure, enhancing our culture and support for multidisciplinary team science, and working in partnership with a range of other organisations.



Making the discoveries (continued)

Research excellence

ICR researchers lead the way in their fields, and are often the recipients of prestigious awards marking their achievements. Here is a selection of awards and prizes from 2020/21:

AACR American Association for Cancer Research

Professor Andrea Sottoriva and Dr Marco Gerlinger were appointed to the American Association for Cancer Research's international scientific working group for cancer evolution.



Professor Andrew Tutt won the European Society of Medical Oncology Breast Cancer Award, in recognition of his exceptional contribution to developing our understanding of breast cancer.

NIHR National Institute for Health Research

Professors Judith Bliss, Nick James and Kevin Harrington were re-appointed as Senior Investigators by the National Institute for Health Research.



Dr Amanda Fitzpatrick, Postdoctoral Training Fellow at the ICR, won the Basic Science Scholar award at the San Antonio Breast Cancer Symposium.

SIOG INTERNATIONAL SOCIETY OF GERIATRIC ONCOLOGY

Dr Nicolò Battisti, a Clinical Research Fellow at the ICR, was appointed President-Elect of the International Society of Geriatric Oncology.



Dr Roman Chabanon, an ICR Postdoctoral Training Fellow, won the Bettencourt-Schueller Foundation Young Researchers Prize for his research on the interplay between the DNA damage response and anti-tumour immunity.



Professor Nick James was awarded the Royal College of Radiologists' Gold Medal for his contribution to treatment of prostate and bladder cancer and to patient education. Professor Emma Hall was recognised with an Honorary Membership.



Dr Gabriela Kramer Marek was selected to join the leadership committee of the Women in Molecular Imaging Network.



A study co-led by the ICR's Dr Anguraj Sadeenandam was awarded the Jeremy Jass Prize for Research Excellence in Pathology.

Making the discoveries (continued)

Pillar 1: Unravelling cancer's complexity

Just as every patient is different, so is their cancer — even the cells within an individual tumour can vary enormously from one another, and cancer does not stand still, but changes over time. This makes cancer incredibly difficult to treat. But we're starting to unravel some of this complexity to find better treatments and cures, and make discoveries that will open up cancer to new lines of attack.

canSAR: 10 years unravelling cancer's complexity

In 2021, we celebrated the 10th anniversary of canSAR — the largest public cancer drug discovery resource in the world.



Professor Bissan Al-Lazikani

When the Human Genome Project was completed, there was a deluge of data about potential drug targets but no systematic way to find the gems, recalls Professor Bissan Al-Lazikani.

She would go on to lead a team of ICR researchers to create a new massive-scale cancer drug discovery platform, with support from Cancer Research UK. The canSAR knowledgebase curates a vast amount of experimental data across multiple disciplines — biology, chemistry, pharmacology, structural biology, cell biology — together with clinical information. Next it interlinks

this data in a comprehensive and scientifically meaningful way, and then uses artificial intelligence to provide drug discovery predictions. It is freely available rather than being put behind a commercial pay wall so that it benefits the entire research community.

Crucially, canSAR helps scientists to challenge their biases in drug discovery. canSAR has helped uncover hidden opportunities in the form of druggable proteins, which have not been targeted before, whereas analysis shows that scientists have generally tended to focus on proteins and pathways that have already been well studied.

canSAR draws data from 21 different types of data source and feeds into, and interfaces with, various other resources. One of these is Probe Miner, which evaluates more than 1.8 million small molecules against more than 2,200 human targets and ranks them objectively against criteria that can be preset or modified by the researcher.



Protein chain structure

The principles of canSAR also have uses outside of cancer. In 2020, recognising the large volume of data emerging on the SARS-CoV2 coronavirus, the canSAR team launched canSARS. This platform draws on data published across the world on viral proteins, interactions of viral proteins with human proteins, drugs and drug mechanisms, and clinical trials. It was the first portal of its kind for research on Covid-19 and related diseases such as SARS and MERS.

350+

countries & territories where
canSAR is used

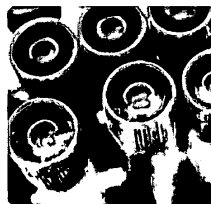
25,000+

cancer patients' molecular
profiling data

85,000+

druggable cavities found

Making the discoveries (continued)



Mutations in β -catenin
can cause cells to divide
uncontrollably

Important protein process recreated in the test tube provides clues to bowel cancer

Scientists led by Dr Sebastian Guettler, Deputy Head of the ICR's Division of Structural Biology, recreated a key cellular signalling system within a test tube — providing important clues to what goes wrong when cancer develops. The researchers reconstructed an assembly of proteins known as the β -catenin destruction complex. Mutations in this destruction complex are found in a large percentage of bowel and other cancers, and scientists have been keen to understand their role in promoting cancer.

By reconstructing the destruction complex, the team gained detailed insights into how two key genes function in keeping β -catenin levels constant. The researchers also investigated how this process goes awry in cancer. β -catenin is constantly created and destroyed in a natural cycle, so the overall amount available in the cells is kept low. However, mutations in β -catenin itself can cause it to skip the destruction part of this cycle. Ultimately this tells the cell to keep dividing uncontrollably — which leads to cancer. There are currently no cancer drugs in the clinic that target the Wnt/ β -catenin pathway, but the new research could help in opening up new approaches to treatment.



RNA polymerase III
reads DNA to decode
'housekeeping' genes

New 3D structure could be a treasure map to discover new treatments

Scientists led by Professor Alessandro Vannini, Deputy Head of the ICR's Division of Structural Biology, have created a three-dimensional map of a protein complex found in human cells which could be used as a guide to discover new treatments. When this complex mutates, it is linked to increased sensitivity to viral infections and neurodegenerative diseases, and potentially also to cancer. The protein complex, known as RNA polymerase III or Pol III, reads DNA to decode 'housekeeping' genes that form the basic building blocks of cells. Cancer cells often hijack this process to fuel their rapid growth and division so this 3D structure could act like a treasure map for guiding future research.

Three years ago, ICR scientists unveiled the structure of Pol III in yeast. Now the same team of scientists working with colleagues in Germany, has revealed the three-dimensional structure of the human version of the protein complex. The team used two Nobel Prize winning techniques in the research — a revolutionary type of microscopy called Cryo-EM and a technology to edit genes known as CRISPR.

Making the discoveries (continued)

Pillar 2: Innovative approaches to therapy

If we are going to defeat cancer, we can't stand still — it takes fresh thinking, cutting-edge ideas, technologies and unique approaches to overcome such a complex disease. The ICR discovers more new cancer drugs than any other academic centre in the world, and we continue to build on this momentum.

Outsmarting cancer in our new Centre for Cancer Drug Discovery

Outsmarting cancer requires creative problem solving – often drawing on the talents and expertise of researchers from a wide range of disciplines. The ICR's new Centre for Cancer Drug Discovery aims to be a hub for collaboration and innovation, bringing together hundreds of researchers from across drug discovery and evolutionary science under one roof.



Centre for Cancer Drug Discovery

The centre hosts the world's first 'Darwinian' drug discovery programme, designed to tackle cancer's lethal ability to evolve resistance to treatment.

The genomes of cancer cells tend to be highly unstable, with most adult cancers accumulating high levels of mutations as they evolve.

Some mutations can potentially help a cancer cell adapt to its environment so it can grow and spread – as would be expected under Darwin's theory of natural selection. Beneficial adaptations – including those that allow cancer cells to resist treatment – are passed on through cell division.

But ICR scientists aim to find ways of anticipating cancer evolution, and intervening with new treatments that can prevent or overcome drug resistance.

A wide range of experts are working on this problem within the building – including cancer biologists, chemists, evolutionary scientists, big data specialists, and clinician scientists.

Researchers have developed sophisticated new laboratory techniques and computer simulations to model how tumours evolve over time, as they aim to meet the huge challenge of recreating the complexity of the disease in the lab.

Diseases like prostate cancer are caused by mutations that build up in cancer cells. Scientists are developing new ways to model this genetic diversity and complexity, in order to help shape the approaches taken by their drug discovery colleagues.

Dr Marco Bezzi leads the Tumour Functional Heterogeneity Team at the ICR. He is using lab-grown mini-tumours called tumour organoids that more closely resemble cancer in patients to better understand how prostate cancer evolves. Dr Bezzi says working in the new building will help to keep his research focused on patients:

"By sharing the same facilities, we can share our expertise and knowledge. I can have those quick conversations about experiments and ask them what might be the best drug for a specific



Dr Marco Bezzi

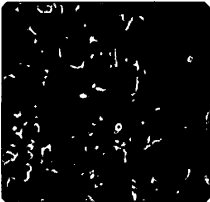
type of disease or for that particular patient. The connection we have to the clinic is amazing and it ensures that my work is studying the right questions to help patients."

The aim is to get one step ahead of cancer evolution – transforming cancer into a manageable disease that can be controlled long term and effectively cured.

6699

ICR scientists aim to find ways of anticipating cancer evolution, and intervening with new treatments

Making the discoveries (continued)



AI-generated images help to guide radiotherapy

Artificial intelligence could be used to synthesise magnetic resonance images of head and neck cancers from CT scans – as a way of guiding radiotherapy faster and more accurately than is currently possible.

The study led by Professor Uwe Oelfke, Deputy Head of the Division of Radiotherapy and Imaging, showed healthy organs and tumour tissue can be segmented in these images to help guide and deliver radiotherapy in real time. The researchers generated the MRI images from existing CT scans of the salivary glands of head and neck cancer patients.

CT images for radiotherapy are widely available, while MRI may not be. ICR researchers therefore trained AI to produce synthetic, good-quality magnetic resonance images of the patients' salivary glands, which could then be used to segment tissues of interest.

Currently, the segmentation is done manually, which is expensive, time-consuming and subjective. The new study helps with the problem of data scarcity in medical imaging, and could be used in the clinic to automatically transfer information about one type of image onto a new one using AI, to map out target regions of a patient's anatomy.

The study helps with the problem of data scarcity in medical imaging



New drug class could treat range of cancers with faulty BRCA genes

Scientists led by Professor Chris Lord, who leads the ICR's Gene Function Team, have identified a new class of targeted cancer drugs that offer the potential to treat patients whose tumours have faulty copies of the BRCA genes. The drugs, known as POLQ inhibitors, specifically kill cancer cells with mutations in the BRCA genes while leaving healthy cells unharmed. This class of drugs can kill cancer cells that have become resistant to existing treatments for patients with BRCA mutations. POLQ inhibitors could enter the clinic as a new approach to treating a range of cancers with BRCA mutations, such as breast, ovarian, prostate and pancreatic cancer.

Genetically removing a protein known as POLQ destroys cells with BRCA gene defects, but drugs that prevent POLQ from working had not been identified until now. New POLQ inhibitors could provide a new approach to treating cancers with BRCA gene defects, on top of existing PARP inhibitors. This is important since POLQ inhibitors should retain their activity in cancers that have developed resistance to PARP inhibitors, giving patients more options for treatment.

POLQ inhibitors specifically kill cancer cells with mutations in the BRCA genes

Making the discoveries (continued)

Pillar 3: Smarter, kinder treatments

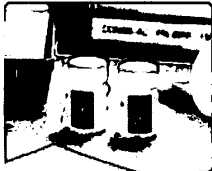
Together with our partner hospital The Royal Marsden, we run a world-leading programme of clinical trials, with a focus on personalised therapies for cancer and minimising harmful side effects from treatment. We are driving further innovations in the design of clinical trials to take new discoveries into the clinic more quickly and more smartly.

The evolution of PARP inhibitors

The ICR's pioneering research has helped develop a new class of cancer treatments, called PARP inhibitors, which became the first cancer drugs in the world to be targeted against inherited genetic faults. A major clinical trial led by one of the ICR's researchers this year showed the PARP inhibitor olaparib to be highly effective in women with early-stage breast cancer who have inherited BRCA mutations. Here, we tell the story of how these new targeted treatments emerged from scientific discoveries at the ICR 25 years ago.

Back in the early 1990s, researchers around the world were engaged in a race to identify genes helping to determine breast cancer risk. Researchers in the US first identified the BRCA1 gene – but while this explained many inherited cases of breast cancer, scientists were sure that there was another important gene out there.

In 1995, a research team led by Professor Mike Stratton and Professor Alan Ashworth at the ICR identified the second breast cancer susceptibility gene, BRCA2. After pinpointing the gene to chromosome 13 they found disease-causing mutations which were also seen in families with a history of breast cancer.



Synthetic lethality

We now know that both the BRCA1 and BRCA2 genes have an important role in repairing DNA breaks that occur in cells, and that's why a mutation in a BRCA gene can contribute to cancer development.

In the early 2000s, our researchers would go on to show that drugs called PARP inhibitors were particularly good at killing cancer cells with BRCA mutations – uncovering a concept called 'synthetic lethality' which can be used to develop treatments that selectively target weaknesses in cancer cells and leave healthy cells relatively unharmed.

The ICR and other organisations have gone on to develop PARP inhibitors in clinical trials as treatments for patients with BRCA mutations who have ovarian, breast, prostate and pancreatic cancer.

The next chapter

In 2021, the OlympiA trial showed that adding olaparib for one year following standard treatment for patients who had an inherited BRCA mutation and early-stage, HER-2 negative breast cancer, cut the risk of their breast cancer returning by 42 per cent at their two and a half year follow-up.

The findings establish olaparib as the first drug that targets the specific biology of BRCA genes to show success for treating early-stage breast cancer with an inherited BRCA mutation.

OlympiA Steering Committee Chair Professor Andrew Tutt, Professor of Oncology at the ICR and King's College London, said: "This is a great example of collaborative research between academia, charities and industry, and between partners in the UK and across the world. It is also a perfect example of how scientific innovation can transform the lives of patients."

6699

This is a great example of collaborative research between academia, charities and industry

Making the discoveries (continued)



New therapy combining inhibitor drugs can treat resistant cancers

A drug combination can benefit patients by targeting two fundamental weaknesses in cancer at the same time, a new clinical trial has shown. The trial was the first to use the pioneering genetically targeted drug olaparib together with a promising new medicine, called capivasertib. The ICR played a key role in pioneering both of these precision medicines, collaborating to create a precursor to capivasertib and discovering how to genetically target olaparib. Olaparib targets cancers with damaged systems for DNA repair, while capivasertib blocks a molecule called AKT which fuels tumour growth.

In the trial, led by Professor Johann de Bono, Head of the ICR's Division of Clinical Studies, 25 of the 56 patients benefited from treatment, with their tumours either shrinking or no longer growing. Some of the patients who benefited from the combination had previously stopped responding to chemotherapy, and many had mutations to genes involved in repairing DNA, including to the BRCA genes. This early clinical evidence shows that olaparib and capivasertib have the potential to work well as a combination treatment and could improve outcomes for some patients with drug-resistant cancer.

The ICR collaborated to create a precursor to the AKT inhibitor capivasertib



Professor Judith Bliss

The blood test is now reliable enough to be offered to patients on the NHS

A blood test can identify different mutations in breast cancer and match patients to treatment

A blood test that can identify a variety of mutations in advanced breast cancer can reliably match women to effective targeted treatments, early results of a major clinical trial reveal. The plasmaMATCH trial provides the strongest evidence yet that simple blood tests known as 'liquid biopsies' can benefit women with breast cancer by tracking their disease as it evolves and directing them to the most effective treatments. Researchers showed that the blood test is now reliable enough to be offered to patients on the NHS once it has passed approval.

The team, co-led by Professor Nick Turner, Professor of Molecular Oncology and Professor Judith Bliss, Professor of Clinical Trials, analysed blood samples from more than 1,000 women with breast cancer that had recurred after treatment or spread to another part of the body. The aim was to see whether the blood test could help improve treatment for the significant proportion of women whose breast cancer is caused by one of a variety of rarer mutations – as opposed to better-known defects like BRCA mutations. Researchers found that some women with HER2 and AKT1 mutations responded to the treatments assigned to them – suggesting that liquid biopsies can successfully match patients with certain rare forms of advanced breast cancer to more effective treatments.

Making the discoveries (continued)

Pillar 4: Making it count

It is hugely important to us at the ICR that our research delivers real benefits for the lives of people with cancer – and people who may develop cancer in the future. We are proud that so many of our advances have helped to transform outcomes for cancer patients, giving them more time and a better quality of life with their loved ones.

“Abiraterone gave my husband time to live life to the full”

One of the ICR's greatest achievements was the discovery of the prostate cancer drug abiraterone – which is now standard treatment for the disease, and benefiting many hundreds of thousands of men around the world. The ICR continues to run clinical trials for abiraterone to extend its use in new situations. This year we showed it could be even more effective when combined with a new experimental drug to block two of cancer's growth signals at once – helping patients live longer and with a better quality of life. Here, we speak to Sue, who tells the story of her husband Philip's experience of prostate cancer – and how abiraterone gave him the chance to live his life to the full.



My husband Philip was diagnosed with prostate cancer in 2005, at the age of 52.

It was a complete shock to both of us. He had surgery to remove his prostate and then hormone treatment, followed by nine rounds of docetaxel chemotherapy.

But the cancer had become resistant to the treatment, and it spread. It went past his lymph nodes and reached his bones and, at this point, we thought we were out of options.

Philip's quality of life at this time was generally very poor. He could not leave the house much, and he certainly couldn't play golf, which he loved to do.

Then Philip's oncologist told us about a clinical trial of abiraterone in patients where chemotherapy had failed. In January 2009, Philip was fortunate enough to join the phase III trial.

Within two weeks of starting treatment with abiraterone, Philip's PSA had reduced significantly and he was feeling much better.

I was staggered by the impact abiraterone had on his quality of life.

I remember just a couple of weeks after Philip started abiraterone, I found him looking at flights to Cape Town.

We went to South Africa in February 2009, in between clinical appointments. It was such a special trip, and it was unbelievable Philip was able to go when he'd recently been so unwell.

We also went to France and on a flotilla holiday in the Mediterranean. It was a very active time, and it was such a contrast from when Philip was just sat at home, feeling tired and drained.



Abiraterone gave Philip the chance to live life to the full. It gave us almost an extra year of quality time together, and we made the most of time with family and friends.

When a drug has such an impact on a patient's life, it's not just that person who benefits, but their family and friends.

I'm really aware of the importance of research and the benefit it has to individuals. I'm proud of the fact that Philip took part in the trial because it will have helped other men and their families get access to abiraterone.

66 99
It gave us almost an extra year of quality time together

Making the discoveries (continued)

Showcasing the impact of our research

We collaborate extensively across industry, academia, healthcare and policy to ensure that our advances in treatment or prevention are embedded into routine healthcare as quickly and as effectively as possible. Here we describe a selection of real-world impacts that have benefited patients in the last year as a result of ICR research – sometimes from studies we have conducted recently, and on other occasions from work we did some time ago that is beginning to benefit patients now.



Giorgia, pictured with her daughter Imogen, participated in the OlympiA trial

Bringing molecularly targeted treatment to patients

The European Medicines Agency (EMA) approved the genetically targeted drug olaparib in September 2020 for men with advanced prostate cancer and certain genetic faults in their tumours. The ICR and The Royal Marsden have run various clinical trials of PARP inhibitors like olaparib, including helping lead the phase III PROfound study which showed that olaparib was effective in some men with prostate cancer, and which supported the EMA approval. The ICR's Professor Andrew Tutt led the OlympiA trial (see page 20) which showed that olaparib could reduce recurrence and cancer spread in women with early-stage breast cancer and inherited BRCA mutations. As a consequence of this study, the American Society of Clinical Oncology now recommends offering one year of adjuvant olaparib therapy to patients with early-stage HER2-negative, BRCA-mutated breast cancer who have completed chemotherapy and local treatment.



Tony, pictured with his wife Brenda, was part of the IMPACT study

Use of genetics to guide prostate cancer screening

The ICR has discovered a large number of genetic variants that raise the risk of prostate cancer, including helping show that some men who inherit BRCA mutations are at an increased risk of the disease. We designed and led the IMPACT study, which found that annual PSA tests were more likely to pick out life-threatening forms of prostate cancer in men who carry the BRCA2 gene fault than in non-carriers. Based on the results of the IMPACT study, the European Association of Urology released new guidelines recommending that all men aged over 40 who carry the BRCA2 mutation should have an annual PSA test.

Distinguishing glioma in infants from tumours in older children

High-grade glioma is almost always fatal in older children – with only 20 per cent surviving for more than five years. But infants diagnosed when they are less than 12 months' old tend to have a better outcome – with around two thirds surviving five years or more. ICR scientists found that gliomas in infants were molecularly different from those in older children, with important implications for how they should be treated. These results have changed the World Health Organization's diagnostic guidelines.

ICR scientists found that gliomas in infants were molecularly different

Inspiring tomorrow's leaders

Inspiring tomorrow's leaders

The ICR has a strategic goal to educate and train the next generation of cancer researchers and clinicians.



#1

We ranked top in the UK for student experience in this year's UK-wide Postgraduate Research Experience Survey

Our learning and teaching strategy 2016-22 sets out our priorities and principles for education and training at the ICR. The strategy is structured around three pillars of activity.

► Pillar 1
Provide world-class research degree programmes

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

► Pillar 2
Teach tomorrow's leaders today's discoveries

We aim to provide postgraduate taught degrees that 1) support the rapid translation of scientific advancement into benefits for cancer patients and 2) fuel the pipeline of highly skilled researchers working to defeat cancer.

► Pillar 3
Partner with our peers and the public

We aim to maintain, forge and develop partnerships that support our education and training goals, and to widen participation in science education through promotion of student and staff volunteering, community outreach and public engagement.

100%

PhD pass rate in 2020

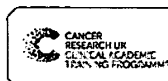
Our students are integral to the ICR and our culture – they are the people who will be making the cancer discoveries of tomorrow, and it is important they help shape us as an organisation today. Student representatives sit across all major ICR boards. We have worked closely with our students to meet their needs across the coronavirus pandemic, and where there is the opportunity, used the disruption to do things differently and improve student experience. We are really pleased to have ranked top nationally again for student experience in this year's UK-wide Postgraduate Research Experience Survey (PRES).

66%

Our students are the people who will be making the cancer discoveries of tomorrow, and it is important they help shape us as an organisation today

Inspiring tomorrow's leaders (continued)

Learning and teaching at a glance



The Cancer Research UK Clinical Academic Training Programme, which is jointly run with Imperial College London, awarded three fellowships across the two institutions for 2021/22.



Wellcome fund two further fellowships at the ICR.



Looking ahead to 2022/23, the ICR has been awarded 10 studentships each year (including four with industrial partnerships) by the MRC for at least three intake years, bolstering our provision of studentships for the coming years.



We have continued to work closely with students in our response to the disruption caused by the Covid-19 pandemic, to ensure we meet their needs.



Research students are still able to apply for Covid-related funded extensions, and all applications to date have been successful.

91%

The ICR again ranked top nationally for student experience in the UK-wide Postgraduate Research Experience Survey, with 91 per cent of our current postgraduate research students satisfied with their overall experience.



Our taught MSc in Oncology continued to run in a temporary remote format throughout the pandemic, ensuring the safety of staff and students as well as providing flexibility to counter the uncertainty and disruption facing clinicians.

98.5%

On the ICR's MSc in Oncology course 98.5 per cent of students said they were satisfied with the overall taught course experience in the Postgraduate Taught Experience Survey.



The performance of the ICR's students continues to be excellent. Our PhD students consistently achieve a 100 per cent pass rate.

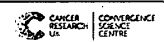
Inspiring tomorrow's leaders (continued)

PhD studentships

This year we were able to maintain the number of new PhD studentships available, with 31 advertised for the 2021/22 intake.



Six studentships are attached to the recruitment of new Team Leaders.



Two studentships are attached to the Cancer Research UK Convergence Science Centre at the ICR and Imperial College London with another two registered at Imperial.



Three studentships are funded via charitable trusts and major donors.



Medical Research Council

Four studentships are part of the Medical Research Council ICASE scheme, in partnership with AstraZeneca and Merck.

31

NIHR Biomedical Research Centres at The Royal Marsden and the ICR

Four studentships are translational projects funded by the NIHR Biomedical Research Centre at The Royal Marsden and the ICR.



One studentship is funded by the Biotechnology and Biological Sciences Research Council in partnership with AstraZeneca.



Two studentships are part of the Innovative Training Network Marie Skłodowska-Curie Actions of the European Commission.



The nine remaining studentships are supported by core ICR and Cancer Research UK studentship funds, one in collaboration with the University of Sussex.

Inspiring tomorrow's leaders (continued)

MSc Oncology profile



Anna Pili

Anna Pili is the MSc Oncology Course Manager at the ICR and runs the course alongside the Course Directors, supported by a network of hundreds of teaching staff, clinical consultants and other academics and administrators from across the ICR and beyond.

What is the MSc Oncology programme?

The programme is specifically aimed at medically qualified doctors, educating them on the theory and practice of cancer science and advanced cancer treatment – all to the benefit of cancer patients. We take a large proportion of the UK's oncology trainees onto the course here at the ICR, and normally we're the only face-to-face teaching course of this kind in the UK.

How did things change with the pandemic?

The pandemic had a massive impact on the course, mainly because our students are junior doctors. In March 2020, we made the decision to temporarily suspend the course because many of the students were needed to cover Covid wards or other wards where there were gaps.

How did the programme adapt?

We wanted to make sure that we could still provide the formal educational training needed for our students to take their exams, so we decided to run a condensed course online over the summer in 2020. We had to revamp the delivery of the course to translate face-to-face interactive teaching to online, and Zoom was new for all of us.

It has been a steep learning curve for everybody involved, including the students themselves who really value the hands-on nature and networking aspects of the course, but I'm proud to say we've done extremely well despite the many challenges we've faced.

What's next?

We're hoping that we'll be back to face-to-face teaching in the new year. Having successfully run the course online for the whole academic year, we know we can switch very quickly from one mode to the other, so we are preparing ourselves for that, should the need arise.

#1

The MSc Oncology programme was ranked top in the Postgraduate Taught Experience Survey

66%

We're the only face-to-face teaching course of this kind in the UK

Inspiring tomorrow's leaders (continued)

Student profile



Varun Ramaswamy

Varun Ramaswamy is a third-year PhD student at the ICR. He is working on a collaborative project between the Division of Cancer Therapeutics and the Division of Structural Biology that aims to solve the 3D structure of a protein called HSET using cryo-electron microscopy and complementary biophysical techniques.

What is your educational background?

I did my undergraduate degree in Genetic Engineering at SRM University, India. In 2016, I started an MRes in Molecular Biophysics at King's College London and had the opportunity to collect electron microscopy data at the ICR. I was fascinated by the technique and kept in touch with the team about future opportunities.

What big projects are you working on?

HSET helps cancer cells evade death. But this protein is redundant in healthy cells, making it an important potential target for cancer drugs. Excitingly, this protein can 'hop' within the cell! As a structural biologist, I find that really intriguing to explore.

What's the best thing about working at the ICR?

The healthy, supportive and professional working environment here allows me to perceive the impact of my research in the big picture within a pipeline of cancer drug discovery.

What opportunities has studying at the ICR given you?

It has given me several opportunities to communicate my science in different ways to scientific and non-scientific audiences. These challenging experiences have allowed me to grow as a scientific communicator.

What's your favourite part of life at the ICR?

It's great to meet and work with people who are as passionate and excited about discussing science as I am.



The healthy, supportive and professional working environment here allows me to perceive the impact of my research in the big picture

Inspiring tomorrow's leaders (continued)

Student profile



Maria Coakley

Maria Coakley is a Clinical Research Fellow carrying out her PhD in the Division of Breast Cancer Research. She is investigating the evolution of 'triple-negative' breast cancers, working with patient samples collected from a clinical trial.

What is your educational background?

I studied medicine at the National University of Ireland, Galway, before my postgraduate training at the Mater Misericordiae University Hospital in Dublin. In 2016, I commenced specialist registrar training in medical oncology, based at The Royal Marsden.

Why study at the ICR?

The ICR is a world-renowned centre for cancer research with strong links to clinical teams at The Royal Marsden. This gives my research a clear clinical focus and translational relevance. People at the ICR are dedicated to and passionate about science, creating a dynamic academic environment.

What's it like to study at the ICR with a medical background?

When I joined, my scientific colleagues were patient and understanding as I developed my research and laboratory skills. The ICR's experience of working with people from a clinical background is extremely valuable in ensuring smooth transitions to the laboratory for clinical fellows.

What are you most proud of?

Throughout my career to date, I have worked in institutions that aim to improve the lives of patients and their families – whether this is patient facing or in a research capacity.

What do you want to do next?

I will return to clinical practice in 2022 and wish to combine my love of medicine and research in my future career.



The ICR's experience of working with people from a clinical background is extremely valuable



Powering our research

Powering our research

The ICR's operational strategy seeks to achieve two main aims – to grow our income as an organisation and to deliver a world-class environment for our research and teaching.



£75m

The opening of our new £75 million Centre for Cancer Drug Discovery is a testament to the hard work and commitment of everyone at the ICR

The operational strategy groups programmes of activities within two central pillars – growing our income and delivering a world-class environment.

Our strategy sets out how we aim to support our ambitions for our research and teaching by attracting new sources of income to the ICR, increasing our grant funding by identifying new opportunities and optimising cost recovery, and expanding commercial activities through initiatives such as The London Cancer Hub. We are strongly focused on philanthropy.

The Covid-19 pandemic, and the uncertainty which has resulted from Brexit, have had a significant impact on the way we operate and our generation of income. We have worked closely with partners and stakeholders to mitigate the impact where we can, and to ensure we are in a robust position for the future.

The generosity of our supporters and the public has been vital in helping us to get our research back up and running. Our 'kick-start' appeal became our most successful fundraising appeal ever, raising more than £210,000 to support researchers returning to our labs after lockdown. Income from drugs like olaparib has been healthy and our Business and Innovation Office has driven record-breaking commercial collaboration income from industrial research partners to support a wide range of research projects.

Our focus on infrastructure and technology to support our research and teaching ensures we deliver the best possible environment for staff and students. Over 2020-21 we have launched new research centres at the ICR and in partnership with The Royal Marsden and Imperial College London. The opening of our new £75 million Centre for Cancer Drug Discovery is a testament to the hard work and commitment of everyone at the ICR. It is now meeting our ambition to bring together hundreds of researchers from different disciplines to lead a pioneering 'Darwinian' programme of cancer drug discovery, focused on overcoming cancer evolution and drug resistance.

As part of creating a world-class environment, we provide tailored support services for researchers at every stage in their working lives, and identify opportunities to streamline our governance and improve use of information to support decision making. We have also sought to learn lessons from the pandemic by embedding more flexible approaches to the way we work, supporting staff and students through technology.

A major priority area to safeguard our research for the future is our work to maximise our sustainability as an organisation. This year, the ICR declared a climate emergency, and under the framework of the United Nations Sustainable Development Goals, we are developing new approaches to address the climate crisis, setting net zero emission targets, and working with staff and students to embed sustainable working practices.

Powering our research (continued)

Our environment and infrastructure

The ICR prides itself on its cutting-edge research, which is supported by a vibrant scientific environment, and top-class facilities and infrastructure.

This year we have established several new research centres, intended to stimulate new collaborations and partnerships. We have also established state-of-the-art facilities and are investing heavily in digital infrastructure so we can store, share and analyse huge amounts of research data.

Integrated Pathology Unit (IPU)

The ICR is working in partnership with The Royal Marsden on a new Integrated Pathology Unit. Led by Professor Manuel Salto-Tellez of the ICR and Dr Katharina von Loga of The Royal Marsden, the IPU will bring together pathology research across the two organisations using new analytical approaches to cancer tissue-based research.

The IPU will ensure all pathology images across different cancer pathways are captured, stored and shared as digital images, enhancing both research and patient care.

Linked to artificial intelligence technology, digital pathology is set to transform the way we understand, diagnose and characterise cancer, and to help shape how cancer is treated.

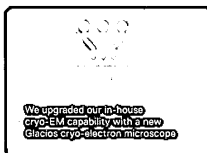
The Centre for Translational Immunotherapy

The ICR and The Royal Marsden have set up a new Centre for Translational Immunotherapy, which aims to develop a greater understanding of how immunotherapy works. Professor Alan Melcher of the ICR is overall lead for the Centre, and Dr Andrew Furness of The Royal Marsden is the clinical lead. Together they will lead collaborative research to understand

why some patients respond well to immunotherapy and others do not, and to identify new biomarker tests to support clinical trials by identifying those patients who are likely to benefit most.

Electron microscopy

We upgraded our in-house cryo-EM capability with the delivery in 2020 of a new Glacios cryo-electron microscope, dedicated to efficient cryo-EM sample screening and data collection. The instrument streamlines our cryo-EM workflow and vastly expands our in-house data collection capabilities, enabling us to most effectively use ICR-allocated experiment time on the Titan Krios instruments based at the London Consortium for Cryo-EM and the Electron Bio-Imaging Centre at the Diamond Light Source.



Flow cytometry

The ICR has purchased and installed new BD FACSymphony A5 cell analysers at both our Sutton and Chelsea facilities to support our growing efforts in cancer immunotherapy. These powerful analysers enable the rapid measurement of multiple physical and chemical characteristics of individual cells or particles. The investment was part-funded by RadNET. Further investment will update the cell sorters on both sites with increasingly powerful multi-parameter systems.



High-performance computing

The ICR has launched a new high-performance computing cluster – called ALMA – to increase capacity across the ICR to tackle larger computational challenges which cannot be addressed with normal desktop and server resources. ALMA was named by staff to honour the black female cancer scientist, Alma Levant Hayden.

Co-location of core research facilities in Sutton

The Genomics, Flow Cytometry and Light Microscopy facilities in Sutton are being brought together in the heart of our Sutton campus. By increasing the visibility and ease of access to these services, we hope to further encourage collaborative working and uptake of our facilities. The new space will also accommodate a state-of-the-art confocal microscope, which is generously part-funded by the Garfield Weston Foundation.

Powering our research (continued)

ICR digital vision

The ICR is embedding a new 'digital vision' for our organisation, which aims to further develop and deliver the digital services needed to support the ICR to make the discoveries to defeat cancer. We will provide cost-effective, state-of-the-art computing processing, storage and archiving solutions to meet the ever-growing demand for data-driven research. Our Phoenix project is ensuring we strengthen cybersecurity capability across the ICR to minimise risk to our organisation. We are embracing a cloud first strategy for all new technology solutions including the full adoption of Office 365, which includes Microsoft Teams.

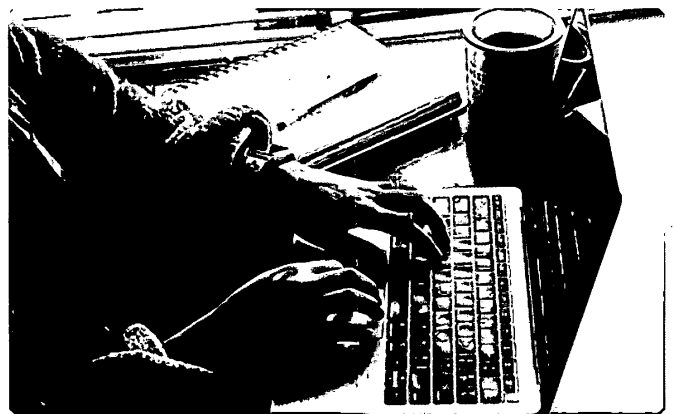
Supporting a modern way of working

As part of a major review of how we support changing working patterns, the ICR is trialling a new 'blended working' model for professional services staff. An initial consultation with staff and students took place in the summer of 2020, and we also looked at models developed by other organisations leading in this field, including Accenture.

The aim is to allow the ICR's professional services to deliver excellent and enhanced services for researchers and the wider organisation, while supporting staff wellbeing and work-life balance – and ensuring continued connectedness and creative collaboration across the organisation.

6699

This year we have established several new research centres, intended to stimulate new collaborations and partnerships



Supporting staff wellbeing and work-life balance. Credit: Daniel Thomas, Unsplash.

Powering our research (continued)

Pursuing our science sustainably

80%

80% of Facilities Services staff have completed IEMA (Institute of Environmental Management and Assessment) sustainability training.

A major priority area to safeguard our research for the future is our work to maximise our sustainability as an organisation.

This year, the ICR declared a climate emergency, and we are working with staff and students to embed sustainable working practices, under the framework of the United Nations Sustainable Development Goals.

The ICR is aligning our climate change efforts with global decarbonisation requirements to limit global warming to well below 2°C above pre-industrial levels. As part of our goal to reach net zero emissions, we commissioned a report to assess our carbon footprint.

This report assessed emissions from sources like fuel consumption and the electricity grid, as well as emissions created indirectly by our research through our supply chain, business travel, waste and other elements. Based on the report, we are proposing ambitious targets to reduce our carbon footprint through a range of sustainability measures, including decarbonisation of our estate, which could reduce the ICR's carbon footprint by as much as 10%.

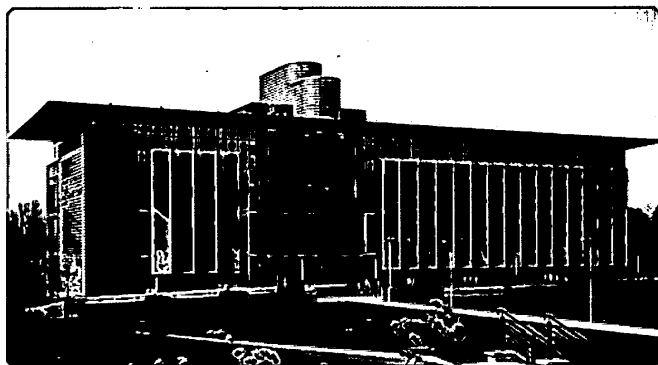
In 2020/21, the ICR emitted 29,211 tonnes of carbon dioxide equivalents (including impact of travel) and consumed 27,098,911 kWh of electricity and gas, equating to 757 kWh/m². This is a 5,355,640 kWh increase in energy consumption on our previous year, and reflects the impact of closing much of our laboratory spaces in 2020 during the first national coronavirus lockdown, coupled with the start this year of research activity in our new Centre for Cancer Drug Discovery.

The ICR has actively undertaken projects to reduce our carbon footprint, including upgrading cold rooms with more energy-efficient cooling and the installation of LED lighting across our offices.

Sustainability and actions around reducing carbon emissions was one of the top five themes that emerged from our survey of staff and students this year, and we are harnessing the ideas and enthusiasm of staff and students by developing sustainability training and resources, and have trained our lab managers and researchers to help them identify ways to make our science more sustainable.

Our new Centre for Cancer Drug Discovery has been designed to be as sustainable as possible for a laboratory building, with features including a 'green roof'.

Our new integrated management system for sustainability is helping us to include everyone in our efforts, as we work towards a more sustainable



Powering our research (continued)

Growing our income

\$255.6m

The amount raised by Monto Rosa Therapeutics in its IPO on the NASDAQ stock exchange.

The period ahead holds substantial challenges for the ICR, as we continue to adapt to the long-term impacts of Covid-19 and an altered landscape for research and higher education funding, and to understand the impact of Brexit.

However, thanks to our wide network of supporters, partners and collaborators, we head into the next financial year in a strong position, buoyed by our most successful ever fundraising appeal, invention income from drugs like olaparib and increased commercial collaboration income.



Kick-start Appeal

Our major 'kick-start' fundraising appeal became our most successful to date, bringing in more than £210,000 to help our scientists make up for valuable research time lost to the coronavirus pandemic.

The direct mail campaign went out to loyal supporters and donors, as well as thousands more people across the UK in July. This was supported with advertising on Facebook and Google and on our website and social media channels.

The appeal explained where donations could make a difference, including advancing our understanding of childhood cancer, accelerating the discovery of new drugs by acquiring cutting-edge equipment and training the cancer research leaders of the future.

The response was very positive, both from our supporters and our colleagues. Staff and students played a crucial role in promoting the appeal far and wide by showing their heartfelt support on social media and giving a glimpse into the people behind the research – from their experiences returning to the labs, to the computational science they continued to progress at home.

ICR gets top scores in prestigious measures of success

The ICR ranked highly in the UK's first Knowledge Exchange Framework (KEF), a new Government assessment of universities' partnerships and their influence on wider society.

We were in the top 10 per cent of all higher education institutions in England – the top score available – in four of the seven categories assessed: 'Working with business', 'IP and commercialisation', 'Research partnerships' and 'Public and community engagement'. The ICR was one of only four institutions to place in the top 10 per cent in four of the categories, with none scoring top in five or more.

The ICR had a record year for the amount of income from collaborations with industrial partners, receiving £12.7m in 2020/21 to support a wide range of research projects. We also came top in university invention income for an eighth successive year, earning the most staff-adjusted invention income of any UK higher education institution in 2019/20 with £28.7m (latest data available).



Collaboration highlights

Collaboration highlights over 2020/21 included new agreements with pharmaceutical company Roche to explore mechanisms of resistance to its antibody drug cibisatamab, and a clinical trial of a promising new drug targeting the effects of the KRAS gene, which has been notoriously difficult to target.

Meanwhile, continuing collaborations include strategic alliances with AstraZeneca – under which several projects are running including several of our joint Medical Research Council iCase studentships – and Merck KGaA, which is looking at three separate promising targets for new possible cancer drugs.

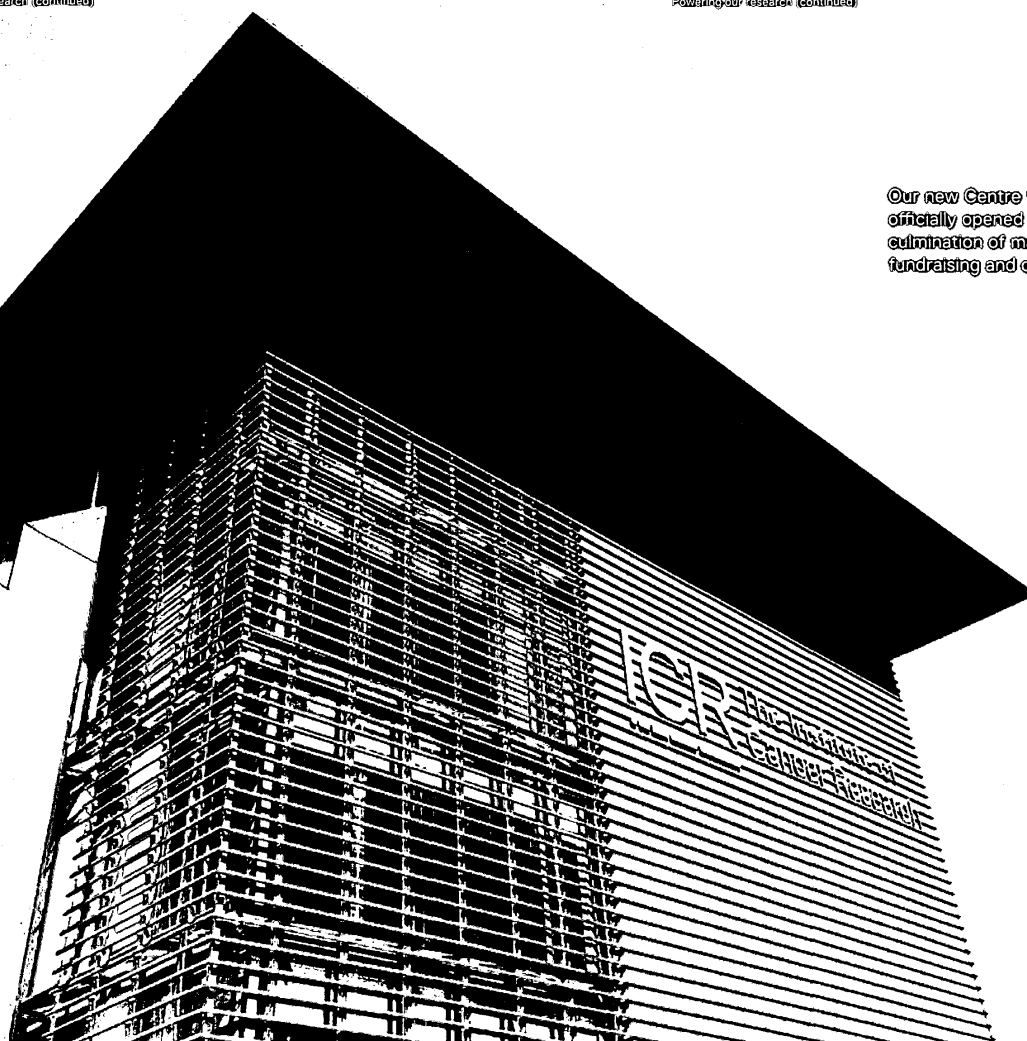
As well as generating income from collaborations, the ICR is also one of the UK's leading academic institutions in generating invention income.



Powering our research (continued)

Powering our research (continued)

Our new Centre for Cancer Drug Discovery
officially opened in November 2020 – the
culmination of many years of planning,
fundraising and commitment.



Our people and culture

At the ICR, we know that to be able to undertake our world-class cancer research, it is essential that we harness the talents of all of our staff and students through a supportive and inclusive working culture. We are committed to promoting equality, diversity and inclusivity, to sharing our research with the public and to involving a wide range of people in our decision making, so that we work in a way that is sustainable and has a positive impact on society.

We share examples of the progress we are making in our work on culture and wellbeing through a variety of routes, including formal reporting on the impact of our actions on society – from our work to address our gender pay gap, to how we engage with our local communities and stakeholders.

Next year, we will be reporting too on our ethnicity pay gap, and widening the scope of our reporting on sustainability.

Culture and engagement strategy

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

We will focus on five key themes for the next three years:

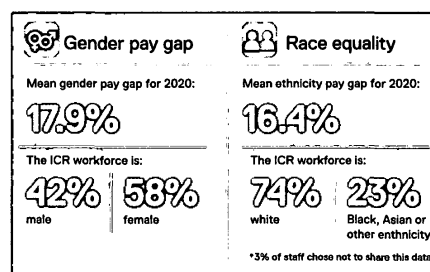
1. Vibrant research culture: celebrating innovation and new ideas.
2. Breaking down barriers and promoting collaboration across the organisation.
3. Work-life balance and wellbeing by building a supportive workplace with a focus on mental health.
4. Equality, racial diversity and inclusivity.
5. Staff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

Gender pay gap report

The ICR's 2020 gender pay gap report showed a continued pay gap between women and men. We are committed to addressing this through a series of organisational actions to promote gender equality. We are making efforts, for example, to recruit more women to our scientific Faculty and to reduce the gender pay gap in Professional Services.

The report covers the 1,096 staff on the ICR's payroll in March 2020, of whom 42 per cent were male and 58 per cent female. It is the first data set since the introduction of our new system for pay and reward, which reviewed and benchmarked all staff pay and resulted in pay rises for more than 200 people.

Our mean gender pay gap for 2020 was 17.9 per cent, compared with 21.0 per cent in 2019, 17.9 per cent in 2018 and 18.4 per cent in 2017. The ICR's figures are roughly in line with the national average, which in 2019 was 17.3 per cent.



The persistence in our pay gap is a concern, and can largely be attributed to the fact the ICR has more men than women in our senior, more highly paid roles. Notably, the pay scales of clinical academics are set by the NHS and the Universities and Colleges Employers' Association. This an issue shared across the scientific research and higher education sectors – and one we are taking active steps to tackle.

We also published figures for non-consolidated bonuses. The mean gender bonus gap was 52.9 per cent, with men receiving an average payment of £1,926.70 and women receiving £908.12. We believe this large gap is because men are more likely than women to be on higher salaries, and fewer men than women work part-time.

Race equality survey

The ICR's first race equality survey has highlighted a largely positive culture at our organisation while identifying areas for future focus, including diversity and representation across our senior leadership and improving our recruitment processes.

We ran the survey in December 2020, to help inform work to meet our Beyond the Statements action plan commitments, and gained responses from 65 per cent of staff and students. Questions in the survey were developed alongside the Race, Ethnicity and Cultural Heritage (REACH) forum, and included equality of opportunity, equitable reward and recognition, cultural competence, conversations about race, sense of belonging, and appreciation of individual attributes.

The responses continue to help us to shape next steps for the ICR as an organisation, including the launch of a race equality career accelerator programme, support for staff and students to open up conversations about race, and further action to tackle bullying, harassment and micro-aggressions.

ICR adopts International Holocaust Remembrance Alliance definition of antisemitism

In February 2021, the ICR adopted the International Holocaust Remembrance Alliance definition of antisemitism. This definition was

endorsed by the Executive Board and the Board of Trustees.

Public engagement

The ICR has continued to find new and creative ways to engage the public more widely in our research – against a backdrop of ongoing challenges resulting from the Covid-19 pandemic. We have directly reached more than 2,400 members of the public through virtual activities and events. Staff and students from all research divisions and a range of roles have found new and exciting ways of interacting with our target audiences in the online world, contributing some 400 hours of their time.

Our public engagement work has a strong focus on inspiring the cancer researchers of the future, as outlined in our new public engagement strategy. The strategy also strengthens our commitment to encourage students into science from backgrounds that are currently underrepresented in academic research.

In total we reached more than 700 students from schools with a high intake of students from disadvantaged socio-economic and racially diverse backgrounds. As part of these efforts, we ran a series of events in collaboration with the ICR's REACH forum, which engaged almost 250 students. We also engaged with some 750 students from schools in our local and neighbouring boroughs, strengthening our commitment to our local community.

To support our schools work, we launched a new education resource, called 'Creating cancer treatments'. Designed for GCSE students, the 10-minute video and activity pack allows students to explore how our researchers design and develop new drugs for cancer. Since its launch to schools in November 2020, the video has been viewed around 450 times on YouTube,



Our people and culture (continued)

and the activity pack has been downloaded more than 200 times.

Caring responsibilities and Covid

The Covid-19 pandemic posed a challenge for all of us at the ICR. Those with caring responsibilities in particular have been faced with difficulties – home schooling, closures of after school clubs, looking after elderly relatives or those who are shielding – all while working from home or working shifts in the labs.

The Athena SWAN Steering Group compiled examples of good practice from staff and students.

Many colleagues reported on the benefits of home working, especially in relation to caring responsibilities during this period. A shared understanding of the need for flexibility supported colleagues to meet the demands of work and home, and helped improve work-life balance.

Many teams set up Slack workspaces to keep in touch when working from

home. This helped reduce the number of emails teams received on a daily basis and created spaces for group and one-on-one conversations.

A central wellbeing programme shared resources, guidance and activities, and teams, departments and committees came together to socialise and build morale. Events have included virtual coffees and 'kitchen chats', and special events like a Bollywood fitness class, and monthly interest groups for cycling enthusiasts and music sharing.

Six values, one ICR

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

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

**PURSUING EXCELLENCE**

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

**ACTING WITH INTEGRITY**

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

**VALUING ALL OUR PEOPLE**

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

**WORKING TOGETHER**

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

**LEADING INNOVATION**

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

**MAKING A DIFFERENCE**

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

Community and stakeholder engagement

Planning for the future with our stakeholders

(Section 172, Companies Act 2006 Statement)

The ICR aims to engage with many different stakeholders, within and outside the organisation, in taking decisions for its future.

Our mission is to make the discoveries that defeat cancer, and we work with patients, supporters, stakeholders and our own staff and students to ensure our research achieves its aims by successfully improving the lives of people with cancer. We also know that to maximise the impact we have for patients and wider society, we need to work closely with many different organisations, including academic and commercial partners, funders and suppliers.

In engaging with these different people and organisations, we give particular consideration to the following issues:

Securing our future

We are careful to take decisions which ensure the long-term financial stability of our organisation and future for our research, so we can keep on making discoveries that help to defeat cancer. We frame decisions around a five-year strategic planning cycle, with key investments and priorities set according to Making the discoveries: our research strategy 2016-2022, which was developed jointly with The Royal Marsden. Underpinning this strategy is a rolling five-year financial planning review, updated and approved annually, which sets out the ICR's approach and response to key financial risks to delivering and sustaining our research.

A key area of investment and oversight for the Board of Trustees during 2020/21 has been the



recruitment of new research teams and various senior leaders. Our new Chief Executive, Professor Kristian Helin, was appointed following an extensive global search, supported by our new Chief Operating Officer, Gordon Stewart, who started in December 2020. Professor Julia Buckingham joined us as Chair of the Board of Trustees in August 2021. Further appointments to the Board include the Chair of Investments and Building Development Committee.

Further recruitment to key scientific leadership roles including the Head of the Division of Cancer Therapeutics and the Head of the Centre for Evolution and Cancer, is taking place with Professor Helin in role as Chief Executive.

The investment in and progression of these appointments was a matter of fundamental strategic significance to the Board and a core theme in how it approached financial planning and decision making during the year.

Underpinning the focus on the new leadership, the Board has also continued to oversee the ICR's programmes to maintain a world-class environment to support our research. One area of focus has been the extensive refurbishment of the ICR's laboratories and infrastructure in order to prepare for incoming faculty to the ICR.

Another priority has been the implementation of the ICR's digital vision, through investment in new systems for storage, sharing and analysis of research data, cyber security, and broader infrastructure to optimise future ways of working.

Engaging with ICR staff and students

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

Community and stakeholder engagement (continued)

The ICR holds at least two Chief Executive briefings for all staff and students each year, as well as two Chief Executive meetings with representatives of staff and student networks.

The Board of Trustees has student and Faculty representation, and the ICR further promotes and supports student engagement via its Academic Board, and through interactions with the Student Association.

Staff and student consultation forms a key pillar of all decision making. The ICR developed its last five-year strategies and its values in close collaboration with staff and student groups. More recently, we engaged closely internally in developing plans to trial new post-pandemic models of working among some groups of staff, including through surveys and focus groups.

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



Working with partners and funders
Partnership is integral to the way we work. We work closely with partners, funders and donors to ensure strategic alignment in our shared mission to defeat cancer.

Our research strategy is a joint framework, developed and owned with our partner hospital The Royal Marsden. The Royal Marsden is also

represented in the membership of the ICR's Board of Trustees, as is the ICR's largest funder, Cancer Research UK. We have a strategic partnership with Imperial College London, through which we developed the Cancer Research UK Convergence Science Centre. We also have important strategic relationships with various pharmaceutical and biotech companies, including AstraZeneca and Merck KGaA.

Relationships with suppliers

We nurture strong, productive relationships with our suppliers to ensure robust supply chains for the provision of the goods and services that are essential to our research. The ICR has also worked with suppliers to put in place measures to prevent modern slavery and human trafficking in its business and supply chains.

Impact on community and environment

We engage actively with local people in Sutton and Chelsea.

We work with schools and community groups to reach local audiences, and partner with the London Borough of Sutton to deliver meaningful community projects.

We play an active role in community events and festivals to share with local people the science taking place on their doorsteps, and work closely with our local communities to ensure we mutually support each other.

The ICR is also committed to minimising the adverse impact of our activities on the environment, through the delivery of our new health, safety, environment and quality strategy for 2020-2025.

We have set a new objective to incorporate best sustainable practice into our laboratory operations to reduce our impact on the environment, and we are working with research staff to understand barriers to sustainable behaviour, and where support is most valuable.

High standards of ethics conduct

The ICR is committed to integrity, honesty and high ethical standards in everything we do. This is set out through our values, and delivered via our effective policy and governance framework, set out in more detail on pages 54-58. We promote honest, transparent working practises and are committed to responsible stewardship of public and charitable funds.

Acting fairly

The ICR maintains an open dialogue with our stakeholders to take into account their priorities and requirements, and ensure we are inclusive and collaborative.

We know there are areas where we must continue to progress, and will do so by proactively seeking out and learning from examples of best practice. We are committed to investing skills and resources to build our research culture, and drive equality and diversity across all parts of our workplace. We aim to lead through our actions and provide a model for others in our sectors to follow. This approach was directed by the Board's scrutiny and approval of a number of key statements in this area, including on ICR's Annual Equality Statement, Anti-Semitism Statement and Gender Pay Gap reporting.

Our strategic ambitions, systems and culture come together in our core focus on making the discoveries that defeat cancer, working in a way that acknowledges and benefits everyone.

Our mission is to make
discoveries that defeat
cancer. The ICR is one of the
most influential cancer research

discoveries
Scientists and clinicians are
every day in our labs
a real impact on
patients' lives.

Unrivaled record
When we get the discovery
cancer biology,
personalised
new drug
our achievements
selves.

Risks

Risks

The period ahead continues to hold challenges for the ICR, as we adapt to the long-term impacts of coronavirus, an altered research and higher education funding landscape and the implications of Brexit and ongoing pension changes. In addition, the ICR this year declared a climate emergency, in recognition of the urgent role we each have to play in a sustainable future.



The ICR continues to monitor the challenges which lie ahead, identifying potential risks and taking action to mitigate these to ensure we can continue to deliver world-leading research to improve the lives of people living with cancer.

Impact of Covid-19

The impact of the Covid-19 pandemic remains considerable. Recovery will take time and we will continue to feel the impact over coming years. The wider funding landscape has changed as a result of the pandemic, and we continue to see disruption to our life-saving research, and our programmes to train the next generation of cancer researchers and clinicians.

In the new academic year we will survey our faculty to gain an up-to-date understanding of how much they feel the pandemic has affected our work.

Research funding environment

The external funding environment remains as competitive as ever. Despite our relatively small size, the ICR remains one of the highest recipients of charity research funding in the UK higher education sector. While this is a strength, it is important to note that charity funders do not support the full costs of research, and top-up funding through the Research England Charity Support Fund is being eroded.

Traditional areas of research funding remain at risk and have resulted in a number of major cuts to core

research grants. However, we continue to be successful at recruiting top scientists who we expect to attract new external grant funding, to offset the impact of the cuts.

Efforts to diversify the ICR's research funding portfolio continue. We have been successful in winning high-profile Government funding, through NIHR Senior Investigator Awards and an MRC Doctoral Training Partnership.

This broadening of funding not only increases the resilience of the ICR's research portfolio, but also increases potential for new large-scale infrastructure funding opportunities.

Higher education funding

The ICR operates under the regulatory control of the Office for Students (OfS), with research activities overseen by Research England.

The 2020/21 teaching grant from the OfS was consistent with previous years. For 2021/22, a decrease from the loss of London weighting to formula calculations will be offset by an increase to the Teaching Specialist Institution Allowance. The future of the latter is uncertain and will be subject to consultation in 2021/22.

For 2020/21, the bulk of the ICR's 'quality related' (QR) research grant from Research England remained static. Future allocations from 2022/23 will be informed by performance in the Research Excellent Framework, with results now expected in May 2022.

Risks (continued)

The ICR benefited from supplementary allocations throughout the year, notably a Research Specialist Institution Allowance which partly offset reductions to core infrastructure grants from charity funders. We received additional targeted capital funding to refresh and replace existing infrastructure.

The ICR received notice of its QR allocations for 2021/22 in October 2021. While core mainstream QR funding has remained static, the ICR will continue to benefit from supplementary funding allocations, including the Research Specialist Institution Allowance along with a wider review of research funding.

In July 2021, the Government launched its Innovation Strategy, the successor to the Industrial Strategy. This affirmed ambitions to review the proportion of the full economic cost of research that funders contribute, along with a wider review of research funding.



Fundraising and philanthropy

Fundraising has continued to be affected by the pandemic during 2020/21, and in particular by restrictions on social and in-person events. Whilst we have seen sustained online interactions and generosity from our existing major donors, forming new philanthropic relationships has remained a challenge. We have also observed a high degree of 'life changes' for our major donors – as a result of the pandemic and Brexit – including retirements and relocations which could

affect the nature of these relationships going forward. Virtual sports events have proved less lucrative than their in-person counterparts, but we are optimistic that this income stream will gradually return to post-Covid levels now that major events can go ahead again. We've also seen a rise to legacy income reflecting increased mortality rates during the pandemic, as well as improvements in probate administration.

Brexit

The UK formally left the EU on 31 January 2020. During the transition period the UK and EU signed the UK-EU Trade and Cooperation Agreement, which came into force on 1 January 2021 and addressed some of the concerns over the potential implications of Brexit. The UK still has the option to participate in Horizon Europe, although the agreement to do so has not been finalised.

The UK and EU have agreed to facilitate cross-border data sharing between the UK and EU, and there will be common recognition of professional qualifications and standards, and of Good Manufacturing Practice (GMP) regulations for medicine production. However, areas of uncertainty remain.

The ICR has put in place a series of actions to mitigate any potential negative effects of the UK's departure from the EU. Actions cover key areas such as grant funding, workforce and student recruitment, commercial research partnerships, data sharing and collaboration, procurement, and medical regulation and science policy. Our planning has confirmed that we do not face major risks of loss of EU funding. We continue to work hard to attract the best researchers and students from across the EU.

In the Autumn 2021 budget, Government announced the 'Scale-up, High Potential Individual', and 'Global Business Mobility' visas to attract highly skilled people. The Government is also launching a 'Global Talent Network' to proactively find and bring talented people to the UK in key science and technology sectors.

The withdrawal agreement and trade deal made provision for the UK to continue to align with relevant EU rules and to cooperate with EU agencies – including on medicines and chemicals. We expect a reasonable degree of alignment in the immediate future, and are continuing to lead debate on how to streamline regulation of clinical trials and drug licensing in both the UK and Europe.

Pensions

The liabilities on defined-benefit pension arrangements continue to be significant. Most ICR staff are members of the USS, resulting in a financial risk to the ICR's ability to continue investing in research activities at current levels, as well as risks to employer relations across the sector, due to the size of the deficit identified in recent valuations of the scheme, and the unaffordability of planned increases in employer and employee rates.

However, on 31 August 2021 the USS Joint Negotiating Committee accepted a proposal to make changes to future member retirement benefits accrued in the scheme, and the extent to which these benefits are protected from inflation. These changes would result in the employee and employer contribution rates increasing by only 0.2% and 0.3% respectively on current rates from 1 October 2021, compared with previous planned increases. This proposal is subject to consultation, but if confirmed will reduce the risk regarding future pension cost increases, both for the ICR and other institutions across the UK sector. Notwithstanding this progress in addressing the financial risk to the sector, the liabilities arising for universities in respect of the USS scheme will continue to be significant for many years to come.

Future developments

Looking ahead over the next 12 months, it is an exciting period for the ICR as we develop our new strategy, open a new Innovation Gateway at The London Cancer Hub, and launch new collaborative initiatives with The Royal Marsden. In addition we will continue to make the case for sustained investment into UK research and development by taking the opportunity to engage with Government and other stakeholders in the run-up to and aftermath of the keenly anticipated Comprehensive Spending Review in the autumn.



5 years

The ICR is entering a new five-year strategic cycle under Professor Kristian Helin's leadership

Development of new strategy

The ICR is entering a new five-year strategic cycle. Under Professor Kristian Helin, who joined as Chief Executive in September 2021, we will be developing new strategies to underpin the organisation's research, teaching and wider organisational priorities. The ICR's leadership team intends to engage widely with staff, students and stakeholders to understand priorities for the future, evaluate the achievements of the ICR's previous strategy and assess the opportunities opened up by the latest advances in research and technology.

Government spending review to set out funding plans

The Government released its Comprehensive Spending Review in autumn 2021, setting out future priorities for funding. This is an important opportunity for the ICR to call for increased investment in areas that will support our activities. The Government's support for science is vital for the UK's economy and is critical to the ICR's financial sustainability, and we need a long-term funding commitment. There is also a need for the Government to address the funding gap that has opened up through the impact of the pandemic on funding from medical research charities. Finally, Government capital investment is essential for the success of major initiatives such as The London Cancer Hub. The ICR will engage with Government and the wider sector to make the case for sustained investment to ensure the ICR can continue to deliver world-leading research to improve the lives of people with cancer. We will also be seeking opportunities opened up by the Comprehensive Spending Review for attracting support for research and innovation at the ICR, especially through new developments at The London Cancer Hub.

Innovation Gateway to open at The London Cancer Hub

A new incubator facility called the Innovation Gateway opened at The London Cancer Hub in November 2021, providing high-quality laboratory, office and collaboration space for life-science companies.

The building is adjacent to the ICR's Centre for Cancer Drug Discovery and will be home to a range of companies with an interest in cancer, with a particular emphasis on start-ups, spin-outs and small teams from the biotech, medtech, data science and pharmaceutical industries.

The creation of the Innovation Gateway is a significant step in realising the vision of The London Cancer Hub – an ambitious partnership between the ICR and the London Borough of Sutton which aims to create the world's leading district for cancer research, treatment and commercial enterprise. The Innovation Gateway will offer innovative companies the chance to work side by side with our scientists.



The Cancer Epidemiology and Prevention Unit

The ICR and Imperial College London together launched a new joint centre, the Cancer Epidemiology and Prevention Unit, focusing on cancer prevention research and strategies. Professor Elio Riboli of Imperial College London and Professor Richard Houlston of the ICR will jointly lead the initiative, which aims to undertake globally leading research on the causes of cancer and on how best to implement effective prevention strategies.

A centre for early detection

The ICR and The Royal Marsden has launched an Early Diagnosis and Detection Centre to bring together research, expertise and clinical trials activity on early detection across multiple tumour groups. The aim is to maximise the amount and impact of research in the early diagnosis setting, to help save lives by ensuring people with cancer are diagnosed at an earlier stage, when their disease is more treatable.

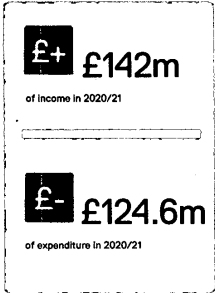
The UK's goal is to diagnose 75% of cancer in the UK at stage 1 and stage 2. Research, innovation and rapid rollout of advances are essential for achieving this ambition.

6699

The ICR's leadership team will engage widely with staff, students and stakeholders to understand priorities for the future, evaluate the achievements of the ICR's previous strategy and assess the opportunities opened up by the latest advances in research and technology

Financial review

The ICR has performed strongly through 2020/21 despite the financial and operational challenges posed by Covid-19. We have been able to keep our laboratories open and active throughout the year, enabling us to catch up on a number of important research project milestones and secure the related funding during 2020/21. In addition, the ICR has made considerable progress in diversifying its research funding portfolio, successfully recruited new faculty and fellows with external funding and has exceeded its targets for philanthropic income.



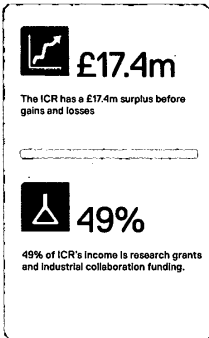
The ICR's financial resilience has been instrumental in enabling us to continue our research despite some significant cuts to core funding from the medical research charity sector. We have seen compound year-on-year reductions on a series of grants equating to a cut of c. £7.5m – a reduction of around 20% from pre-pandemic levels. The ICR has also had to continue to manage the pre-existing sector challenges arising from Brexit and regulatory changes.

Given the challenging circumstances the ICR's financial performance in 2020/21 has been strong, while maintaining high levels of liquidity and consolidating our unrestricted reserves position. The ICR will build on these results to power our research into the medium term. We will continue to employ agile planning and prudent financial management to mitigate the financial risks and uncertainties that remain and ensure that we are able to invest in and sustain our world-class research in the years to come.

Overall results

The ICR's total income for 2021 was £142m, an increase of £10.2m (8%) compared with the prior year. The increase in income was mainly attributable to growth in research grants and contracts of £10.4m (18%), reflecting the benefits of keeping our research going through the year, following the closure of our laboratory buildings for two months in 2019/20. In addition Funding Body income grew by £4.2 million (17%) largely through the award of additional funding to specialist institutes to help mitigate the impact of the pandemic, and philanthropic income rose by £1.9m (18%) as we saw an increase in legacies and restricted donations. These increases were offset by a decrease in other income of £6.2m, reflecting the gradual decline in royalty income streams as patents and exclusivity periods come to an end, and also a decrease in claims from the Coronavirus Job Retention Scheme, as more staff were able to stay at work in our laboratories and fewer were furloughed.

Expenditure was £124.6m, an increase of £23.0m (23%) on last year's spend. The increase is primarily due to prior year movements in the pension cost provision relating to the Universities Superannuation Scheme (USS), with 2019/20 costs suppressed by an £18.1m favourable movement relating to the 2018 valuation. By contrast, in 2020/21 the equivalent movement in the USS provision was only £1.7m. Excluding these pension provision movements, expenditure in 2020/21 increased by 7% to £125.4m, reflecting the additional research activity that we were able to undertake during the year as we sustained our operations through the various lockdowns and restrictions.



The income and expenditure position results in a surplus before gains and losses of £17.4m. The surplus after gains and losses (total comprehensive income for the year) was £54.3m. This comprised:

- a restricted surplus of £7.0m.
- an unrestricted surplus of £47.3m, including valuation gains of £36.9m.

The restricted surplus reflects timing differences between the recognition of income and the incurring of related expenditure on research grants. In particular, several key milestones were met on larger projects, triggering payments.

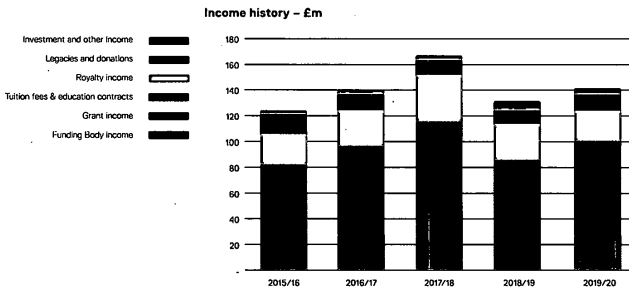
The unrestricted surplus is largely driven by an unrealised gain on investments of £27.2 million (19%), as the portfolio continued to recover from the initial global economic impact of the pandemic, and an £8.9m improvement in the valuation of the closed ICR defined benefit pension scheme. The balance sheet value of the ICR's buildings rose by £1.3m following a formal revaluation. Excluding these changes in valuation, along with the USS pension movement described above, the ICR achieved an underlying unrestricted surplus of £8.7m, driven by additional Covid-related Funding Body income, and by the ICR exceeding its target for overhead recovery on grants.

Income

The breakdown of our total income of £142.0m was as follows:

- 49% research grant and industrial collaboration income, with 39% of this received from Cancer Research UK, 13% from Breast Cancer Now, 4% from Wellcome and 18% from industrial collaborations
- 17% royalty income (included in other income)
- 20% Funding Body income, received from the Office for Students (OfS) and Research England. This included funding of £21.1m for research, £1.1m for teaching and £2.3m for capital expenditure
- 9% legacy income and donations raised through our Development Office
- 3% income from investments and other sources, including £1m from the Coronavirus Job Retention Scheme
- 2% tuition fees and education contracts

An analysis of the 2020/21 income breakdown compared with historic levels is provided below:



Financial review (continued)

**£30m**

The ICR has continued to invest in new Faculty, team recruitments and research infrastructure in key strategic areas as part of the £30m five-year Research Investment Fund commitment

**96%**

96% of expenditure was on research and education activity – 76% direct research costs, 19% research support costs, 5% fundraising and governance

Expenditure

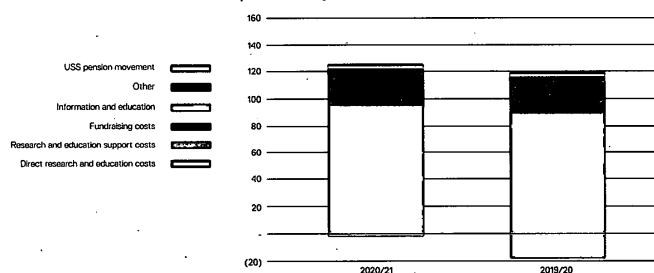
Total expenditure in 2021 was £124.6m, an increase of £23.0m (23%) compared with 2019/20. The increase is primarily due to the impact of exceptional movements in the USS pension scheme liability related to ICR staff. The majority of ICR staff, of whom 73% are researchers working purely on cancer research projects, are USS members.

Excluding the movements in the pension provision, expenditure has increased by £6.8m (7%) compared with last year. Key changes in underlying expenditure include:

- Expenditure on research grants and contracts has increased by £4.6m (8%), reflecting an increase in research grant and contract activity, and a reduced need to furlough staff.
- Expenditure on research premises increased by £1.8m (11%), driven by the cost of adapting laboratory space to accommodate new research teams, and to re-configure existing laboratory space following the opening of the Centre for Cancer Drug Discovery in 2020.

In addition the ICR has continued to invest in new Faculty, team recruitments and research infrastructure in key strategic areas as part of the £30m five-year Research Investment Fund commitment. The 2020/21 academic year was the first full year of activity for the 24 new faculty who joined the ICR in 2020. In addition, we invested £9.7m in research infrastructure in the year, including investments totalling £2.3m to provide a new Glacios Cryo-TEM microscope facility and upgrade the flow cytometry facilities.

Of the £125.4m expended (excluding the USS pension provision movement), 96% was spent on research and education activity – 76% on direct research costs and 19% on research support costs (the other 5% being related to fundraising and governance expenditure). Direct research expenditure comprises academic and related expenditure, research grants and contracts expenditure, those premises costs that relate directly to the construction and fit-out of research laboratories and some laboratory services. The expenditure chart, below, analyses the ICR's expenditure in these areas.

Expenditure analysis – £m

Financial review (continued)

**£95.6m**

In 2021 we spent £95.6m on the direct costs of research and education

**£102.3m**

£102.3m Development Funds committed to scientific initiatives in the delivery of our research strategy.

In 2021 we spent £95.6m on the direct costs of research and education, an increase on the £90.1m spent in 2020, reflecting the scaling up of research activity in the year with the laboratory buildings staying open, investment in our laboratories and the full on-boarding of our new research teams. We also continued to invest heavily in our infrastructure and professional services. This includes significant ongoing investment in Digital Services to realise the ICR's digital vision and big data capability, and also the first year of running the new Centre for Cancer Drug Discovery building.

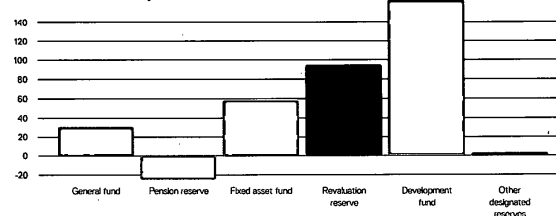
Net assets

The ICR's total net assets increased by £54.3m over the year, from £398.5m to £452.9m. This movement comprises the surplus achieved in 2021 (£17.4m), gains on investments and the revaluation of land and buildings (totalling £28.0m), and the actuarial gain in respect of the ICR Pension Scheme (£8.9m).

Reserves policy and position

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

The Board of Trustees has decided that the ICR should maintain free reserves in the range of £24.7m to £30.1m, which equates to 9-11 weeks of the ICR's budgeted annual expenditure for the next year. In determining the level of free funds to be held in reserve the Board of Trustees considers the ICR's income and expenditure forecasts, and its future needs, opportunities, contingencies and possible risks. The Board reviews its Reserves Policy and the assessment and calculation of the level of free reserves at least every three years.

Unrestricted reserves at 31 July 2021 – £m

Total reserves as at 31 July 2021 were £452.9m, of which £324m were unrestricted, including £30.1m free reserves ("General Fund") and £93.5m revaluation reserves, which has limitations to its use. The General Fund balance is at the top end of the approved range, mitigating the forecast ongoing financial impact of the pandemic.

Some £163.3m of unrestricted reserves are held within the Development Fund, which includes recent royalty income. This is being committed to make long-term investments in the priorities detailed in our research strategy, including key areas of faculty recruitment and infrastructure. The Development Fund comprises £102.3m committed to scientific initiatives in the delivery of our research strategy, £3.1m to capital projects and £57.9m to other projects including the delivery of our operational strategy.

Financial review (continued)



£27.2m

The ICR's investments increased in value by £27.2m over the year



£22.0m

The ICRPS deficit improved in the year to £22.0m

Financial outlook

The ICR continues to analyse and stress-test different financial scenarios that could arise over the medium term, as the economic and financial impacts of the pandemic become clearer. Sustainability remains a core foundation of the ICR's planning arrangements. The ICR looks forward from a position of strength, both in terms of current resources and infrastructure, and regarding systems, governance and management processes to navigate financial risks and sustain its mission.

The ICR continues to explore new ways to diversify its research funding, and develop its strategic budgeting model to ensure that key areas of research can be safeguarded as much as possible in the event of further funding cuts. As the top ranked research institution in the country, and the most successful institution for generating funding from its research discoveries, the ICR is well-placed to develop how it works with industry and other partners in new, innovative ways to deliver investment in cutting-edge areas of research, as reflected in the strength of its financial performance in 2020/21.

However, we continue to operate within an extremely challenging environment. Traditional areas of research funding remain at risk and the ICR's royalty income is forecast to continue to decline from the high levels of recent years. Therefore, the ICR must build on its success in 2020/21 and continue to grow new income streams and diversify funding to enable the continuation of our work towards our long term mission, making the discoveries to defeat cancer.

Investment policy and performance

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

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

The ICR's investments increased in value by £27.2m over the year and the total return on investments was £29.4m.

Pensions

The majority of ICR staff are members of USS. The ICR recognises a liability for the contributions that will arise from the current Recovery Plan agreement, based on the 2018 USS valuation, amounting to £19.5m (2020: £21.2m).

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

The financial statements report that the ICRPS deficit, calculated under the FRS102 accounting standard, improved in the year to £22.0m (2020: £32.2m).

The ICRPS's and the ICR's Trustees continue to review the options with regard to the future of the closed scheme and how best to secure the funding position and build on the Pension Risk Management Framework and investment strategy adopted in 2016. An updated valuation of the scheme as at 31 March 2019 was finalised in November 2019. Following the completion of this valuation, the Scheme Trustees and the ICR agreed a new Recovery Plan which targets clearing the deficit by 2034 (shortened from the previous target of 2036). The investment strategy of ICRPS includes hedging of interest rate and investment risk and this protected the funding position of the scheme as economic conditions and markets were affected by the pandemic.



Governance and management

Everything we do is aimed at fulfilling our mission.



“ ”

We are focused on undertaking research of the highest quality which will ultimately have the greatest impact on improving outcomes for cancer patients

Public benefit

The charitable objects of the ICR are:

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

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

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

Statement of Corporate Governance

The ICR has continued to ensure effective corporate governance throughout the year ended 31 July 2021 and up to this report's approval on 30 November 2021. The ICR's governance arrangements ensure that the ICR conducts its affairs in a responsible and transparent way to support strategic leadership and accountability in the fulfilment of its mission. The ICR's governance arrangements reflect its multiple organisational roles.

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

The ICR is an exempt charity under the Third Schedule of the Charities Act 2011. The ICR's objects, powers and framework of governance are set out in its Articles of Association, the current version of which was approved by the Members of the ICR in September 2011.

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

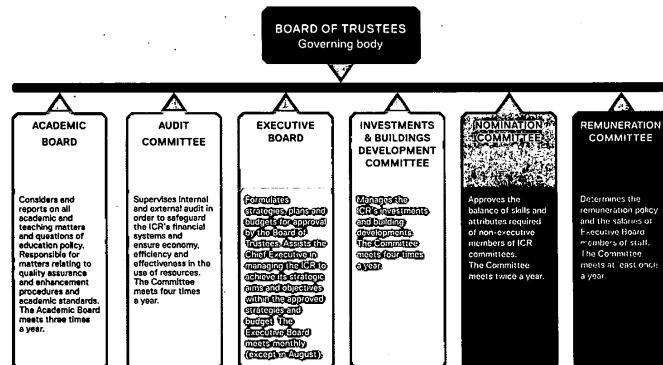
The Board of Trustees has established a number of committees: the Executive Board, the Academic Board, the Audit Committee, the Investments and Building Development Committee, the Nomination Committee and the Remuneration Committee.

The Executive Board reports to the Board of Trustees. It is chaired by the ICR's Chief Executive, Professor Helin, and its membership during 2020/21 included the Chief Operating Officer, the Dean of Academic and Research Affairs, three Heads of Research Divisions and four Corporate Service Directors.

In December 2019, Professor Paul Workman gave advanced notice of his intention to step down as Chief Executive of the ICR. In April 2021, following an extensive international search, the ICR announced that Professor Kristian Helin would succeed as Chief Executive, starting on 1 September 2021.

Gordon Stewart started in post as the ICR's Chief Operating Officer in December 2020; interim arrangements had been in place since Dr Charmaine Griffiths left in January 2020.

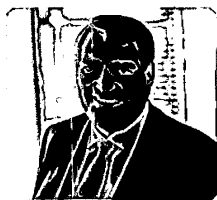
Diana Chaloner joined the ICR's Executive Board in July 2021 as its interim Chief People Officer, whilst recruitment was underway for her permanent successor (Carol Ford will join the ICR in November 2021).



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

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

Governance and management (continued)



The ICR's Chief Operating Officer, Gordon Stewart

As at 31 July 2021
the Board of Trustees
comprised 13 members

Advice on membership of the Audit Committee has been previously considered by the ICR's Nomination Committee and it was determined that having additional Board of Trustee members on the Committee was not in the ICR's best interest given the size of the Board and the nature of the ICR's business. This position is reviewed regularly to ensure that the current membership remains appropriate. To support this arrangement, the Committee receives minutes and key papers from Board of Trustee meetings to ensure that all Committee members obtain and maintain an appropriate understanding of the ICR. Other than the exception above on trustee membership, the Audit Committee has adopted and complies with the CUC Audit Committees Code of Practice.

The Board of Trustees

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

As at 31 July 2021 the Board of Trustees comprised 14 members. The majority of Board members are co-opted by the Board, with one nominated by each of The Royal Marsden and Cancer Research UK, one member elected by the Academic Board, together with ex-officio members (the Chief Executive and Dean of Academic and Research Affairs) and a student nominee. Details of current membership of the Board of Trustees are given on page 98.

Members of the Board of Trustees and its committees conduct their business in accordance with the seven principles identified by the Committee on Standards in Public Life, namely selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The ICR also complies with the primary elements of the Committee of University Chairs Higher Education Code of Governance. The Board met formally six times in 2020/21.

A copy of the Register of Interests of Board members is available upon application.

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

During the year there were a number of changes to the ICR Board:

- Professor Julia Buckingham CBE was appointed in August 2021 as the designate Chair of the ICR Board. She succeeded Luke Johnson who stood down after a second full term on 31 July 2021.
- Charlie Geffen, who has been on the Board since 2014, was appointed as Deputy Chair from 1 August 2020. He led the recruitment for the ICR Chair and he chairs the ICR Remuneration Committee.
- Charlie Foreman was appointed to support the ICR's philanthropy and Ruchir Rodrigues brings digital expertise to the Board. The two began their tenure as Trustees on 1 October 2020.
- The ICR's Academic Board appointed Professor Chris Bakal to the Board from 1 March 2021 and the ICR's student body appointed Rachel Evans to the Board on the same date.
- On 1 June 2021 John Shakeshaft began his tenure on the Board as Honorary Treasurer and Chair of Investments and Building Development Committee. He took over from Brendan O'Neill who stepped down in February 2021, and who had previously been the ICR's Deputy Chair.

Governance and management (continued)



Following the stress testing the Board of Trustees considers the level of financial resources available to the ICR are adequate to meet the ICR's operational needs for the foreseeable future.

Internal audit adopts
a risk-based approach

Auditors

BDO LLP was reappointed external auditor during the year.

No non-audit fees were paid to the external auditors in 2020/21 (2019/20: Enil).

Statement of internal control

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

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

The Risk Register is agreed with the Executive Board and approved annually by the Board of Trustees. Each risk identified is assessed and prioritised with reference to the potential impact if the risk occurred and the likelihood of occurrence. The responsibility for specific risks is assigned to the relevant academic, scientific and support staff who provide assurance on the action taken. There is a continuous process of review throughout the year; significant risks may be added, revised or removed from the Risk Register after evaluation by the Executive Board. A significant risk report is appraised quarterly by the Executive Board and the Board of Trustees.

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

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

The Audit Committee is responsible for assuring the governing body about the adequacy and effectiveness of the ICR arrangements for risk management, control and governance, economy, efficiency and effectiveness, and the management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, Office for Students, Research England and other bodies.

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

Governance and management (continued)

 **£30.1m**

At 31 July 2021, the ICR's free reserves were £30.1m, which is within the target range set through the Reserves Policy.

The ICR has substantial liquid investments and cash balances

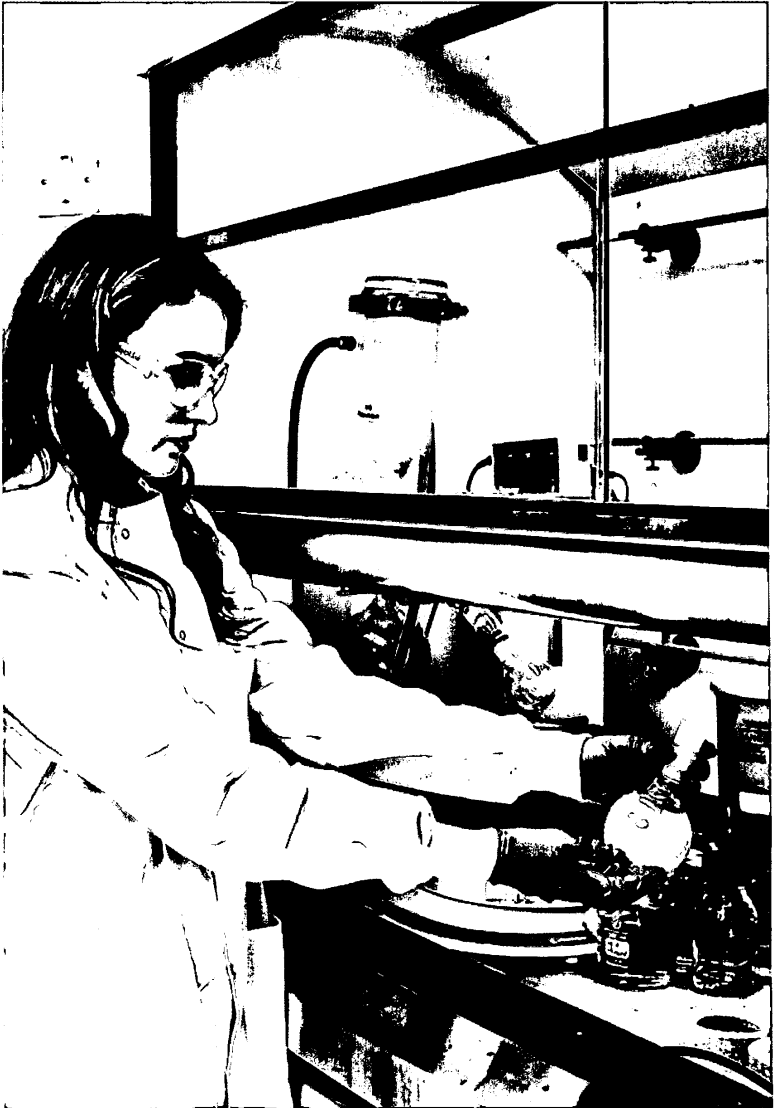
Conclusion

The Board of Trustees is of the view that there is an ongoing process for identifying, evaluating and managing the ICR's key risks, and that it has been in place for the year ended 31 July 2021 and up to the date of the approval of the annual report and accounts.

Going concern

The Board of Trustees has considered the ICR's financial planning for the medium term, and the level of reserves and the financial resources available to the ICR. At 31 July 2021, the ICR's free reserves were £30.1 million which is within the target range set through the Reserves Policy. In addition, the ICR is reporting a further £141.8m in unrestricted reserves (excluding the revaluation and fixed asset reserves). The ICR has substantial liquid investments and cash balances, which are sufficient to meet its forecast cash requirements; the ICR has no borrowing.

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



Statement of the responsibilities of members of the Board of Trustees

Statement of the responsibilities of members of the Board of Trustees

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

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

Company law requires the Board of Trustees to prepare financial statements for each financial year. Under that law, the Board of Trustees is required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. In addition, the Board of Trustees is required to prepare the financial statements in accordance with the Office for Student's (OfS) Terms and Conditions of funding for higher education institutions for 2019/20 through its accountable officer. Under company law, the Board of Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the ICR and the Group and of the surplus or deficit, gains and losses, changes in reserves and cash flows of the ICR and the Group for that year.

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

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

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

Statement of the responsibilities of members of the Board of Trustees (continued)

OfS terms and conditions of funding for higher education institutions (issued March 2019), the Statement of Recommended Practice – Accounting for Further and Higher Education as issued in October 2018, and any subsequent amendments, the Office for Students Accounts Direction (issued October 2019) and the Companies Act 2006. They are also responsible for safeguarding the assets of the ICR and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members of Board of Trustees have taken reasonable steps to:

- ensure that funds from the OfS and other funding bodies are used only for the proper purposes for which they have been given and seek to achieve value for money in accordance with the OfS Terms and Conditions of funding for higher education institutions (issued March 2019) and any other conditions which the funding body may from time to time prescribe;
- ensure that the ICR has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities;
- ensure that there is regular, reliable, timely and adequate information to monitor performance and track the use of public funds;
- plan and manage the ICR's activities to remain sustainable and financially viable;
- ensure that it informs the OfS of any material change in its circumstances, including any significant developments that could impact on the mutual interests of the ICR and the OfS;
- ensure that there are adequate and effective arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS, Research England and other funding or regulatory bodies;
- ensure an effective framework – overseen by the ICR's senate, academic board or equivalent – to manage the quality of learning and teaching and to maintain academic standards; and
- consider and act on the OfS' assessment of the ICR's risks specifically in relation to these funding purposes.

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

The Board of Trustees confirms that:

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

Approved on behalf of the Board of Trustees by:

DocuSigned by:

 30-11-2021
 Professor Julia Buckingham
 Chair of The Institute of Cancer Research, London
 Date of approval: 30 November 2021

Independent auditor's report

2

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

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the ICR's affairs as at 31 July 2021 and of the Group's and the ICR's income and expenditure, gains and losses, changes in reserves and of the Group's and ICR's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Institute of Cancer Research ("the ICR") and its subsidiaries (the 'Group') for the year ended 31 July 2021 which comprise The Statement of Comprehensive Income and Expenditure, The Statements of Changes in Reserves, The Balance Sheet and the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

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

Independence

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information including the Report of the Board of Trustees and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OTHER COMPANIES ACT 2006 REPORTING

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

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

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

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

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

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

In our opinion, in all material respects:

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

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

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

Independent auditor's report (continued)

RESPONSIBILITIES OF THE BOARD OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

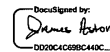
Independent auditor's report (continued)

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

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

USE OF OUR REPORT

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the ICR's Board of Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the ICR and the Board of Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

 0000C4C6B8C40C...

BDO LLP, Statutory Auditor
 2 City Place
 Beehive Ring Road
 Gatwick
 RH6 0PA
 03 December 2021

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

The financial statements
for the year ended
31 July 2021

3

The Institute of Cancer Research
Consolidated and ICR statement of comprehensive income and expenditure
Year ended 31 July 2021

| | | Year ended 31 July 2021 | | Year ended 31 July 2020 | |
|---|----------|-------------------------|----------------|-------------------------|----------------|
| | Notes | Consolidated £000 | ICR £000 | Consolidated £000 | ICR £000 |
| Income | | | | | |
| Tuition fees and education contracts | 1 | 3,064 | 3,064 | 2,857 | 2,857 |
| Funding Body grants | 2 | 28,313 | 28,313 | 24,104 | 24,104 |
| Research grants and contracts | 3 | 69,398 | 69,398 | 58,975 | 58,975 |
| Donations and endowments | 4 | 12,720 | 12,720 | 10,817 | 10,817 |
| Investment income | 5 | 2,192 | 2,192 | 2,572 | 2,572 |
| Other income | 6 | 26,287 | 26,310 | 32,441 | 32,979 |
| Total income | | 141,974 | 141,997 | 131,766 | 132,304 |
| Expenditure | | | | | |
| Staff costs | 8 | 71,207 | 71,207 | 50,730 | 50,730 |
| Other operating expenses | | 46,366 | 46,376 | 43,536 | 43,706 |
| Depreciation | 12 | 6,415 | 6,415 | 6,120 | 6,120 |
| Interest and other finance costs | 11 | 596 | 596 | 1,216 | 1,216 |
| Total expenditure | 9 | 124,584 | 124,594 | 101,602 | 101,772 |
| Surplus before other gains and losses | | 17,390 | 17,403 | 30,164 | 30,532 |
| Gain on disposal of fixed assets | | - | - | 155 | 155 |
| Gain/ (loss) on investments | 13 | 27,231 | 27,231 | (2,316) | (2,316) |
| Surplus for the year | | 44,621 | 44,634 | 28,003 | 28,371 |
| Unrealised surplus on revaluation of land and buildings | 12 | 788 | 788 | 5,449 | 5,449 |
| Actuarial gain/ (loss) in respect of pension schemes | 21 | 8,904 | 8,904 | (4,821) | (4,821) |
| Total comprehensive income for the year | | 54,313 | 54,326 | 28,631 | 28,999 |
| Represented by: | | | | | |
| Endowment comprehensive income/ (loss) for the year | | 304 | 304 | (93) | (93) |
| Restricted comprehensive income/ (loss) for the year | | 6,719 | 6,719 | (488) | (488) |
| Unrestricted comprehensive income for the year | | 47,290 | 47,303 | 29,212 | 29,580 |
| | | 54,313 | 54,326 | 28,631 | 28,999 |

All items of income and expenditure relate to continuing activities.

The Institute of Cancer Research
Consolidated and ICR statement of changes in reserves
Year ended 31 July 2021

| Consolidated | Income and expenditure account | | | Revaluation | |
|--|--------------------------------|--------------------|----------------------|-----------------|----------------|
| | Endowment £000 | Restricted £000 | Unrestricted £000 | Reserve £000 | Total £000 |
| Balance at 1 August 2019 | 1,525 | 121,291 | 156,067 | 91,023 | 369,906 |
| (Deficit)/ surplus from the income and expenditure statement | (93) | (488) | 28,584 | - | 28,003 |
| Other comprehensive income | - | - | 628 | - | 628 |
| Transfers between revaluation and income and expenditure reserve | - | - | (3,448) | 3,448 | - |
| Other transfers between reserves | - | (6) | 6 | - | - |
| Total comprehensive (loss)/ income for the year | (93) | (494) | 25,770 | 3,448 | 28,631 |
| Balance at 1 August 2020 | 1,432 | 120,797 | 181,837 | 94,471 | 398,537 |
| Surplus from the income and expenditure statement | 304 | 6,719 | 37,598 | - | 44,621 |
| Other comprehensive income | - | - | 9,692 | - | 9,692 |
| Transfers between revaluation and income and expenditure reserve | - | - | 946 | (946) | - |
| Other transfers between reserves | - | (374) | 374 | - | - |
| Total comprehensive income/ (loss) for the year | 304 | 6,345 | 48,610 | (946) | 54,313 |
| Balance at 31 July 2021 | 1,736 | 127,142 | 230,447 | 93,525 | 452,850 |

| ICR | Income and expenditure account | | | Revaluation | |
|--|--------------------------------|--------------------|----------------------|-----------------|----------------|
| | Endowment £000 | Restricted £000 | Unrestricted £000 | Reserve £000 | Total £000 |
| Balance at 1 August 2019 | 1,525 | 121,291 | 155,498 | 91,023 | 369,337 |
| (Deficit)/ surplus from the income and expenditure statement | (93) | (488) | 28,952 | - | 28,371 |
| Other comprehensive income | - | - | 628 | - | 628 |
| Transfers between revaluation and income and expenditure reserve | - | - | (3,448) | 3,448 | - |
| Release of restricted capital funds spent in year | - | (6) | 6 | - | - |
| Total comprehensive (loss)/ income for the year | (93) | (494) | 26,138 | 3,448 | 28,999 |
| Balance at 1 August 2020 | 1,432 | 120,797 | 181,636 | 94,471 | 398,336 |
| Surplus from the income and expenditure statement | 304 | 6,719 | 37,611 | - | 44,634 |
| Other comprehensive income | - | - | 9,692 | - | 9,692 |
| Transfers between revaluation and income and expenditure reserve | - | - | 946 | (946) | - |
| Other transfers between reserves | - | (374) | 374 | - | - |
| Total comprehensive income/ (loss) for the year | 304 | 6,345 | 48,623 | (946) | 54,326 |
| Balance at 31 July 2021 | 1,736 | 127,142 | 230,259 | 93,525 | 452,662 |

The Institute of Cancer Research
Consolidated and ICR balance sheets
Year ended 31 July 2021

| | | As at 31 July 2021 | | As at 31 July 2020 | |
|--|-------|----------------------|----------------|----------------------|----------------|
| | Notes | Consolidated £000 | ICR £000 | Consolidated £000 | ICR £000 |
| Non-current assets | | | | | |
| Fixed assets | 12 | 223,341 | 223,341 | 218,721 | 218,721 |
| Investments | 13a | 176,027 | 176,032 | 145,051 | 145,056 |
| | | 399,368 | 399,373 | 363,772 | 363,777 |
| Current assets | | | | | |
| Stock | | 189 | 189 | 110 | 110 |
| Trade and other receivables | 14 | 25,521 | 25,663 | 26,072 | 25,791 |
| Investments | 13b | 64,130 | 64,130 | 64,936 | 64,936 |
| Cash and cash equivalents | | 30,003 | 28,571 | 16,685 | 16,089 |
| | | 119,843 | 118,553 | 107,803 | 106,906 |
| Less: Creditors: amounts falling due within one year | 15 | (24,461) | (23,364) | (19,263) | (18,572) |
| Net current assets | | 95,382 | 95,189 | 88,540 | 88,334 |
| Total assets less current liabilities | | 494,750 | 494,562 | 452,312 | 452,111 |
| Provisions | | | | | |
| Pension provisions | 16 | (41,517) | (41,517) | (53,399) | (53,399) |
| Other provisions | 16 | (383) | (383) | (376) | (376) |
| Total net assets | | 452,850 | 452,662 | 398,537 | 398,336 |
| Restricted Reserves | | | | | |
| Income and expenditure reserve - endowment reserve | 18b | 1,736 | 1,736 | 1,432 | 1,432 |
| Income and expenditure reserve - restricted reserve | 18a | 127,142 | 127,142 | 120,797 | 120,797 |
| Unrestricted Reserves | | | | | |
| Income and expenditure reserve - unrestricted | 17a | 230,447 | 230,259 | 181,837 | 181,636 |
| Revaluation reserve | 17b | 93,525 | 93,525 | 94,471 | 94,471 |
| Total Reserves | | 452,850 | 452,662 | 398,537 | 398,336 |

The financial statements were approved and authorised for issue by the Board of Trustees on 30 November 2021 and were signed on its behalf on that date by:

DocuSigned by:
Julia Buckingham
70945C5CE7947C...

Professor Julia Buckingham
Chair of the Board of Trustees

30-11-2021

DocuSigned by:
Kristian Helin
F0433E0FA07047D...

Professor Kristian Helin
Chief Executive

30-11-2021

DocuSigned by:
Paul Norris
873921AF3C1E435...

Paul Norris
Director of Finance

30-11-2021

The Institute of Cancer Research
Consolidated statement of cash flows
Year ended 31 July 2021

| | Notes | 31 July 2021 £000 | 31 July 2020 £000 |
|---|-------|----------------------|----------------------|
| Cash flow from operating activities | | | |
| Surplus for the year | | 44,621 | 28,003 |
| Adjustment for non-cash, working capital and other items | | | |
| Depreciation | 12 | 6,415 | 6,120 |
| Investment income | 5 | (2,192) | (2,572) |
| (Gain)/ loss on endowments, donations and investment property | | (27,231) | 2,316 |
| (Increase) in stock | | (79) | (13) |
| Decrease in debtors | 14 | 551 | 6,210 |
| Increase in creditors | 15 | 2,241 | 3,705 |
| Increase in provisions | 16 | 7 | 2 |
| Pension costs less contributions payable | 21 | (1,287) | (955) |
| (Decrease) in USS pension provision | 16 | (1,691) | (18,157) |
| Impairment of fixed assets | 12 | (588) | 1,350 |
| Sale of assets | 12 | | 4 |
| Net cash inflow from operating activities | | 20,767 | 26,013 |
| Cash flows from investing activities | | | |
| Non-current investment disposal | 13 | 37,767 | 96,659 |
| New non-current asset investments | 13 | (41,512) | (128,613) |
| Investment income | 5 | 2,192 | 2,572 |
| Decrease in current investments | 13 | 806 | 25,781 |
| Payments made to acquire fixed assets | 12 | (6,702) | (12,358) |
| Net cash outflow from investing activities | | (7,449) | (15,959) |
| Increase in cash and cash equivalents in the year | | 13,318 | 10,054 |
| Cash and cash equivalents at beginning of the year | | 16,685 | 6,631 |
| Cash and cash equivalents at end of the year | | 30,003 | 16,685 |

The Institute of Cancer Research
Statement of accounting policies
Year ended 31 July 2021

1. Basis of preparation

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

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

2. Basis of consolidation

The ICR owns 100% of the share capital of seven companies – ICR Enterprises Limited (ICRE), ICR Chelsea Development Limited (ICRCD), ICR Sutton Developments Ltd (ICRSD), ICR Equipment Leasing No.8 Limited (ICRENo8), Everyman Action Against Male Cancer, ICR London Cancer Hub Company Limited (ICRLCH) and ICR Chemical Probes Portal Limited (ICRCPP). ICRE undertakes trading activities. ICRCD and ICRSD have been set up to act as developers for the construction of laboratories. ICRENo8 owns a long leasehold interest in the Chester Beatty Laboratory which is occupied by the ICR. Everyman Action Against Male Cancer has not traded since incorporation. ICRLCH has been set up in 2016/17 to undertake activities in respect of the London Cancer Hub project, and has not traded since incorporation. The consolidated statements include the financial statements of these companies. ICRCPP was set up in 2020/21 to manage online Chemical Probes resources, and has not traded since incorporation.

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

3. Income recognition

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

3.i) Grant accounting

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

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

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

Where funds for multi-year grants are received in full in year one but linked to a multi-year programme of research, then this is treated as funds received in advance of performance related conditions being met, and the element relating to future years is deferred and included in creditors.

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

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

3.ii) Royalty income

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

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

The Institute of Cancer Research
Statement of accounting policies (continued)
Year ended 31 July 2021

3. Income recognition (continued)

3.iii) Legacies and donations

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

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

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

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

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

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

3.iv) Investment income

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

4. Accounting for retirement benefits

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

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

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

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

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

ICRPS scheme assets are held separately from those of the ICR. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on high quality corporate bonds. The actuarial valuation is obtained at least tri-annually and is updated at each balance sheet date.

The Institute of Cancer Research
Statement of accounting policies (continued)
Year ended 31 July 2021

5. Employment benefits

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

6. Finance leases

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

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

7. Operating leases

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

8. Foreign Currency

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

9. Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, with the exception of land and buildings which are revalued under the depreciated replacement cost basis. Depreciation is applied for a full year in the year of asset purchase, with no depreciation in the year of disposal.

9i) Land and buildings

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

A full valuation took place on 31 July 2021. Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the ICR.

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

| | |
|---------------------|---|
| Freehold buildings | 2% |
| Leasehold buildings | 2% or the length of the lease if shorter than 50 years. |
| Freehold land | is not depreciated. |

The Institute of Cancer Research
Statement of accounting policies (continued)
Year ended 31 July 2021

9. Fixed assets (continued)

9ii) Equipment

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

9iii) Assets under construction

Buildings and furniture, plant and equipment under construction at year end are included in Note 12 as assets under construction, and are not depreciated. On completion of construction, these assets are transferred into the appropriate asset class and depreciated from the month of completion onwards in line with the depreciation policy for that asset.

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

10. Investments

10i) Non current investments

Listed investments are stated at the market value at the date of the balance sheet. Investments such as hedge funds and private equity funds, which have no readily identifiable market value, are included at the most recent valuations from their respective managers. Unlisted shares, where there is no readily identifiable market value, are recorded at cost or a nominal amount. Investments in non basic instruments, where there is no readily available market value, are valued at fair value based on fair value modelling of the asset. Investments in subsidiaries are stated at cost less any provision for impairment. Revaluation gains or losses and impairments arising during the year are included in the CSOCIE. Investment income is the amount receivable by the ICR in the year.

10ii) Current asset investments

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

11. Stock

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

12. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and where the risk to changes in value is insignificant. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

13. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

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

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

The Institute of Cancer Research
Statement of accounting policies (continued)
Year ended 31 July 2021

14. Taxation

The ICR is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the ICR is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

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

15. Reserves

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

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

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

Unrestricted designated funds are accounted for in Note 17. Designated funds comprise unrestricted funds that have been set aside by the Board of Trustees for particular purposes. The aim of each designated fund is set out in the notes to the financial statements. This includes the Fixed Asset Fund which represents the amount of general funds invested in fixed assets and the Revaluation Reserve which represents the increase in fixed assets arising as a result of revaluation.

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

The Institute of Cancer Research
Notes to the financial statements
Year ended 31 July 2021

| 1. Tuition fees and education contracts | Year ended 31 July 2021 | | Year ended 31 July 2020 | |
|---|------------------------------|---------------------|------------------------------|---------------------|
| | Consolidated £000 | ICR £000 | Consolidated £000 | ICR £000 |
| Tuition fees | 1,108 | 1,108 | 990 | 990 |
| Research training support grant | 1,956 | 1,956 | 1,867 | 1,867 |
| | 3,064 | 3,064 | 2,857 | 2,857 |
| 2. Funding body grants | Consolidated £000 | ICR £000 | Consolidated £000 | ICR £000 |
| Recurrent grant | | | | |
| Funding body grants | 21,904 | 21,904 | 18,386 | 18,386 |
| Specific grants | | | | |
| Higher Education Innovation Fund | 3,382 | 3,382 | 2,941 | 2,941 |
| Other specific funds | 714 | 714 | 769 | 769 |
| Capital funding | 2,313 | 2,313 | 2,008 | 2,008 |
| | 28,313 | 28,313 | 24,104 | 24,104 |
| 3. Research grants and contracts | Consolidated £000 | ICR £000 | Consolidated £000 | ICR £000 |
| Research councils | 1,584 | 1,584 | 1,474 | 1,474 |
| Research charities | 45,683 | 45,683 | 37,332 | 37,332 |
| Government (UK and overseas) | 8,616 | 8,616 | 7,997 | 7,997 |
| Industry and commerce | 12,747 | 12,747 | 11,361 | 11,361 |
| Other | 768 | 768 | 811 | 811 |
| | 69,398 | 69,398 | 58,975 | 58,975 |
| The source of grant and fee income, included in notes 1 to 3, and the Covid Job Retention Scheme grant included in Note 6 (below), is as follows: | | | | |
| Grant income from the Ofs | 1,082 | 1,082 | 1,102 | 1,102 |
| Grant income from other bodies | 99,590 | 99,590 | 86,965 | 86,965 |
| Fee income for research awards | 807 | 807 | 658 | 658 |
| Fee income from non-qualifying courses | 116 | 116 | 123 | 123 |
| Fee income for taught awards | 184 | 184 | 209 | 209 |
| | 101,779 | 101,779 | 89,057 | 89,057 |
| 4. Donations and endowments | Consolidated £000 | ICR £000 | Consolidated £000 | ICR £000 |
| Unrestricted legacies | 5,050 | 5,050 | 3,926 | 3,926 |
| Restricted legacies | - | - | 5 | 5 |
| Unrestricted donations | 3,353 | 3,353 | 3,217 | 3,217 |
| Restricted donations | 4,317 | 4,317 | 3,669 | 3,669 |
| | 12,720 | 12,720 | 10,817 | 10,817 |

In addition to the above income, a further £405,000 restricted research funding was identified and secured by our Development Office's fundraising activity, but which has been accounted for as Research Grant income within Note 3 above, under SORP requirements.

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

| 5. Investment income | Year ended 31 July 2021 | | Year ended 31 July 2020 | |
|--|------------------------------|---------------------|------------------------------|---------------------|
| | Consolidated £000 | ICR £000 | Consolidated £000 | ICR £000 |
| Investment income on endowments | 7 | 7 | 9 | 9 |
| Investment income on restricted reserves | 617 | 617 | 779 | 779 |
| Other investment income | 1,568 | 1,568 | 1,784 | 1,784 |
| | 2,192 | 2,192 | 2,572 | 2,572 |
| 6. Other income | Consolidated £000 | ICR £000 | Consolidated £000 | ICR £000 |
| Royalty income | 23,485 | 23,485 | 27,659 | 27,659 |
| Covid Job Retention Scheme income | 1,004 | 1,004 | 3,121 | 3,121 |
| Other income | 1,798 | 1,821 | 1,661 | 2,199 |
| | 26,287 | 26,310 | 32,441 | 32,979 |
| 7. Agency arrangements | Consolidated £000 | ICR £000 | Consolidated £000 | ICR £000 |
| Gross receipts | 50,013 | 50,013 | 50,952 | 50,952 |
| Amounts due to ICR partners | (26,528) | (26,528) | (23,293) | (23,293) |
| Net ICR income | 23,485 | 23,485 | 27,659 | 27,659 |

The ICR acts as an agent in respect of certain royalty-sharing arrangements in place with key partner organisations. Under these arrangements, the ICR receives gross receipts generated by invention sales, and passes on a pre-determined, fixed percentage of these receipts to the other entities. The above table provides a summary of the gross and net position in respect of these arrangements.

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

| 8. Staff costs | Year ended 31 July 2021 | | Year ended 31 July 2020 | |
|--|--------------------------------|-------------|--------------------------------|-------------|
| | Consolidated £000 | ICR £000 | Consolidated £000 | ICR £000 |
| Salaries | 57,640 | 57,640 | 54,429 | 54,429 |
| Social security costs | 5,806 | 5,806 | 5,640 | 5,640 |
| Other pension costs | 9,608 | 9,608 | 9,455 | 9,455 |
| | 73,054 | 73,054 | 69,524 | 69,524 |
| Movement on USS provision | (1,847) | (1,847) | (18,794) | (18,794) |
| | 71,207 | 71,207 | 50,730 | 50,730 |
| Average number of employees | Year ended 31 July 2021 | | Year ended 31 July 2020 | |
| | No. | | No. | |
| Research staff | 855 | | 889 | |
| Research support staff | 169 | | 137 | |
| Fundraising services | 20 | | 20 | |
| Corporate services including academic services | 131 | | 109 | |
| | 1,175 | | 1,155 | |

Compensation for loss of office

In 2020/21, payments for compensation for loss of office were made to 25 staff, totalling £133,000 (2019/20: £266,000 paid to 35 staff). 13 of these, totalling £29,000, were contractual payments made to staff on fixed term contracts that were ending as research grants finished. 11 members of staff received redundancy pay totalling £103,000 related to the departure of research teams from the ICR. No payments were made to senior post holders. The highest individual payment to a member of staff was £31,000.

Remuneration of the Chief Executive

The Chief Executive's remuneration package is set and reviewed by the Remuneration Committee, based on agreed performance criteria for the role. The package is considered by the Remuneration Committee within the context of market data for the Medical Research and Higher Education sectors in which the ICR operates.

The Chief Executive's salary is 7.5 times the median pay of staff (2020: 7.2), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the ICR to its staff.

The Chief Executive's total remuneration is 7.7 times the median total remuneration of staff (2020: 7.4), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the ICR to its staff.

| | Year ended 31 July 2021 | Year ended 31 July 2020 |
|---------------------------|-------------------------|-------------------------|
| | £000 | £000 |
| Salary | 304 | 292 |
| Performance related bonus | 15 | 15 |
| Other benefits | 6 | 10 |

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

| 8. Staff costs (continued) | | | |
|--|--------------------------------|------------|--------------------------------|
| | Year ended 31 July 2021 | | Year ended 31 July 2020 |
| | | No. | No. |
| Remuneration of higher paid staff | | | |
| £100,000 - £104,999 | 4 | | 3 |
| £105,000 - £109,999 | 4 | | 15 |
| £110,000 - £114,999 | 13 | | 4 |
| £115,000 - £119,999 | 3 | | 2 |
| £120,000 - £129,999 | - | | 1 |
| £130,000 - £134,999 | 2 | | 3 |
| £135,000 - £139,999 | 2 | | 2 |
| £140,000 - £149,999 | - | | 1 |
| £150,000 - £154,999 | 1 | | - |
| £155,000 - £169,999 | - | | 1 |
| £170,000 - £174,999 | 1 | | - |
| £180,000 - £184,999 | 1 | | 1 |
| £220,000 - £224,999 | 1 | | 1 |
| £275,000 - £279,999 | 1 | | 1 |
| £290,000 - £294,999 | - | | 1 |
| £300,000 - £304,999 | 1 | | - |

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the ICR. Staff costs includes compensation paid to key management personnel. These costs relate to the Chief Executive, Chief Operating Officer (in position since December 2020, prior to that vacant since January 2020) and Dean of Academic and Research Affairs. The costs include salaries and employers pension contributions:

| | Year ended 31 July 2021 | Year ended 31 July 2020 |
|--|--------------------------------|--------------------------------|
| | £000 | £000 |
| Key management personnel compensation | 643 | 619 |

Emoluments of the Board of Trustees

No fees are paid to the members of the Board of Trustees for their services as charity trustees or company directors. During the year, there were three members of staff of the ICR who are members of the Board of Trustees and who receive only the normal remuneration of their appointments. This includes the Chief Executive, whose remuneration is shown above, and the Dean of Academic and Research Affairs. The other staff member is the representative elected by the Academic Board to serve on the Board of Trustees, whose remuneration is included in the remuneration of higher paid staff bandings above – this role was undertaken by Professor Jeffrey Bamber to February 2021 and then by Professor Chris Bakal. Remuneration for these staff is included in the remuneration of higher paid staff above. In addition, Miss Nithya Paranthaman undertook the role of student representative on the Board of Trustees until 28 February 2021. From 1 March 2021, this role was undertaken by Miss Rachel Evans who received the normal PhD student stipend. The aggregate emoluments of those who serve on the Board of Trustees was £582,000 (2020: £619,000). The emoluments of the highest paid director were £304,000 (2020: £292,000). Three of the four staff who are trustees participate in defined benefit pension schemes. Three non-executive trustees received a total of £347 (2020: three received £1,066) for reimbursement of travel and accommodation expenses.

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

| 9. Analysis of total expenditure by activity | | Year ended 31 July 2021 | | Year ended 31 July 2020 | |
|--|--|--------------------------------|---------------------|--------------------------------|---------------------|
| | | Consolidated £000 | ICR £000 | Consolidated £000 | ICR £000 |
| Academic and related expenditure | | 26,011 | 26,011 | 13,211 | 13,211 |
| Administration and central services | | 12,475 | 12,468 | 9,943 | 9,937 |
| Premises | | 18,833 | 18,833 | 16,294 | 16,294 |
| Residences, catering and conferences | | 215 | 215 | 201 | 201 |
| Research grants and contracts | | 63,677 | 63,677 | 59,086 | 59,086 |
| Other expenses | | 3,373 | 3,390 | 2,867 | 3,043 |
| | | 124,584 | 124,594 | 101,602 | 101,772 |
| Other operating expenditure includes: | | | | | |
| Investment management costs | | 538 | 538 | 478 | 478 |
| External auditors remuneration | | - | - | - | - |
| Fees payable to the ICR's auditor for the audit of the ICR's annual accounts | | 72 | 72 | 64 | 64 |
| Fees payable to the ICR's auditors for the audit of the accounts of subsidiaries | | 8 | - | 13 | - |
| Operating lease expenditure | | 780 | 780 | 780 | 780 |

10. Taxation

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

In 2020/21 the group incurred no Corporation Tax charges in respect of the activity of its subsidiary companies (2020: £ nil). The ICR incurred irrecoverable VAT of £2,812,000 in 2021 (2020: £2,387,000).

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

| 11. Interest and other finance costs | Year ended 31 July 2021 | | Year ended 31 July 2020 | |
|--|-------------------------|-------------|-------------------------|-------------|
| | Consolidated £000 | ICR £000 | Consolidated £000 | ICR £000 |
| Net charge on ICRPS pension scheme | 439 | 439 | 579 | 579 |
| Unwinding of discount of USS pension provision | 157 | 157 | 637 | 637 |
| | 596 | 596 | 1,216 | 1,216 |

| 12. Fixed assets (Consolidated and Institute) | Freehold land and buildings £000 | Leasehold land and buildings £000 | Furniture plant and equipment £000 | Total |
|--|---|--|--|----------|
| Cost or valuation | | | | |
| At 1 August 2020 | 216,473 | 776 | 56,142 | 273,391 |
| Revaluation | (3,413) | 19 | - | (3,394) |
| Impairment | 588 | - | - | 588 |
| Additions at cost | 3,917 | - | 5,742 | 9,659 |
| Disposals at cost | - | - | (23,435) | (23,435) |
| Transfer of completed assets | - | - | - | - |
| At 31 July 2021 | 217,565 | 795 | 38,449 | 256,809 |
| Depreciation | | | | |
| At 1 August 2020 | 330 | 498 | 53,842 | 54,670 |
| Revaluation | (4,201) | 19 | - | (4,182) |
| Provided in the year | 3,871 | 10 | 2,534 | 6,415 |
| Disposals in the year | - | - | (23,435) | (23,435) |
| At 31 July 2021 | - | 527 | 32,941 | 33,468 |
| Net book value | | | | |
| At 31 July 2021 | 217,565 | 268 | 5,508 | 223,341 |
| of which: | | | | |
| Scientific properties | 217,515 | (9) | 5,508 | 223,014 |
| Other properties | 50 | 278 | - | 328 |
| At 31 July 2020 | 216,143 | 278 | 2,300 | 218,721 |
| of which: | | | | |
| Scientific properties | 216,093 | - | 2,300 | 218,393 |
| Other properties | 50 | 278 | - | 328 |
| Historic cost - net book value | | | | |
| At 31 July 2021 | 124,039 | 269 | 5,508 | 129,816 |
| At 31 July 2020 | 121,672 | 278 | 2,300 | 124,250 |

ICR's scientific properties were revalued by Gerald Eve Chartered Surveyors as at 31 July 2021. The valuations were undertaken on a depreciated replacement cost basis. The laboratory buildings were valued at £191,090,000 with associated land valued at £26,430,000.

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

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

| 13. Investments (Consolidated) | Market value 1 August 2020 £000 | Additions at cost £000 | Disposals at book value £000 | Gains/losses £000 | Market value 31 July 2021 |
|-------------------------------------|---------------------------------------|------------------------------|------------------------------------|----------------------|------------------------------|
| a. Non-current investments | | | | | |
| Listed | | | | | |
| UK Government | 2,429 | - | (2,118) | (311) | - |
| Other UK | 28,917 | 11,476 | (4,024) | 610 | 36,979 |
| Overseas | 42,704 | 7,732 | (24,178) | 13,780 | 40,038 |
| | 74,050 | 19,208 | (30,320) | 14,079 | 77,017 |
| Unlisted | | | | | |
| UK | 23,244 | 6,951 | - | 6,416 | 36,611 |
| Overseas | 47,414 | 12,686 | (7,447) | 6,770 | 59,423 |
| | 70,658 | 19,637 | (7,447) | 13,186 | 96,034 |
| Investment cash and deposits | 343 | 2,667 | - | (34) | 2,976 |
| | 145,051 | 41,512 | (37,767) | 27,231 | 176,027 |

The above investments includes a £2,219,000 investment in a non basic instrument, held at fair value based on a discounted cashflow calculation of the expected future return on investment for the instrument.

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

The historical cost of the Group and the ICR investments at 31 July 2021 was £136,633,000 (2020: £128,237,000) and £136,638,000 (2020: £128,242,000) respectively.

| | | | | | |
|------------------------|--------|-------|---------|---|--------|
| b. Current Investments | 64,936 | 4,883 | (5,689) | - | 64,130 |
|------------------------|--------|-------|---------|---|--------|

| 14. Trade and other receivables | Year ended 31 July 2021 | | Year ended 31 July 2020 | |
|---------------------------------------|-------------------------|-------------|-------------------------|-------------|
| | Consolidated £000 | ICR £000 | Consolidated £000 | ICR £000 |
| Amounts falling due within one year | | | | |
| Revenue grants | 3,892 | 3,892 | 5,417 | 5,417 |
| Other trade debtors | 1,375 | 1,178 | 3,138 | 2,843 |
| Legacy debtors | 3,211 | 3,211 | 2,254 | 2,254 |
| Other debtors | 152 | 152 | 235 | 235 |
| Amounts due from subsidiary companies | - | 339 | - | 14 |
| Prepayments and accrued income | 16,891 | 16,891 | 15,028 | 15,028 |
| | 25,521 | 25,663 | 26,072 | 25,791 |

| 15. Creditors | Year ended 31 July 2021 | | Year ended 31 July 2020 | |
|-------------------------------------|-------------------------|-------------|-------------------------|-------------|
| | Consolidated £000 | ICR £000 | Consolidated £000 | ICR £000 |
| Trade creditors | 6,181 | 6,181 | 2,388 | 2,388 |
| Accruals | 15,075 | 13,912 | 9,981 | 7,944 |
| Deferred research grants | 1,932 | 1,932 | 1,376 | 1,376 |
| Amounts due to subsidiary companies | - | 5 | - | 1,114 |
| Other creditors | 192 | 192 | 1,409 | 1,409 |
| Taxes and social security | 1,081 | 1,142 | 4,109 | 4,341 |
| | 24,461 | 23,364 | 19,263 | 18,572 |

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

| 16. Provisions for liabilities and charges (Consolidated and ICR) | Obligation to fund deficit on USS Pension £000 | Defined Benefit Obligations (Note 21) £000 | Total Pensions Provisions £000 | Leasehold dilapidation & decommissioning £000 | Total other provisions £000 |
|---|---|---|-----------------------------------|--|--------------------------------|
| At 1 August 2020 | 21,170 | 32,229 | 53,399 | 376 | 376 |
| Utilised in year | (813) | (2,724) | (3,537) | - | - |
| Additions in year | (878) | (7,467) | (8,345) | 7 | 7 |
| At 31 July 2021 | 19,479 | 22,038 | 41,517 | 383 | 383 |

The USS pension provision is the discounted value of the agreed deficit reduction payments, under the deficit recovery plan agreed as part of the 2018 valuation. More detail is given in Note 21.

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

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

17. Unrestricted reserves (Consolidated)

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

| | Balance at 1 August 2020 | Income | Expenditure | Transfers, gains and losses | Balance at 31 July 2021 |
|---|--------------------------|---------------|-----------------|-----------------------------|-------------------------|
| a. Income and expenditure reserve - unrestricted | | | | | |
| General Fund | 30,000 | 64,418 | (45,107) | (19,211) | 30,100 |
| Pension Reserve | (32,229) | - | (514) | 10,705 | (22,038) |
| Fixed Asset Fund | 52,896 | - | (462) | 6,095 | 58,529 |
| Development Fund | 128,401 | - | (5,632) | 40,505 | 163,274 |
| Centre for Cancer Drug Discovery | 2,002 | - | - | (2,002) | - |
| FC Hunter Studentship Fund | 472 | - | - | - | 472 |
| Faringdon Fund | 144 | - | (190) | - | (46) |
| Amenity Fund | 151 | - | (35) | 40 | 156 |
| | 181,637 | 64,418 | (51,940) | 36,132 | 230,447 |
| b. Revaluation Reserve | 94,471 | - | (1,734) | 788 | 93,525 |
| Total unrestricted reserves | 276,308 | 64,418 | (53,674) | 36,920 | 323,972 |

The consolidated unrestricted reserves position includes £191,000 in respect of subsidiary company reserves. The ICR unrestricted reserves position is therefore as above, but with a Development Fund balance of £163,083,000 and total unrestricted reserves of £323,781,000.

The Board of Trustees has decided that the ICR should maintain free reserves (General Fund) of £30,100,000 at 31 July 2021. These reserves are expendable at the Trustee's discretion and not designated for particular purposes. The General Fund includes £39,394,000 cumulative net unrealised gains on revaluation of fixed asset investments.

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

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

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

17. Unrestricted reserves (Consolidated) (Continued)

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

| | 2021 £000 | 2020 £000 |
|-------------------------------------|--------------|--------------|
| Capital projects and refurbishments | 3,090 | 5,815 |
| Scientific Initiatives | 102,335 | 100,618 |
| Other development funds | 67,849 | 21,968 |
| | 163,274 | 128,401 |

The Centre for Cancer Drug Discovery Fund was a designated fund in which unrestricted legacy and fund-raising income received since 1 August 2013 has been set aside to fund the ICR's plans for a Centre for Cancer Drug Discovery on the Sutton site. With the completion of the building, this fund will now be closed.

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

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

The Amenity Fund provides funds for staff welfare.

| 18. Restricted reserves (Consolidated and ICR) | Balance at 1 August 2020 £000 | Income £000 | Expenditure £000 | Transfers, gains and losses £000 | Balance at 31 July 2021 £000 |
|--|----------------------------------|----------------|---------------------|-------------------------------------|---------------------------------|
| a. Income funds | | | | | |
| Funds invested in fixed assets | | | | | |
| Breast Cancer Now | 3,318 | - | (111) | - | 3,207 |
| The Bob Champion Cancer Trust | 600 | - | (20) | - | 580 |
| Everyman Appeal | 475 | - | (16) | - | 459 |
| The Garfield Weston Foundation | 740 | - | (20) | - | 720 |
| The Monument Trust | 208 | - | (7) | - | 201 |
| The Wolfson Foundation | 4,037 | - | (95) | - | 3,942 |
| The Ivon and Felicitie Stoller Fund | 608 | - | (12) | - | 596 |
| Sir SK Tang Fund | 617 | - | (12) | - | 605 |
| Funding body capital funding | 51,373 | 2,313 | (2,179) | - | 51,507 |
| The Wellcome Trust | 5,099 | - | (159) | - | 4,940 |
| Building funds | 2,886 | 62 | (120) | - | 2,828 |
| Equipment funds | 1,392 | 1,289 | (980) | - | 1,701 |
| | 71,353 | 3,664 | (3,731) | - | 71,286 |
| Other restricted funds | | | | | |
| Other restricted donations | 7,059 | 3,299 | (2,473) | - | 7,885 |
| Research grants | 42,385 | 70,582 | (64,632) | (374) | 47,971 |
| | 49,444 | 73,891 | (67,105) | (374) | 55,856 |
| Total restricted income funds | 120,797 | 77,555 | (70,836) | (374) | 127,142 |

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

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

Transfers totalling £374,000 were made from restricted funds to unrestricted funds following a review of closing restricted research balances. The ICR is proud to partner with a range of organisations in its investment in cutting edge laboratory facilities. Key examples reflected above include the following generous contributions from our partners:

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

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

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

The Higher Education Funding Council for England, Wolfson Foundation, Garfield Weston Foundation and Ivan and Felicité Stoller Fund contributed to the Centre for Cancer Imaging.

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

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

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

The research grants are funds received by the ICR for specific cancer research projects. Within research grants there are grants in deficit of £2,003,000, which represents grants where expenditure has been incurred ahead of funding expected to be received in 2020/21. There are no material individual fund deficits.

| b. Endowment funds | Balance at 1 August 2020 £000 | Income £000 | Expenditure £000 | Transfers, gains and losses £000 | Balance at 31 July 2021 £000 |
|------------------------------------|-------------------------------|-------------|------------------|----------------------------------|------------------------------|
| Permanent endowment funds | | | | | |
| Sir SK Tang Fund | 332 | - | - | 88 | 420 |
| Expendable endowment funds | | | | | |
| Hensley Nankivell Studentship Fund | 1,100 | - | (74) | 290 | 1,316 |
| Total endowment funds | 1,432 | - | (74) | 378 | 1,736 |

The ICR received no new endowments in 2020/21.

The Hensley Nankivell Studentship Fund was received from the estate of Mrs SMA Nankivell for the purpose of supporting research studentships at the ICR. The Sir SK Tang Fund is a legacy received from the estate of Sir SK Tang. The Tang Fund is for cancer research. For permanent endowment funds the capital cannot be expended. For expendable endowment funds the capital can be spent on qualifying expenditure.

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

| Balance as at 1 August 2020 | Endowment £000 | Unapplied total return £000 | Total £000 |
|--|----------------|-----------------------------|------------|
| Gift component of the permanent endowment | 333 | - | 333 |
| Unapplied total return | - | (1) | (1) |
| Total permanent endowments as at 1 August 2020 | 333 | (1) | 332 |
| Movements in the period | | | |
| Investment return: realised and unrealised gains | - | 88 | 88 |
| Less: Investment management costs | - | - | - |
| Less: Transfer to funds invested in fixed assets | - | - | - |
| | - | 88 | 88 |
| Balance as at 31 July 2021 | | | |
| Gift component of the permanent endowment | 333 | - | 333 |
| Unapplied total return | - | 87 | 87 |
| Total permanent endowments as at 31 July 2021 | 333 | 87 | 420 |

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

19. Capital commitments

| | 2021 £000 | 2020 £000 |
|---------------------------------|-----------|-----------|
| Contracted but not provided for | 3,603 | 3,890 |

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

20. Lease commitments

At 31 July 2021 the ICR had operating lease commitments in respect of all future payments for equipment and property leases which expire as follows:

| | 31 July 2021 | | 31 July 2020 | |
|--|--------------------|---------------------|--------------|-------|
| | Land and Buildings | Plant and machinery | Total | Total |
| Payable during the year | 372 | 408 | 780 | 780 |
| Future minimum lease payments due: | | | | |
| Not later than 1 year | 372 | 272 | 644 | 780 |
| Later than 1 year and not later than 5 years | 217 | - | 217 | 489 |
| Total lease payments due | 589 | 272 | 861 | 1,269 |

21. Superannuation schemes

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

a) Universities Superannuation Scheme (USS)

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

The total cost charged to the CSOCIE is £8,581,000 (2020: £8,286,000). This included Deficit recovery contributions of £813,000 (2020: £665,000). Deficit recovery contributions due within the year to 31 July 2022 have been modelled as £2,293,000.

A valuation as at 31 March 2020 was completed on 1 October 2021 (see note 25).

Since the ICR cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

| | |
|-------------------------------|--|
| Pension increases (CPI) | Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a. |
| Discount rate (forward rates) | Years 1-10: CPI + 0.14% reducing linearly to CPI - 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21+: CPI + 1.55% |

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

21. Superannuation schemes (continued)

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

| Mortality base table | 2021 | 2020 |
|--|---|---|
| | Pre-retirement: | Pre-retirement: |
| | 71% of AMCO0 (duration 0) for males and 112% of AFC00 (duration 0) for females. | 71% of AMCO0 (duration 0) for males and 112% of AFC00 (duration 0) for females. |
| | Post retirement: | Post retirement: |
| | 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females. | 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females. |
| Future improvements to mortality | CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.6% pa for males and 1.6% pa for females. | CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females. |
| The current life expectancies on retirement at age 65 are: | 2021 | 2020 |
| Males currently aged 65 (years) | 24.6 | 24.4 |
| Females currently aged 65 (years) | 26.1 | 25.9 |
| Males currently aged 45 (years) | 26.6 | 26.3 |
| Females currently aged 45 (years) | 27.9 | 27.7 |

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

| | 2021 | 2020 |
|---------------------------|-------|-------|
| Discount rate | 0.89% | 0.74% |
| Pensionable salary growth | 3% | 3% |

b) ICR Pension Scheme (ICRPS)

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

The pension cost that would have been charged to the Operating surplus under FRS 102 for the year amounts to £514,000 (2020: £801,000). This is equal to the past service cost of £75,000 (2020: £222,000) plus the finance income of £439,000 (2020: £579,000).

An actuarial valuation was carried out at 31 July 2021 by a qualified independent actuary, based on membership data at 31 March 2019, updated to take account of actual revaluation, material member movements and expected benefit outgo, using actuarial assumptions at 31 July 2021. An allowance has been made for the discretionary increases awarded as at 1 April 2019, 1 April 2020 and 1 April 2021.

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

21. Superannuation schemes (continued)

Contributions to the Scheme for the year beginning 1 August 2021 are expected to be £1,848,000 based on the current Schedule of Contributions.

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

| | As at 31 July 2021 | As at 31 July 2020 | As at 31 July 2019 |
|--|-----------------------|-----------------------|-----------------------|
| Discount rate | 1.60% | 1.40% | 2.10% |
| Consumer Prices Index ("CPI") | 2.90% | 2.20% | 2.40% |
| Future 5%LPI pension increases | 2.90% | 2.20% | 2.40% |
| Future 2.5%LPI pension increases | 2.50% | 2.20% | 2.40% |
| Revaluation in deferment | 2.90% | 2.20% | 2.40% |
| Assumed life expectancies on retirement at age 65 are: | | | |
| Retiring today | Males 21.3 | 22.0 | 22.1 |
| | Females 24.1 | 24.6 | 24.4 |
| Retiring in 20 years time | Males 22.5 | 23.4 | 23.6 |
| | Females 25.5 | 26.1 | 26.0 |

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

| | Value at 31 July 2021 £000 | Value at 31 July 2020 £000 |
|--|----------------------------------|----------------------------------|
| Equities | 36,252 | 46,244 |
| Fixed Interest | 14,557 | 12,927 |
| Inflation Linked Bonds | 36,254 | 17,761 |
| Alternatives | - | - |
| Insured Annuities | 21,342 | 23,325 |
| Cash and Other | 1,017 | 446 |
| Fair value of scheme assets | 109,422 | 100,703 |
| The actual return on assets over the period was: | 9,642 | 10,335 |
| Present value of funded obligations | 131,460 | 132,932 |
| Fair value of scheme assets | 109,422 | 100,703 |
| Deficit in funded scheme | (22,038) | (32,229) |
| Deficit | (22,038) | (32,229) |
| Net liability in balance sheet | (22,038) | (32,229) |

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

21. Superannuation schemes (continued)

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

| | As at 31 July 2021 | As at 31 July 2020 |
|---|--------------------|--------------------|
| Benefit obligation at beginning of year | 132,932 | 119,631 |
| Interest cost | 1,843 | 2,487 |
| Actuarial profits/losses | (666) | 13,248 |
| Benefits paid | (2,724) | (2,656) |
| Past service cost | 75 | 222 |
| Benefit obligation at end of year | 131,460 | 132,932 |

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

| | | |
|--|---------|---------|
| Fair value of scheme assets at beginning of year | 100,703 | 91,268 |
| Interest income on scheme assets | 1,404 | 1,908 |
| Return on assets, excluding interest income | 8,238 | 8,427 |
| Contributions by employers | 1,801 | 1,756 |
| Benefits paid | (2,724) | (2,656) |
| Fair value of scheme assets at end of year | 109,422 | 100,703 |

The amounts recognised in CSOCIE:

| | | |
|--|-----|-----|
| Service cost – including current service costs, past service costs and settlements | 75 | 222 |
| Net interest on the net defined benefit liability | 439 | 579 |
| Total expense | 514 | 801 |

Remeasurements of the net defined benefit (asset)/ liability to be shown in CSOCIE:

| | | |
|---|---------|---------|
| Actuarial (profits)/ losses on the liabilities | (666) | 13,248 |
| Return on assets, excluding interest income | (8,238) | (8,427) |
| Total remeasurement of the net defined benefit (asset)/ liability to be shown in CSOCIE | (8,904) | 4,821 |

c) NHS pension scheme

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

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

21. Superannuation schemes (continued)

i) Accounting valuation

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

ii) Full actuarial (funding) valuation

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

d) Unfunded pensions

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

22. Subsidiary undertakings

The ICR has the following subsidiary undertakings:

(i) **ICR Chelsea Development Limited** – The ICR owns 100% of the issued share capital of this company which has been set up to act as the developer of a refurbishment project which has now been completed. It did not make a profit or a loss for the period ended 31 July 2021 and its net assets at that date amounted to £2. The accounts of ICR Chelsea Development Ltd have been consolidated into the accounts of the ICR.

(ii) **ICR Sutton Developments LTD** – The ICR owns 100% of the issued share capital of this company which has been set up to act as the developer of ICR properties. It broke even in the year ended 31 July 2021 (2020: £388 profit). Its net assets at 31 July 2021 amounted to £189,985 (2020: £194,709). The accounts of ICR Sutton Developments Ltd have been consolidated into the accounts of the ICR.

(iii) **ICR Enterprises Limited** – The ICR owns 100% of the issued share capital of this company which undertakes trading activities for the benefit of the ICR that the ICR cannot carry out itself as an exempt charity. It broke even for the year ended 31 July 2021 (2020: £2,138). Its net assets at 31 July 2021 amounted to £1,581 (2020: £3,720). The accounts of ICR Enterprises Ltd have been consolidated into the accounts of the ICR.

(iv) **ICR Equipment Leasing No.8 Limited** – The ICR owns 100% of the share capital of this company which holds a leasehold interest in the Chester Beatty Laboratory. It made a profit of £102 for the year ended 31 July 2021 (2020: £102) which will be paid to the ICR by means of a payment under gift aid. Its net assets at 31 July 2021 was £5,351 (2020: £5,351). The accounts of ICR Equipment Leasing No.8 Limited have been consolidated into the accounts of the ICR.

(v) **Everyman Action Against Male Cancer** – The company is limited by guarantee and was dormant throughout the period ended 31 July 2021.

(vi) **ICR London Cancer Hub Company Limited** – The ICR owns 100% of the issued share capital of this company, which undertakes activities in respect of the London Cancer Hub project. The company was incorporated on 2 March 2017 and has not traded since incorporation.

(vii) **ICR Chemical Probes Portal Limited** – The ICR owns 100% of the issued share capital of this company, which undertake activities in respect of online Chemical Probes resources. The company was incorporated on 24 November 2020 and has not traded since incorporation.

(viii) **Other investments** – The ICR is a founder and shareholder of two companies whose aims are to exploit the intellectual property generated at the ICR. This includes Domainex Limited (2.37% shareholding) and Chroma Therapeutics Limited (3.55% shareholding). The cost of the ICR's shareholding of these companies is included in investments.

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

22. Subsidiary undertakings (continued)

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

| ICR Sutton Developments Limited | 2021 £000 | 2020 £000 |
|--|--------------|--------------|
| Turnover | 841 | 8,745 |
| Expenditure | (841) | (8,745) |
| Operating profit | - | - |
| Assets | 1,374 | 2,218 |
| Liabilities | (1,184) | (2,023) |
| Funds | 190 | 195 |
| ICR Equipment Leasing No. 8 Limited | 2021 £000 | 2020 £000 |
| Turnover | - | - |
| Expenditure | - | - |
| Operating profit | - | - |
| Assets | 5 | 5 |
| Liabilities | - | - |
| Funds | 5 | 5 |
| ICR Chelsea Development Limited has net assets of £2. There were no transactions for this subsidiary during 2020/21. | | |
| ICR Enterprises Limited | 2021 £000 | 2020 £000 |
| Turnover | 2 | 6 |
| Expenditure | (2) | (4) |
| Operating profit | - | 2 |
| Assets | 17 | 19 |
| Liabilities | (15) | (15) |
| Funds | 2 | 4 |

The Institute of Cancer Research
Notes to the financial statements (continued)
Year ended 31 July 2021

23. Related parties

The ICR has taken the exemption given by Financial Reporting Standard 102, from disclosing transactions with wholly owned subsidiaries. One of the Trustees is employed by Cancer Research UK which provides funding to the ICR in the form of grants awarded through open competition and external peer review. £28,388,000 of funding was received from Cancer Research UK during the year, and £9,000 from their subsidiary company Cancer Research UK Technology Ltd. This includes £3,880,000 in pending grant instalments included on the ICR's balance sheet. £26,000 was owed by Cancer Research UK Technology Ltd at the year end. One of the Trustees is Chief Executive of The Royal Marsden NHS Foundation Trust ("The Royal Marsden"). The ICR's Chief Executive is a non-executive director of The Royal Marsden. Research expenditure includes £3,817,000 and research grant income includes £4,362,000 in respect of collaborative research undertaken with The Royal Marsden. The year end accounts receivable balance includes £1,516,000 owed to ICR by The Royal Marsden and £10,000 was owed to The Royal Marsden by ICR.

24. Accounting estimates and judgements

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

Legacy income of £5,050,000 has been accrued based on the estimated value of legacy cases for which probate has been granted and any other related conditions met, for which no funds have yet been received.

The freehold and leasehold properties comprising the Institute of Cancer Research operational estate were valued as at 31 July 2021 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation - Professional Standards, January 2014 amendment, and April 2015 UK amendment and Financial Reporting Standard 102 and the 2019 Statement of Recommended Practice 'Accounting for Further and Higher Education'. The valuation was undertaken on a Fair Value basis, with specialised properties valued by reference to Depreciated Replacement Cost, and with non-specialised operational properties valued on a Fair Value basis equating to Market Value on the assumption of a continuation of the existing use. The valuation is reported under the special assumptions to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced.

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

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

The calculation of the liability uses a discount rate of 0.89% based on a discount rate for high quality corporate bonds. The calculation also uses assumptions around future salary inflation and changes in staff numbers.

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

25. Events after the reporting period

The USS 2020 valuation has now been signed and filed with The Pensions Regulator with an effective date of 1 October 2021. The resulting schedule of contributions will see a small increase in contribution rates from the 2018 Valuation and a longer deficit recovery period as a result of the decision to proceed with benefit change by the Joint Negotiating Committee (JNC) subject to member consultation. The impact on the USS liability is an increase from £19,479,000 to £59,567,000.

ICR information

4

The Board of Trustees

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

| Name | Title/nominating body | Number of meetings could have attended* | Actual Attendance | Notes |
|------------------------------------|--|---|-------------------|--------------------|
| Professor Chris Bakal PhD | Academic Board | 3 | 2 | Since 1 March 2021 |
| Professor Jeffery Bamber MSc PhD | Academic Board | 3 | 2 | until 28 Feb 2021 |
| Mr William Burns BA(Hons) | Co-option | 6 | 6 | |
| Mrs Mandy Donald BAcc | Co-option | 6 | 5 | |
| Miss Rachel Evans | Student | 6 | 6 | |
| Mr Charlie Foreman BA | Co-option | 6 | 6 | |
| Dr Iain Foulkes PhD | CRUK | 6 | 6 | |
| Mr Charlie Geffen | Deputy Chair / Co-option | 6 | 6 | |
| Professor Clare Isacke FMedSci | Dean of Academic & Research Affairs | 6 | 6 | |
| Mr Luke Johnson MA(Hons) | Chair | 6 | 6 | |
| Professor Nicholas Jones FMedSci | Co-option | 6 | 5 | |
| Professor Timothy Maughan | Co-option | 1 | 1 | Until 1 Nov 2020 |
| Mr Karl Munslow-Ong BA(Econ) MSc | Alternate Director to Cally Palmer / The Royal Marsden | 6 | 6 | |
| Dr Brendan O'Neill PhD | Deputy Chair & Honorary Treasurer / Co-option | 3 | 3 | Until 28 Feb 2021 |
| Dame Cally Palmer MSc MIHM DipHSM | The Royal Marsden | 6 | 5 | |
| Miss Nithya Paranthaman | Student | 3 | 2 | Until 28 Feb 2021 |
| Mr Ruchir Rodrigues MSc | Co-option | 6 | 6 | |
| Mr John Shakeshaft MA | Co-option | 2 | 2 | Since 1 June 2021 |
| Professor Paul Workman FRS FMedSci | Chief Executive and President/ Ex Officio | 6 | 6 | |

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

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

| | |
|--|--|
| Mr Paul Norris BSc(Hons) ACA MBA | Director of Finance |
| Dr Barbara Pittam MPhil PhD | Registrar, Director of Academic Services |
| Mr Steve Surridge BSc (Hons) MRICS Dip IoD | Director of Operations |
| CDir FloD CIWFM | |
| Mr Gordon Stewart LLB (Hons) | Chief Operating Officer |
| Professor Janet Shipley BSc, PhD, FRCPPath | Head, Division of Molecular Pathology |
| Professor Jonathon Pines FRS, FMedSci, PhD | Head, Division of Cancer Biology |
| Professor Kevin Harrington PhD FRCP FRCR | Head, Division of Radiotherapy & Imaging |
| FRSB | |

Governing committees, fellows, members and associates

The ICR benefits from external expertise on the following committees that report to the Board of Trustees (as at 31 July 2021):

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

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

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

Mr Neil Ashley
Sir John Michael Ashworth
Dr Peter John Bailey
Dr David Barford
Lord Bell
Professor Alastair John Bellingham
Mr Roger Nicholas Bird
Professor Sir Tom Leon Blundell
Dr Mark William Bodmer
Sir Marsom Henry Boyd-Carpenter
Professor Julia Buckingham
Mr William Murray Burns
Mr Graham John Clarke
Mr Andrew Campbell
Mr Edward Alexander Campbell Cottrell
Miss Phyllis Margaret Cunningham
Mr Stephen Rex Davie

Professor Anthony John Swainson Davies
Mr Marcus Basil Ziani de Ferranti
Mr Jeffrey Jack Defries
Ms Mandy Donald
Mr Anthony William Charlton Edwards
Mr Richard John Elliott
Lord Charles Michael Faringdon
Dr Susan Elizabeth Foden
Mr Charlie Foreman
Mr Bernard William Freedman
Mr David Richard Fryatt
Professor Peter Bryan Garland
Ms Sandra Gallagher
Mr Charles Slade Henry Geffen
Mr Dermot James Gleason
Dr Peter Neville Goodfellow
Mrs Jane Elizabeth Hamilton
Professor Adrian Llewellyn Harris
Mr Clive Andrew Hespathy
Mr Thomas Alexander Gavin Henderson
Dr Trevor Anthony Hince
Mr Ian Hodgson
Mr James Holland
Mrs Isabelle Hotimsky
Mrs Susan Ann Johnson
Mr Luke Oliver Johnson
Professor Nicholas Jones
Mr Peter John Charles Kéamer
Mr Jonathan Mark Kipling
Mr Artem Korolev
Professor Ronald Alfred Laskey
Mr Keith Cantwell Lawrence
Mr Anthony Edward Lighty
Mr Michael George Lillywhite
Mr Justin Nicholas Macklin
Mr Kenneth Alfred Markham
Mr Frederick Ian Maroudas
Professor Timothy Stanley Maughan
Mr Christopher Richard Molloy
Dr Michael James Morgan
Professor Howard Redfern Morris
Professor Ghulam Jeelani Mufti
Ms Sharmila Nebhrajani
Professor Stephen Neidle
Dr Brendan Richard O'Neill
Professor Robert John Ott
Lady Helen Margaret Otton
Professor Sir Michael John Peckham
Miss Annabel Clare Pillman
Mrs Jenkin Rathbone
Professor Lesley Howard Rees

Governing Committees, Fellows, Members and Associates

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

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

Dr Gladys Wynne Aherne
Mrs Rosemary Joan Atkins
Ms Linda Margaret Baldwin
Dr Susan Elaine Barrie
Mrs Elizabeth Anne Bennett
Mrs Susan Braddish
Mr Dennis A Brunning
Mrs Bridget Therese Carsey-Watts
Mr Paul Carnochan
Professor Richard Lawrance Carter
Mr Christopher Stephen Chandler
Mr Nicholas David Clarke
Miss Susan Clinton
Mr Paul Frederick Collins
Mrs Gillian Alice Coombes
Mrs Jacqueline Ann Cordell
Professor Dame Jessica Lois Corner
Mrs Christine Croucher
Dr Douglas Augustine Darcy
Dr Lawrence Christopher Davies
Ms Barbara Deverson

Professor Suzanne Amy Eccles
Mr Paul Charles Farley
Mrs Carol Ann Faux
Dr Edwin Oscar Field
Dr Margaret Alice Flower
Mrs Ann Susan Ford
Mr Frank Friedlos
Professor Michelle Dawn Garrett
Mrs Phyllis Maud Goddard
Dr Graham Humphreys Goodwin
Dr Henry Steven Greer
Dr P Grover
Professor Barry Austin Gusterson
Professor Joseph Gustave Hall
Mr John Gordon Harris
Mr Alan John Hewer
Professor Christopher Rowland Hill
Mr Paul Stephen Hyett
Professor Ann Lesley Jackman
Ms Liz Jackson
Professor Michael Jarman
Mrs Marjorie Cameron Kipling
Mrs Betty Dorothy Lloyd
Mr Robert MacCormick
Mrs Ruth Marriott
Mrs Christine Martin
Dr Estella Matutes
Dr Edward McDonald
Mr Robert Kenneth Merrifield
Mr Edward Reginald Howard Merryweather
Ms Judith Mills
Dr Martin Roy Osborne
Mr Kwasi Ampadu Owusu-Ankomah
Mr Geoffrey Douglas Parnell
Dr Hugh Forsyth Paterson
Dr John Peacock
Mrs Rosemary Ann Pendry
Ms Nina Padmini Perusinghe
Professor Charles Ross Pinkerton
Mrs Marcia Rangeley
Dr Jane Renshaw
Mr Dave Robertson
Dr Martin George Rowlands
Mrs Sheila Sanford
Mr Derek Simmons
Mrs Margaret Rosina Snigorska
Professor Gordon G Steel
Mr Arthur Leslie Stewart
Mrs Sylvia M Stockbridge
Miss Dorothy Lilian Tharp
Mr Maurizio Luigi Piero Valeri
Dr Stan Venitt
Mr William Warren
Dr Kathy Weston
Mrs Eileen Margaret Williams
Mrs Marion Zanelli

Legal and administrative
information

Auditors
BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex RH6 0PA

Bankers
HSBC plc
70 Pall Mall, London SW1Y 5EZ

Investment Managers
Cazenove Capital Management
1 London Wall Place
London EC2Y 5AU

Solicitors
Veale Wasbrough Vizards LLP
24 King William Street
London EC4R 9AT

Registered Office
123 Old Brompton Road
London SW7 3RP

Company number
00534147